

REPORT BY THE WORKING PARTY ON
REGISTRATION, REPORTING AND
MONITORING OF CHARITIES

28 FEBRUARY 2002

Table of Contents

INTRODUCTION	1
Terms of Reference.....	1
BACKGROUND	2
EXECUTIVE SUMMARY.....	4
Generally.....	4
A Charities Commission.....	4
Registration.....	5
Transitional Registration	5
Reporting.....	6
Monitoring and Enforcement	6
Public Benefit Test.....	6
ADVANTAGES AND PRINCIPLES OF A REGISTRATION, REPORTING AND MONITORING REGIME	7
ORGANISATIONAL STRUCTURE	9
Options.....	9
A Charities Commission.....	9
Reporting by the Commission.....	10
Alternatives.....	10
Semi Autonomous Body.....	10
Business Unit in a Government Department.....	12
Functions.....	12
Funding.....	14

Table of Contents (cont'd)

REGISTRATION	15
Advantages of a Formal Registration Process.....	15
Information to be Collected.....	16
Process of Registration.....	17
Who would need to Register	18
Transitional Arrangements.....	18
The Role of IRD.....	18
REPORTING BY REGISTERED CHARITIES	19
Advantages	19
Purpose of Reporting.....	19
MONITORING AND ENFORCEMENT	21
Relationship with IRD	22
Winding up.....	22
PUBLIC BENEFIT TEST AND TAXATION OF MAORI ORGANISATIONS	23
Wider Impacts and Benefits of Change.....	25
Recommendation.....	26
APPENDICES.....	27
Appendix 1 – Members of the Working Party	27
Appendix 2 – Resources	28
Appendix 3 — Terms of Reference.....	29
Appendix 4 —Statement of Government Intentions for an Improved Community – Government Relationship	33
Appendix 5 – Sample Application for Registration Form.....	35
Appendix 6 – Sample Annual Return Form.....	40

REPORT BY THE WORKING PARTY ON REGISTRATION REPORTING AND MONITORING OF CHARITIES

INTRODUCTION

Terms of Reference

The Working Party was appointed on 27 November 2001, to make recommendations to the Government on the design of a method of registration, reporting and monitoring of charities and to provide comment on other identified issues. The Terms of Reference are attached as Appendix 3.

In particular the Working Party was required to:

- a provide recommendations on the type of registration, reporting and monitoring arrangements that should be introduced in New Zealand and how they should be implemented including identification of the body which will register charities;
- b comment should it so wish, on the wider impacts of the issue of the public benefit test as discussed in the Taxation of Maori Organisations Discussion Document;
- c report to the Minister of Finance on its findings.

The Working Party was also invited to comment on:

- whether the definition of “charitable purpose” can be improved without altering its overall scope; and
- the proposal to standardise the various tax assistance rules applying to New Zealand charities with overseas purposes.

In following these terms of reference we were requested to propose a simple cost effective system for registration, reporting and monitoring that is suitable for New Zealand. Such a system should not impose unnecessary compliance costs on charities as the resources of the sector, including the time of employees and volunteers should

be focused on the valuable work they do, rather than administration. The registration and reporting system should be workable for charities and useful to the government and the public.

The recommendations on registration and reporting need to provide a clear idea of the legislative change and operational policies required, including any enforcement policies.

The system recommended for the ongoing collection and monitoring of information from the charities sector should have regard to the purpose for which that information is collected.

As per our terms of reference, we submit our report to the Minister of Finance by 28 February 2002. We will provide our views on the definition of “charitable purpose” and on the overseas charitable purposes by 31 May 2002. The Working Party was not asked to comment on taxation issues per se.

We were advised the Government will consider our recommendations, and indicate its views publicly on those recommendations by mid April 2002, with a view to introducing a package of legislation into Parliament in May 2002.

BACKGROUND

In opening the report we state clearly that we feel that the Government has a leadership role in fostering a culture of philanthropy, altruism and generosity towards charitable activities.

