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ONLY NINE MONTHS UNTIL TAX LAWS CHANGE! HAVE YOU APPLIED TO REGISTER YET?**Registration update**

It is important to apply as soon as possible to get your place in the registration processing queue. If you haven't already applied, we suggest that your organisation applies now, rather than waiting until after your AGM, to avoid uncertainty around tax exemptions. Additionally, if you know any other organisations that haven't yet applied, we'd appreciate your encouraging them to send in their application as soon as possible. Here's a brief registration update:

Charities registered

1,360

Applications queued for analysis

2,487

Processing time

- Individual applications – 14 weeks for correctly completed registrations, with more complex cases taking longer
- Group applications – at least 90 working days

Overview of types of charities registered as at 30 September 2007

The "big three" most common:

Sectors – education/training/research, social services, health

Activities – services, providing advice, information or advocacy, making grants to organisations

Beneficiaries – children/young people, general public, older people

Areas of operation were as follows:

Auckland – 174

Bay of Plenty – 93

Canterbury – 174

Chatham Islands – 3

Gisborne – 31

Hawke's Bay 47

Manawatu-Wanganui – 62

Nelson-Marlborough-Tasman – 43

Northland – 63

Otago – 73

Southland – 38

Taranaki – 40

Waikato – 87

Wellington-Wairarapa – 146

West Coast – 20

Nationwide – 341

Overseas – 88

You can register online at www.charities.govt.nz, download forms from our website, or call our Contact Centre on freephone 0508 242 748 to request a copy of the forms.

First marae registered

Kaiuku Marae is the first marae to become a registered charity under the Charities Act 2005.

Based in Hawkes Bay, Kaiuku Marae is on land set apart as a Māori reservation under Te Ture Whenua Maori Act.

If a marae is on a Māori reservation, maintaining and administering the land and buildings of the marae is treated as being charitable.

Māori translations of “A Guide to the Charities Act” and guidance notes for some forms are available for those organisations who would like information in Māori. You may also wish to refer to our information on “Iwi/Māori organisations and the Charities Act” found at www.charities.govt.nz/news/fact_sheets/maori_or_gs_charities_act.htm.

On the road with NZICA

We will be presenting at the New Zealand Institute of Chartered Accountants (NZICA) Seminar Roadshow from late October to early December. As a special offer, NZICA and organisers Hayes Knight have agreed that we can offer two free places at each seminar to **registered** charities. This offer is “first-come, first-served” - one place and location per charity. The first two registered charities to email us and sign up for a seminar in their chosen location will be able to attend free.

You can download a flyer at www.charities.govt.nz/news/NZICA_roadshow_flyer.pdf. The purpose of the course is to provide members involved with charities and not-for-profit organisations with a practical and interactive update on recent changes in the sector.

Whether you have already registered, are yet to register, or are still not sure if your not-for-profit organisation should register – we are sure you would find this course useful.

Dates and venues are as follows:

29 October – Invercargill
30 October – Dunedin
31 October – Christchurch
1 November – Ashburton
5 November – Auckland (branch)
6 November – Hamilton
7 November – Tauranga
13 November – Greymouth
14 November – Nelson
15 November – Palmerston North
16 November – New Plymouth
21 November – Auckland (CBD)
22 November – Gisborne
10 December – Wellington
11 December – Masterton

Be in quick! If you’re already registered under the Charities Act, and would like to secure a free place on the course email info@charities.govt.nz with “NZICA Seminar” in the subject line, and tell us the name of your organisation, your Charities Commission registration number, and which seminar you would like to attend. We’ll accept the first two emails for each area.

Commission annual meetings reminder

Have you marked the annual meeting closest to you in your diary yet?

We are still in the relatively early stages of registering charities, so we warmly welcome all registered and unregistered charities to attend this year.

At each annual meeting, the Commission reports on the operation of the Commission during the preceding financial year, tables the financial statements of the Commission for that year, and reports on any matters that the Commission has knowledge of that may significantly affect the charitable sector in the current financial year.

People who attend the meeting will have a reasonable opportunity to:

- ask questions concerning the operation of the Commission during the preceding financial year
- make submissions to the Commission concerning the operation of the Commission during the preceding financial year
- ask questions concerning the matters referred to about the charitable sector and to make submissions to the Commission concerning those matters.

Venues are as follows:

Wellington

Monday 19 November, 2pm - 4.30pm
National Library of New Zealand Auditorium
Corner of Molesworth and Aitken Streets (street level entrance on Aitken Street)

Christchurch

Wednesday 28 November, 2pm - 4.30pm
Canterbury Horticultural Hall
Hagley Park South, Riccarton Ave

Dunedin

Thursday 29 November, 2pm - 4.30pm
Dunedin Public Art Gallery Conference Room
30 The Octagon

Auckland

Monday 3 December, 2pm - 4.30pm
Fickling Centre
546 Mt Albert Road, Three Kings

Tauranga

Tuesday 4 December, 2pm - 4.30pm
Bureta Park Motor Inn, Redwood Room
Vale Street, Otumoetai

We look forward to seeing you there!

