

# Update

August 2008

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## 1 July 2008 – thank you

A big thank you to all those charities who sent us their completed application before 1 July 2008 – we really appreciate your efforts to apply before the tax law-change deadline.

We have a large number of applications we are still working through – you can check our overall progress on our website [homepage](#) (updated every Monday), and you can also check progress on your own application by [logging in](#) to your account with your user ID and password.

We will be in touch with you when we process your application – either to let you know you have been registered, or to ask for more information or clarification.

While your properly-completed application is in our processing queue, you are covered by IRD's transition arrangements (see their guidelines on their [website](#)) and will continue to be regarded as "charitable" for tax purposes and therefore exempt from income tax and gift duty.

## Registration update

**Charities registered as at 4 August 2008:** 10,260

**Processing time:** our registration analysts are currently making initial reviews of applications received from: 19 May 2008\*.

\*Many straightforward applications, once they reach the front of our queue, are

processed within several weeks

However, if there are any complex issues involved, or the application requires additional work by a senior analyst to confirm an analyst's initial view, it takes longer to complete the process – currently several additional months.

Please be patient. We are processing applications as efficiently as possible, and we'll be in touch as soon as we have processed yours – either to ask for more information or clarification, or to let you know that your organisation has been registered.

## 10,000<sup>th</sup> charity registered

The Commission has registered its 10,000th charity - the Papakura Marae Society Incorporated, which has the unique charities registration number CC28589. Amongst its charitable purposes, the Marae Society provides work and educational programmes in the health, social and educational sectors, and provides advice, information and advocacy.

**First charity registered** – [Te Aute Koiri Foundation](#) - 9 February 2007  
Incorporated, CC10001

**100th charity registered** – [North Shore RDA Charitable Trust](#) – 23 March 2007  
- CC10102

**First marae registered** – [Kaiuku Marae](#) – 11 September 2007 - CC11069

**First group registered** – [Te Kotahitanga o Te Arawa Waka Fisheries Group](#) – 3  
November 2007 - CC10819-0

**10,000th charity registered** – [Papakura Marae Society Incorporated](#) – 30 June  
2008 - CC28589

## Snapshot

Overview of types of charities registered as at 4 August 2008

The “big three” most common:

Sectors – Education/training/research, Religious activities, Other

Activities –Other, Provides services (eg care, counselling), Provides religious services/ activities

Beneficiaries – general public, Children/young people, Other charities

Areas of operation were as follows (note: the total is greater than the total number of registered charities, as some organisations tick two or more categories on their application):

### New Zealand

Auckland – 1,646	Northland – 517
Bay of Plenty – 676	Otago – 665
Canterbury – 1222	Southland – 357
Chatham Islands – 19	Taranaki - 341
Gisborne – 194	Waikato - 783
Hawkes Bay – 458	Wellington – Wairarapa - 1075
Manawatu - Wanganui - 563	West Coast - 212
Nelson - Marlborough - Tasman - 450	Nationwide – 2,497

### Overseas

Africa - 157	North America - 92
Antarctica - 13	Oceania - 266
Asia - 260	South America - 88
Europe - 131	

### Can you still apply?

Yes! The Register hasn't closed to applications – you can apply at any time. The reason we encouraged organisations to apply before 1 July was so they would have greater certainty about maintaining existing tax exemptions. And of course, as new charities are established, they may also choose to apply to be registered.

### New charities

If you are setting up a new charity, and you wish to establish it as a legal entity, you should first register with the Companies Office (as a charitable trust, incorporated society or company), and then apply to the Charities Commission for charitable status.

If you do it the other way around, and registered with us first, before establishing a legal entity, you would then have to file a notice of change with us once you became a legal entity, and we would need to re-assess your charitable status.

### Annual returns

**When to file an annual return** - when the Commission confirms registration, we let charities know when their first annual return is due. Then, closer to the due date, we send you a reminder (we send the reminder four months after your balance date, and two months before the annual return is due). A new checklist has been lodged on our [website](#) – this will be helpful to have on hand before starting to complete the annual return.

**Online annual returns** - You can complete your annual return online as well as on paper. You can get a customised *Annual Return Form* online by logging into your user account at [www.charities.govt.nz](http://www.charities.govt.nz).

Our system will automatically complete 19 of the 24 questions in the online form, using your current details from the Charities Register. If you have not used your online account before and would like help to access it please phone our free information line 0508 242 748 or email [info@charities.govt.nz](mailto:info@charities.govt.nz). The online form has helpful notes and you don't have to complete it all at once. You can complete it in stages by logging in and out. You can send supporting documents, such as your financial statements, electronically or by post.

**Question 25: Financial Information** - It's very important that charities fill in this section of the Annual Return form in full as this information then enters the public record. It becomes available to Statistics New Zealand for research on the charities sector – research which will benefit everyone. Some charities are merely entering “see financials” or a series of zeros, which in turn becomes all the public sees about them and diminishes the quality of future research on the sector.

**Annual return exemptions** – the Commission can grant an exemption from the requirement to send an annual return for any particular year. While each case is considered individually, there are generally good grounds for exempting

charities from filing annual returns that would contain information that pre-dates registration. If we consider it appropriate, we will contact you and offer an exemption. Remember, you don't need to renew your application each year – you simply need to complete an annual return, either online or using an Annual Return form.

**Bug now corrected** - an error was uncovered in the online Annual Return Form, where if you navigated to the next page, then returned back to change an amount, the totals started to miscalculate, causing confusion. This error has now been fixed.

