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**ONLY FIVE WEEKS UNTIL TAX LAWS CHANGE! HAVE YOU APPLIED TO REGISTER YET?**

**Registration update – 26 May 2008**

Charities registered: 6,235

Processing time: our registration analysts are currently making initial reviews of applications received from: 4 March 2008\*

If you don't hear from us straightaway after receiving confirmation that we have received your application, don't be concerned. We are concentrating all our efforts on processing applications as they reach the front of the queue, so you may not hear from us until you are registered. We will be in touch if we need further information from you or when we have processed your application.

\*Remember: once they reach the front of our queue straightforward applications are usually processed within several weeks. However, if there are any complex issues involved, it will take longer to complete the process.

**Apply now to become a registered charity**

The Charities Commission is currently processing around 13,000 applications for registered charity status and is receiving more than 200 new applications every day –so if your charity isn't already in the queue, it would be wise to apply now. While the Commission is working hard to process all applications by 1 July 2008, a continuing increase in new applications means it may not be possible to process all applications by this date.

To avoid uncertainty about ongoing tax exemptions, organisations should get their properly-completed application to the Commission as soon as possible. A properly-completed application includes a set of rules, at least one Officer Certification form, and a certified application form.

If necessary, the Commission has the power to backdate an organisation's charitable entity status to the date it received its properly-completed application. This means organisations that comply with the Act while their application is being processed can claim the tax and other benefits of being a registered charity for that period.

For more information on backdating please visit the backdating page on our website.  
[http://www.charities.govt.nz/news/fact\\_sheets/backdating.html](http://www.charities.govt.nz/news/fact_sheets/backdating.html)

**Charities Commission Annual Meeting**

Each year the Commission must hold an Annual Meeting where charities have the opportunity to ask questions and make submissions. This year, we will hold an interactive forum for charities that incorporates the annual meeting. This will be held in Wellington on 27 November 2008. We are currently working through the details and will provide you with more information soon.

### **Charities Commission website**

We now have a new section on our website that may be useful for those wanting a quick overview of the registration processes. The page has been designed to help charities who may not yet have applied, with answers to questions like “Should I apply to register?” and “How do I apply?” and “What is my application status?” by directing them to relevant parts of the site.

If you have similar questions, please visit our website.

<http://www.charities.govt.nz/guidance/unregistered.html>

### **Officer certification forms**

When you complete your Officer Certification forms, please don't forget to tick the part of the form where you certify the officer is not disqualified from being an officer of a charity under section 16(2) of the Charities Act. Applications that are submitted without this declaration are considered incomplete. This is especially important as charities are only eligible to have their registration status backdated until the date the Commission received a set of rules, at least one Officer Certification form, and a certified application form.

### **Notifying us of your 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 you make.

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 our online information sheet.

[http://www.charities.govt.nz/news/fact\\_sheets/changes.htm](http://www.charities.govt.nz/news/fact_sheets/changes.htm)

### **Acknowledging applications**

We acknowledge the receipt of every registration application by sending an email to the primary contact you named in your application. This email contains a summary of your application, unique charities reference number, and your online account details. If your organisation does not have an email address, or you haven't provided one to us, your application will be acknowledged by post.

Please call our free information line on 0508 CHARITIES (0505 242 748) if you have not received confirmation of your application or have misplaced your reference number or account details. Our staff can check what has happened or send out new details to the address provided in your application. Before calling, please check with your organisation's primary contact, as they may have the information you require.

The primary contact is the person you named in your application form as the contact for your organisation's application (e.g. your secretary, lawyer, chairperson). This person receives all correspondence from the Commission and should be the first port of call for others in your organisation wanting information on your application.

Please note, if we have asked you for more information or clarification, we don't generally acknowledge its receipt. If you believe we may not have received something though, please call our free information line.

### **Annual Returns**

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.

However, 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.

## **Original documents**

Just a reminder – when you send in your application you do not need to send us your original documents, a good photocopy is fine.

## **Recent tax changes – tertiary education institutions, schools, and non-resident charities**

The government has announced that state-funded tertiary education institutions, state and integrated schools, and non-resident charities will not have to register with the Charities Commission to retain their tax-exempt status. The legislation will also introduce a transitional measure, to be used in limited circumstances, to protect the tax-exempt status of organisations that run into difficulty with completing their registration applications before the deadline.

A brief outline of how the changes will effect each organisation is below. If you require any further information, please contact Inland Revenue.

### ***Tertiary education institutions***

Tertiary education institutions do not have to register with the Charities Commission to retain their tax-exempt status. The Income Tax Act and the Estate and Gift Duties Act are being amended to clarify that tertiary education institutions are exempt from income tax and from gift duty. The provisions, which have built-in safeguards to prevent private pecuniary benefit, apply to institutions set out in the Education Act, like universities, polytechnics, specialist colleges, and wananga. Tertiary institutions will automatically have Inland Revenue-approved donee status, so that people who donate money to them will continue to qualify for tax rebates for their donations.

### ***Schools***

State and state integrated schools do not need to register with the Charities Commission to be exempt from income tax as they already have a specific exemption in the Education Act. The Estate and Gift Duties Act is being amended so state and state integrated schools are exempt from gift duty, subject to safeguards to prevent private pecuniary benefit. They will also have automatic IRD-approved donee status, so that people who

make cash donations to them will continue to qualify for tax rebates.

### ***Non-resident charities***

Some non-resident charities may not be able to register with the Charities Commission because they are not established in New Zealand and have no strong connection with New Zealand. The Income Tax Act will be amended to ensure these charities will be able to have tax-exempt status here, subject to Inland Revenue approval. The Estate and Gift Duties Act is being amended so non-resident charities will be exempt from gift duty if they are unable to register with the Charities Commission.

For that reason, we suggest that it is too early for funders to be fully reliant on the Register for making decisions about the distribution of funding. Funders may wish to consider whether it is practical to require evidence of registration with the Commission from recently-formed charities as part of their decision-making processes, before the Register is more fully populated. After 1 February 2007, when the Register opened, Inland Revenue stopped issuing charities with a letter confirming their charitable-purpose tax exemptions.