No need to send accounts with your application

Just a reminder that you don't need to provide a copy of your accounts to us until you send in your first Annual Return.

The Charities Act requires all charities registered with the Commission to file an Annual Return within six months after their balance date. Accounts can be audited or unaudited.

We are aware that some organisations are choosing not to apply for registration now, as they would prefer to delay filing their first Annual Return.

However, the Commission can grant an exemption from the requirement to send an Annual Return for any particular year. While each case must be considered individually, there are generally good grounds for exempting charities from filing Annual Returns that would contain information that pre-dates registration.

Many organisations who have recently been registered have been granted exemptions this year, so we encourage you to apply now.

Is group registration an option for you?

Some organisations are applying as a group but when we look at their application, we find they are in fact one entity made up of several branches. The branches are not separate, stand alone entities and don't meet the criteria for each to register in its own right as an individual entity.

Here is a quick checklist to help you decide if group registration is an option for you. Does *each organisation* in the proposed group:

- qualify for registration under the Charities Act in its own right?
- have its own rules, separate finances, and, if applicable, is separately registered with the Companies Office?
- have a name that complies with the Charities Act?
- have officers that are all qualified to be officers under the Charities Act?
- not* operate for the private profit of any individual or group?
- have similar charitable purposes to others in the group?
- have affiliations or a close relationship with the parent?
- want to be part of a group?

If you answered 'yes' to all these questions then group registration may be for you.

To apply as a group, the group needs to agree on a parent organisation to lead the registration process and accept responsibilities for the group after registration.

Applying to register a group of charities under the Charities Act is a two-stage process, which involves making an initial submission to the Charities Commission to treat the organisations as a group, then filling out a group application form. Processing a group application currently takes at least 90 working days.

Recently we had an organisation send in hundreds of Officer Certification Forms thinking that they needed to apply as a group, but they were in fact one entity made up of several branches. If you are in any doubt we suggest you call our Contact Centre on 0508 242 748 and they will get one of our staff to call you to discuss what your options are. You can also refer to our series of information sheets on group registration found at www.charities.govt.nz/guidance/group_registration.html.

Gaming machine societies and the Charities Act

Gaming machine societies have their own income tax exemption provision in section CW 40B of the Income Tax Act 2004: CW 40B – Income from conducting gaming-machine gambling.

So, from a tax point of view, there is no need for gaming machine societies to register to be eligible for a tax exemption as there will be no direct impact as a result of the Charities Act.

However, any organisation that considers that it has charitable purposes and is established for "public benefit" may apply for registration with the Commission.

Guidelines for promoting your registration number

If you are now a registered charity, congratulations! You may now be wondering how to promote your registration to the public. One way of doing this is to promote your unique registration number to indicate to the public that your charity has met the requirements of registration and is proven to have a charitable purpose.

Members of the public are entitled to ask fundraisers for this number.

We encourage you to promote your unique charity registration number, and refer supporters and potential donors to your charity's information on the Charities Register itself, at www.charities.govt.nz. The Charities Register will help people to make well-informed decisions about the charities they wish to support.

Displaying your registration number on your promotional materials is not compulsory.

However, if you choose to do so, we suggest you use the following wording on your print materials and website:

"[Name of charity and number, eg Happy Days Trust - CC123456] is a registered charitable entity in terms of the Charities Act 2005. For more information, visit the Charities Register at www.charities.govt.nz."

You might like to use this wording in conjunction with your organisation's logo.

Please note though, that the Charities Commission does not make its logo available for any other organisation to use.

Common application issues

We send back applications which have information missing or are incomplete.

For more complex issues, we send a letter which may lead to a decline, which also explains the issue, and we also usually talk with the applicant.

Most application issues are resolved but it can take months to do so. Getting your application right the first time can save a lot of time. Here are some common application issues:

- The application form wasn't certified (ie signed).
- The number of officers supplied doesn't match the rules of the entity.
- The purposes are clearly charitable but there is no information about actual activities in the rules.
- For charities that fund others, we need to check that the funding is going to charitable activities.
- The purposes are so broad that they allow the entity to engage in activities that aren't charitable.
- There are no controls over the prevention of private pecuniary profit (ie personal financial gain).
- The winding up clause allows a distribution to non-charitable purposes.

To help you, there are guidance notes on our forms and we have developed helpful fact sheets which you can download at www.charities.govt.nz/news/fact_sheets.htm. If you still have questions please email our Contact Centre info@charities.govt.nz or freephone 0508 CHARITIES.

Results of Update survey

Thanks to all those who completed our survey. It was heartening to find that the majority of you thought that we are on the right track. Half the respondents said that they passed their *Update* on too – thank you for spreading the word!

Many of the articles in this edition are in response to your feedback, including the registration update (which we will include in each issue from now on), information on group registration, common application issues, and a mini-index at the beginning.

We are always open to feedback, so if there is something you would particularly like to see in a future edition of *Update* please email your request to info@charities.govt.nz.

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