Government has acknowledged the enormous contribution that the voluntary and charitable sector make to New Zealand society across a wide range of areas such as welfare, health and education in New Zealand and overseas. The work of the various groups in the sector is highly valued by both government and the community at large.

Because at present there is no process for the registration of charities in New Zealand, there is no consistent, useful collection of information about the activities or funding of charities. There is little or no monitoring of the activities of charitable organisations, and no means by which the public can identify legitimate charities as opposed to sham operations. Further, the regulatory environment is such that charitable organisations may find themselves having to deal with as many as five different government agencies on a regular basis. These issues need to be addressed.

The present Government has initiated work focussing on improving the relationship between government and the community and voluntary sector. It also recognises that the legal and regulatory environment charities operate in needs review.

In June 2001 the Government released a discussion document entitled “Tax and Charities”. The document canvassed various options for change related mainly to tax issues. It highlighted the lack of information about the charitable sector including who benefits, and how, from the tax assistance the government provides. The discussion document generated an extremely large number of submissions from a wide range of individuals and groups within and associated with the charitable sector. It is clear from those submissions that there is general understanding of the need for a registration reporting and monitoring system for charities.

A major consideration in reaching our recommendations was the Statement of Government Intentions for an Improved Community-Government Relationship issued in December 2001, (Appendix 4). We are heartened by the sentiments expressed in the Statement and believe our recommendations recognise and advance them.

The Statement of Government Intentions arose from the work of the Community Government Relationship Working Party. This Working Party prepared a report in June 2001 containing a number of recommendations. Another product of the report was that a Community and Government Sector Steering Group, was set up and is to report to Government by 30 June 2002. As instructed, we have liaised with the Steering Group and note also that there is a cross membership between this Working Party and the Steering Group.

One of the main forms of Government assistance to the sector is to exempt charities from paying income tax. Taxpayers’ ability to claim tax rebates, albeit limited, on donations made to charities is another significant form of assistance. The Government had indicated it is unwilling to provide further movement on tax rebates until there is a registration, reporting and monitoring regime. This support carries with it responsibilities for accountability to the government and the public.

Successive Governments have expressed an interest in reform but have also expressed concern about the degree to which tax exemption for charities can be used for tax avoidance. These same concerns have at times been expressed from within the charitable sector itself.

New Zealand is not alone in reviewing the charities legal environment. A number of Commonwealth countries are considering reforms of the charitable sector and such developments should be monitored closely.

It is against this background that the Working Party approached the tasks set by the Minister.

EXECUTIVE SUMMARY

Generally

Government has a leadership role in fostering a culture of philanthropy, altruism, and generosity towards charitable activities. We support the Government Statement of Intentions for an Improved Community-Government Relationship.

A registration, reporting and monitoring system should be established. The registration, reporting and monitoring system should be simple and cost effective, and should provide benefits to the charitable sector, the general public and the government.

We concluded that there ought to be a single body, a Charities Commission, responsible for the registration and monitoring of charities and for investigating complaints. The Commission should also be responsible for the administration of the Charitable Trusts Act, and for the “defender of charities” role current carried out by the Attorney-General.

We further recommend that the legislation establishing the Commission contain a definition of “charity”, or “charitable activities” which would also serve other legislation. We recommend that the Income Tax Act in particular, and other relevant legislation be amended to include reference to “registered charities”.

A Charities Commission

A Charities Commission should be established as a new crown entity. The Crown would appoint the commissioners, with a majority drawn from the charitable sector. Appointments should be by nomination from the sector, on a rotation basis.

The Charities Commission would be a “one-stop shop” for the legislative requirements of charities.

The Charities Commission would be required to report annually to the sector, and to government through the Minister of Finance, and to the Minister responsible for the Community and Voluntary Sector.

The functions of the Charities Commission would be:

- approving and registering charitable organisations
- collecting annual information from and monitoring the activities of registered charities
- providing advice and support to the sector
- providing advice to government regarding the sector.