For more information, please see our [annual returns information sheet](#)

## Withholding information

Once your organisation has been registered, the Charities Register will contain information about you that is available to the public. They will be able to access it, and the information about your organisation, through the Charity Commission's website or by phoning the free information line 0508 242 748. This will help them understand your organisation and make informed choices about supporting it or using its services.

However, the Charities Act does allow the Commission to restrict information from the public if it believes it is in the public interest to do so. You can request information – including financial information – to be restricted under section 25 of the Charities Act.

If you have a concern about any of the information in your application for registration, or your annual returns being on the Charities Register, please write to us telling us your reason/s. We will remove the information that is already on the website while we make our decision, and will advise you once we have considered your request.

Please note that generally, we will not withhold information that is already available on other public registers (such as those maintained by the Companies Office).

You can find out more about restricting information from the public in our information sheet [Restricting Public Access to Your Information on the Charities Register](#) available on our website, [www.charities.govt.nz](http://www.charities.govt.nz) or by phoning our free information line 0508 242 748.

## Withholding signatures from the Register

We have received a small number of written requests to withhold signatures from online documents.

If requested, and a reason is provided, the Commission will withhold signatures from documents displayed on the Charities Register. Please note though, that some of the same documents – and signatures on them – may still be available on other public Registers.

## New Board member, and three reappointments

Community and Voluntary Sector Minister Ruth Dyson has announced a new appointment and three reappointments to the Board of the Charities Commission..

The new Board member is Patricia McKelvey. Ms McKelvey is a Companion of the New Zealand Order of Merit for services to education and an MBE for services to women's cricket. She comes with a wealth of operational and governance experience in the education and sport sectors. Previous

appointments include Principal of Wellington High School, Captain of the New Zealand Women's Cricket Team, Chair of the Board of Career Services and a variety of other tertiary education, social services, and sporting leadership roles.

Chair Sid Ashton, and Board members Kerry Ayers and Amohaere Houkamau have been reappointed for a term of three years, to 6 July 2011.

## Proving your charitable purpose tax exemption

Since the Charities register opened on 1 February 2007, Inland Revenue has no longer issued charities with letters confirming their tax-exempt status.

Instead, charities registered with the Commission can use their registration certificate to prove they are registered under the Charities Act and to access charitable purpose tax exemptions.

If you have applied for registration but your properly-completed application is still in the processing queue, the Commission has powers to backdate your registration, as long as the organisation met all the Charities Act's criteria between the date you applied and the date the decision was made to register.

The Commissioner of Inland Revenue has the power to preserve the tax-exempt status of charities that were not able to apply to register with the Charities Commission before 1 July 2008. Organisations must be able to prove they began the process of preparing their application before that deadline to be eligible for transition measures.

Follow these links for more information on:

Backdating - [http://www.charities.govt.nz/news/fact\\_sheets/backdating.html](http://www.charities.govt.nz/news/fact_sheets/backdating.html)

Minister of Inland Revenue news release:

<http://www.beehive.govt.nz/release/law+changes+provide+tax+certainty+entities+lead-+charities+registration+deadline>

Transition measures - <http://www.ird.govt.nz/news-updates/like-to-know-admin-guidelines-charities-reg.html>

## Postcodes

Please remember to include postcodes on all applications sent in to us. Around a quarter of all applications arrive without postcodes included, and this may increase delays while our staff spends time correcting addresses.

## Message to international callers

Please note that the Commission's toll-free 0508 number is *not* accessible from overseas. Overseas callers can contact the Commission's free information line by dialling **+64 4 473 3862**.

Please note this is not a toll-free service. You are also welcome to email us on [info@charities.govt.nz](mailto:info@charities.govt.nz).

## Notifying us of changes

Once your charity is registered, most of the information you have provided will be publicly available on the Charities Register.

To ensure your information is as accurate and up to date as possible, the Charities Act requires that you advise the Commission within three months if your rules, contact, or administration details change. We will check these to ensure that your registration status isn't affected by the changes.

Remember – if you report changes to your officers in a Notification of Change or Annual Return form, you also need to provide us with new Officer Certification forms for any new officers, so we can check your new officers meet the Charities Act's requirements. For more information relating to changes, please see the [information sheet](#) on our website.

## Annual Returns Workshop in Blenheim

The Commission will have an information desk at the Funding Expo in Blenheim in September to help people with any aspect of registration under the Charities Act. We will also be trialling a workshop on annual returns.

When: Wednesday 24 September  
 Time: 9am – 4pm  
 Venue: Wisheart Function Rooms, Marlborough Civic Centre  
 Contact: [vm@volunteermarlborough.org.nz](mailto:vm@volunteermarlborough.org.nz)

## Of possible interest to registered charities

(From the Office of the Community and Voluntary Sector's [e-newsletter](#)):

The Print Media Copyright Agency (PMCA) is offering free photocopying licences to charities registered with the Charities Commission. The licences mean that charities can legally photocopy, fax or electronically distribute articles appearing in 31 daily and Sunday newspapers.

In addition, registered charities that apply for a licence from the PMCA can also photocopy and distribute articles from 42 magazines and 118 community newspapers at no additional cost. (Normally an additional fee is charged for this option). See the OCVS [newsletter](#) for more details.

## No longer want Update?

If you no longer wish to subscribe to this newsletter, simply email [update@charities.govt.nz](mailto:update@charities.govt.nz) and type "unsubscribe" in the Subject field.



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