

Avoid uncertainty and apply now

As many of you would have read in our *Newsflash* of 15 May, the Charities Commission is expecting to receive a very large number of applications for registration between September 2007 and July 2008 (when the tax laws relating to charities change). This may affect processing times and could lead to uncertainty for applicants surrounding tax exemptions. It could also cause a delay in having your organisation's details publicly available on the Charities Register. With this in mind, we are encouraging all charitable organisations considering registration to beat the rush, avoid any uncertainty and apply now.

What happened to waiting for an AGM?

Until recently, we suggested that you might wish to apply for registration after your AGM, to ensure we receive the most up-to-date details for your organisation. But slower-than-expected applications to date (and feedback from potential applicants about when they intend to apply) indicate that it may be best for your organisation to apply for registration as soon as possible.

There is no need to wait until after your AGM before applying for registration. If you apply now and then make changes that you need to notify us about, simply do this by using the appropriate form. Or, if your application is still being considered by us, write to let us know about the changes you have made. You may like to take copies of *Form 3 – Notification of Changes to charitable entity*, and *Form 2 – Officer Certification* along to your AGM to complete at the time, if appropriate.

If we apply earlier than planned, won't we also need to file an Annual Return earlier?

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. The Charities Act requires all charities

registered with the Commission to file an Annual Return within six months after their balance date.

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. If we consider it appropriate, we will contact you and offer an exemption.

Remember...

Registration under the Charities Act is voluntary. However, on **1 July 2008** the tax laws will change, making registration with the Charities Commission a pre-requisite for charities wishing to retain or obtain exemptions from income tax and estate and gift duty. If your organisation is currently enjoying these tax exemptions and want them to continue, you will need to send us a properly completed application for registration well before 1 July 2008.

This information – and more – is set out in our updated version of [Fact Sheet 4 – Timing it Right](#). Visit our website to download a copy.

No Internet access? No problem – call our free information line **0508 242 748** and ask us to send you a copy by post.

We want to hear your thoughts

Can you help? We are calling for volunteers to take part in a quick telephone poll that will help us with our planning, so that organisations like yours don't miss out on the benefits of registration simply because of a timing issue. If you would like to volunteer, please call our free information line **0508 242 748** and tell us if, and when, you intend to apply for registration – and if there are any reasons you might want to delay your application. Thank you!

New, printer-friendly forms

In response to feedback we've received at recent workshops and funding expos, we have re-designed our registration forms on the Charities Commission website. These newly-designed forms are black and white, with no toner-wasting backgrounds – making them faster and more economical to print out, and easier to photocopy. You can access these forms at www.charities.govt.nz/news/forms.htm.

Charitable purpose and sport

Many readers expressed an interest last month in receiving a copy of the paper that will set out our view of the law of charitable purpose as it applies to amateur sporting bodies. The Commission is currently seeking external legal opinion on its approach to ensure it is as thorough as possible. If you would like to receive a copy of this paper when it becomes available, please send your contact details, outlining your request, to info@charities.govt.nz or call us on freephone **0508 242 748**. We'll also post it on our website.

International organisations

Thank you to those readers who provided comments on our draft policy approach to the registration of overseas charities. The Charities Commission Board has made its decision and a position paper is being prepared now. Please let us know if you'd like to receive a copy of this paper when it is published by emailing info@charities.govt.nz or by calling us on freephone **0508 242 748**. All submitters will receive a copy by email as soon as it is available, and it will also be posted on our website.

Common application issues

If your organisation is intending to apply for registration soon, you may like to be aware of the following common application issues:

- Several online applicants are breezing through the application screens, but neglecting to click "submit application" on the final application summary screen. This means that the application remains "pending" and is not actually delivered to our processing centre. Please ensure you click "submit" to

avoid any unnecessary delays!

- When scanning and uploading Officer Certification Forms as part of the online application process, please make sure you scan both pages 1 *and* 2.
- We do not require a copy of your certificate of incorporation with the Companies Office or your letter of approval from Inland Revenue regarding existing tax exemptions. Please don't send them to us, as filtering out irrelevant documents just adds to our processing time.

Your questions

Q: I have applied online, but made a mistake in the application. Can you correct this, or do I need to send you a Notification of Change form?

A: We can correct any typos or incorrect details as we process your application, but you will need to advise us in writing. Simply drop an email to info@charities.govt.nz.

Q: We applied for registration a while ago, but haven't heard anything from the Commission. Did you receive our application?

A: We acknowledge the receipt of every application by sending either an email to the primary contact you have named in your application (if you applied online) or by sending a letter to your address for service (if you have applied by post). However, if we have asked you for more information or clarification, we don't generally also acknowledge that we've received it.

If your address for service is that of your lawyer or accountant, please note that our correspondence will go directly to them, rather than to your organisation.

Application acknowledgements include a summary of your application details and a unique username and password, which you can use to login to the Charities Register and check the status of your application.

Q: What are the responsibilities of an officer under the Charities Act?

A: An officer is responsible for ensuring their charity complies with the Charities Act,

if successfully registered. Their other responsibilities will vary, depending on the structure of their charity (i.e. whether they are a trustee, a director of a company, or an officer of an incorporated society) and the requirements of the legislation they are established under.

We've recently received a number of enquiries from organisations that carry out charitable activities, but are bound by international rules that do not identify a charitable purpose. If this sounds like you, the following Q&As may be useful.

Q: We are a service group that has rules written at international level with an emphasis on friendship and professional relationships. We actually spend most of our time and money carrying out charitable activities. Will it be enough for us to provide the Commission with information about our charitable activities to meet registration requirements?

A: No. Since the rules of the organisation allow you to spend all your time in social activities, this would not be enough.

Q: It is difficult for us to change our rules so they clearly state our charitable purpose because they are set at an international level. What can we do?

A: If your group wants to commit to being "exclusively charitable", you could pass a formal resolution at club level, which commits the group to limit their activities to those that are charitable in New Zealand.

Q: Can you give us an example, like those in your Rules Fact Sheet?

A: "The <Name> of <Place> has resolved that the charitable focus of our activities will be to advance education and/or advance religion and/or relieve poverty and/or provide other benefits to the community. At all times our activities will be limited to those activities that are charitable in New Zealand."

Annual meetings – your views?

The Commission is starting to plan its Annual meetings for November and December this year. Is there anything in particular you would like us to cover at these meetings? We'd welcome your thoughts – please email your suggestions to info@charities.govt.nz or call our free information line **0508 242 748**.

Guidance material

Our registration information packs contain all the relevant fact sheets and forms to consider and begin an application.

There are special information packs for **group registration** under the Charities Act, if you would like to consider this option for your organisation.

Download your registration information pack at www.charities.govt.nz (follow the link from our homepage) or call our free information line **0508 242 748** to request a pack by post.