We have also recommended that the administration of the Charitable Trusts Act be transferred to the Charities Commission.

Decisions of the Commission should be able to be challenged through normal judicial processes.

The Commission should be funded partly by the taxpayer through government and partly by fees from registered charities, with the fees set at a moderate level.

Registration

- The registration process should involve an active formal approval of the charitable status of the organisation, on the basis of information supplied in a statutory declaration. That information should be publicly available.
- Registration could be on a branch, subsidiary or consolidated basis.
- Registration would automatically confer donee status (at least, at this stage, for charities with exclusively New Zealand purposes).
- All charities should be required to register before a tax exemption is available, including those that are charitable under any other act of parliament, and charities with overseas purposes. The only exception is deceased estates that are expected to be distributed within a short time frame, possibly two years.

Transitional Registration

Existing charities should also go through the proposed registration process. However, as a transitional measure, those existing charities with an Inland Revenue Department (IRD) letter confirming IRD's view of their charitable status should be able to use that letter to gain a provisional registration. Formal registration would have to be completed within two years.

Reporting

Each charitable organisation should be required to submit an annual return within a prescribed period, so that the Commission can determine whether the organisation continues to qualify as a charity. Only information necessary to the Commission for this purposes should be collected. This information would be publicly available.

Monitoring and Enforcement

The Commission should have the power to investigate the affairs of a registered charity, and any organisation holding itself out as such. The Commission should encourage compliance through education and assistance before using sanctions, where irregularities are detected.

Sanctions could be monetary or non-monetary, and could involve appointment of a temporary managing trustee, or, in extreme circumstances, de-registration.

The Commission should have a good working relationship with IRD, as IRD will need to retain the right to audit independently. However, IRD should act in conjunction with the Commission.

Public Benefit Test

The Working Party recommends that the public benefit test be changed, so that in applying the public benefit test, an organisation would not cease to be eligible for registered charity status simply because its purpose is to benefit a group of people connected by blood ties.

ADVANTAGES AND PRINCIPLES OF A REGISTRATION, REPORTING AND MONITORING REGIME

As a result of our work we have identified what we believe are significant benefits for charitable organisation arising from a registration, reporting and monitoring regime.

- 1 The benefit of tax exemption would be more likely to be extended only to those organisations that fall within the definition of charitable.
- 2 It is less likely organisations would use charities to enter into tax avoidance arrangements.
- 3 There would be more information for the intended beneficiaries of charities about the benefits to which they are entitled.
- 4 There would be better targeted advice and support given to existing and new charities, thus encouraging best practice within the sector.
- 5 Both the public and grant making organisations would be able to quickly ascertain the bona fides of a charity through its registration number.
- 6 Policy formulation would be based on better information on the charitable sector.
- 7 There would be improved accountability to the public. Organisations that solicited funds from the public would need to provide information that would then be made available to the public.
- 8 There would be better accountability to the Government. Because of the benefits they get from tax-exempt status and the effect of donee status in fundraising, charities need to be accountable to the Government.

When considering how the registration, reporting and monitoring of charities should happen we based our decisions on the following principles.

In determining whether an organisation is charitable, the focus should be on its activities rather than its legal form.

Compliance costs, for both the charities and the government, should be held to a minimum.

As far as possible, there be a “one stop shop” for the legislative requirements of charities.

The agency should be a centre of excellence, providing advice to government and the charitable sector, and promoting best practice within the sector.

There should be a transparent system of accountability to the public and government to reinforce the integrity of the charitable sector.

The relationship between the government and charitable sector should be based on a positive culture of collaboration and support.

Registration is a gateway to certain tax privileges and reporting obligations.

ORGANISATIONAL STRUCTURE

Options

Based on the principles we have identified we considered three alternatives for the structure of the regime:

- a Charities Commission
- a semi autonomous body within an existing government department with a statutory advisory board from the charitable sector;
- a business unit within an existing government department.

In reaching our conclusions we considered the submissions to the Government's Tax and Charities Discussion Document, practices in other countries and the views of government officials.

