

Guidelines for issuing tax deductible receipts

Please read the following information carefully. (These rules also apply when recording information on Donation Tally Sheets)

Donors can claim tax deductions for gifts made to eligible gift recipients eg. Cancer Council NSW. Entities entitled to receive gifts for which a donor may claim a tax deduction, are called deductible gift recipients (DGRs). Cancer Council NSW is a DGR.

For a donor to claim a tax deduction for a gift, there are several requirements:

- The payment must be truly a gift. They must not get anything in return. Eg. Buying a raffle ticket in a raffle raising funds for CCNSW does NOT entitle the buyer to a tax deductible receipt because they are getting something in return (a ticket in the raffle).
- It must be made to a DGR.
- Be a gift of money, or property that is covered by a gift type.
- Comply with any relevant gift conditions.

What is a gift?

Not all payments to DGR's are tax deductible. 'Gifts' have the following characteristics:

- They are made voluntarily.
- They do not provide a material benefit to the donor.
- Be a gift of money, or property that is covered by a gift type.
- They essentially arise from benefaction, and proceed from detached and disinterested generosity.

Gift types

The law specifies the types of gifts that can be donated. To be deductible, a gift must be of money or property that is covered by one of the gift types. These are:

- Money: \$2 or more.
- Property < 12 months: property purchased during the 12 months before the gift was made.
- Property valued at more than \$5000: a valuation by the Australian Taxation Office is required.
- Trading stock: trading stock disposed of outside the ordinary course of business.
- Cultural gifts: property under the Cultural Gift Program.
- National Estate gifts: places listed in the Register of the National Estate.

What is NOT a gift?

Examples of payments that are not gifts include:

- Purchase of raffle or art union tickets.
- Purchases of chocolates, pens, etc..
- The cost of attending fundraising dinners, even if the cost exceeds the value of the dinner.
- Membership fees.
- Payments to school building funds as an alternative to an increase in school fees.
- Payments where the person has an understanding with the recipient that the payments will be used to provide a benefit for the 'donor'.

If the donation you have received fits the above descriptions the donor qualifies to receive a receipt. Please record ALL of their details in the donor tally sheet and return it to Cancer Council NSW for processing.

For further information, please contact the **Australian Tax Office on 1300 130 248** or at www.ato.gov.au or **contact your Community Relations Coordinator at Cancer Council NSW.**