A Charities Commission

Our preference is for a Commission for Charities to assume responsibility for the registration, reporting, and monitoring of New Zealand charities. Accordingly we recommend that a Commission be established with its own statute and regulations.

It is our strong view that a Charities Commission would be most acceptable to the charitable sector. This is important as it would mean the costs of monitoring and enforcement are likely to be less if the sector supports and has confidence in the organisation.

Any lesser alternative would fail to adequately recognise the importance and independence of the charitable sector. We believe that would not be consistent with the vision and principles expressed in the Statement of Government Intentions for an Improved Community-Government Relationship.

The recommendation for a Commission is also consistent with the 1989 Spencer Russell report and the report of the Accountability of Charities and Sporting Bodies Working Party.

We recommend the Commission would be a new Crown Entity and the Crown would appoint a number of Commissioners, say five to seven. The majority should be drawn from the charitable sector (including Maori organisations) being the sector affected by these proposals. Appointments would be made on the basis of nominations from the sector, perhaps on a rotation basis.

The Commissioners would be responsible for the governance of the Commission, including appointing a Head of Operations to be designated the Chief Executive Officer or Registrar. That person would be responsible for day-to-day operations and functions such as staffing, annual budgets, etc.

Establishing a Charities Commission, including representatives of the charitable sector, would reinforce and demonstrate the complementary nature of the work carried out by the charities on the one hand and the Government on the other. It would also perpetuate the cooperative spirit that now exists between the sector and the Government which is tangibly expressed through this Working Party and the Statement of Government Intentions for an Improved Community-Government Relationship. The culture of the Commission should be consistent with the Statement of Government Intentions.

Reporting by the Commission

We recommend the Commission be required to report annually to both the Government and to the charitable sector. In addition to its written report, we also recommend the Commission convene an annual workshop or conference to specifically examine the work of the Commission over the previous year and its plans for the future including those issues raised by the sector itself.

Such an event would have the character of an Annual General Meeting, highlight the work of the Commission and the sector generally, and provide accountability to both the government and the charitable sector.

We recommend that when reporting to the Government, the Commission report to the Minister of Finance and the Minister Responsible for the Community and Voluntary Sector.

Alternatives

We have outlined our recommendation for a Charities Commission and the compelling reasons behind it. We did however consider the alternatives below.

Semi Autonomous Body

Another option we considered was for the registration, reporting and monitoring functions to be undertaken by a semi autonomous body within an existing government department, with a statutory advisory board from the charitable sector.

We believe this option is considerably inferior to a Charities Commission. We do not believe a semi autonomous body would have sufficient status and independence to gain the support and sense of ownership required from the charitable sector.

We believe this option also fails to recognise the independence and importance of the charitable and voluntary sector.

These issues would impact significantly on its ability to carry out its recommended role.

We did however consider where a semi autonomous body should be placed, and how it could be structured, should our recommendation for a Commission not be accepted.

The role of the statutory advisory board would be to advise Government on policy and to advance the interests of the sector. The semi autonomous body within a department would remain responsible for an annual report to both the Government and to the charitable sector. The annual workshop or conference outlined above would remain a feature of these alternative arrangements.

We investigated two options for the location of this body. They were the Department of Internal Affairs (DIA) and the Ministry for Economic Development (MED). Our preference is the DIA.

Our primary reason for preferring DIA is that it has a long history of support for the community, voluntary and charitable sector. It also provides support to the Lotteries Grants Board and its Distribution Committees as well as the Community Organisations Grants Scheme (COGS) which are important sources of funding to charities. We also believe the Department of Internal Affairs has the technical capacity to manage a registration reporting and monitoring process.

The disadvantages of the DIA include a possible perception of conflict of interest given its funding role and the approval and monitoring role it would be required to undertake. These are problems with not having a Commission and are not exclusive to the DIA.

We considered carefully the option of this body being in MED, who already undertake registration and reporting functions in regard to companies, incorporated societies and charitable trusts. However, we consider that the focus of MED is primarily related to “economic development”, and it has a limited role in social and cultural development and little experience in supporting and advising the charitable sector. It is these functions that are at the core of our recommendations.

Business Unit in a Government Department

We also considered whether the registration, reporting and monitoring functions should be carried out by a non-autonomous business unit located within a government department. We rejected this option for three reasons.

- 1 It would have the same disadvantages as a semi-autonomous body as we have described above.
- 2 The charitable sector would have less opportunity to provide feedback than with the semi-autonomous body.
- 3 The business unit would not have the advantage of reporting independently to Ministers on policy.

We consider these disadvantages would not necessarily be overcome by creating a statutory advisory board to assist the business unit.

Functions

The Spencer Russell report recommended the following functions for a Charities Commission:

- registration
- monitoring
- advice and support to the sector
- assistance to charitable organisations in being accountable to the public
- coordination of information within the sector; and
- providing advice to government regarding the charitable sector.

We generally agree with this recommended set of functions.

The critical difference is that we recommend the monitoring, advice and support functions would extend beyond financial matters to the activities of charitable organisations. This is to ensure the activities of these entities are, and continue to be, charitable and accord with their stated objectives. The Commission must also provide an educative function for charities; for example developing best practice, training resources and trust documentation templates.

Our vision of the Commission's functions can probably best be divided into what can be described as "front office" and "back office" functions.

Essentially, the front office functions include such things as governance, policy formation, interpreting data received from charities, monitoring their activities and offering support and advice.

For example, having received a registration form, the Commission would need to establish that the applicant organisation concerned met the legal definition of a charity. This may involve dealing directly with the organisation and, if appropriate, providing advice and support. Similarly, information from the annual return would be examined and possibly necessitate further follow up – see the chapters on Registration and Reporting.

The Commission should be empowered to obtain whatever information it requires from individual charities to properly perform the registration, and monitoring functions.

The back office functions would include processing and collating the registration and annual return data. Some estimate that the number of charities in New Zealand might be in the tens of thousands so this back office function would need to be suitably resourced. This may include contracting specific expertise when necessary.

We also believe there should be a single interface between the charitable sector and the Government. Therefore we recommend:

- The initial vetting and approval of charitable status by the Inland Revenue Department (IRD) be discontinued and these functions fulfilled by the Commission.
- Complaints or enquiries from the public concerning the activities of charities be directed to the Commission.
- The Registrar of Incorporated Societies accepts the suggested annual return form as a substitute for the annual accounts presently required to be completed by charities that are incorporated societies.
- Where possible, information requirements from the Department of Statistics be met from information provided by the Commission.
- The administration of the Charitable Trusts Act be transferred to the Charities Commission, including those functions presently undertaken by the Solicitor General's Office.

Although outside the scope of this report, we suggest that the Government consider establishing a parallel regime for other tax exempt organisations, for example amateur sporting bodies.

Funding

We recommend the Commission be funded partly by way of fees payable by charities and partly by the taxpayer through Government.

Charities produce public goods and benefits that are of immense value to the nation. Accordingly, we recommend the difference between the income generated through fees and the actual cost of the Commission's functions, including establishment costs, be provided by Government.

We have recommended that functions currently carried out by Inland Revenue Department, the Ministry of Economic Development and the Solicitor General be transferred to the Charities Commission. The budget for these functions should also be transferred to the proposed Commission.

Since the majority of New Zealand charities are small, we recommend that the Registration and Annual Return fees be set at a moderate level.

For re-registration following de-registration, we recommend a significantly higher fee, say at least twice the level of the registration fee.

The Commission should also be able to generate additional income through, for example, the sale of publications.

REGISTRATION

In examining the options for a system of registration we considered two alternatives:

- 1 Simple registration where organisations just declare they are charitable and this is accepted unless challenged.
- 2 Formal registration where there is a checking process to ensure the organisation is eligible.

We decided in favour of formal registration, as we believe it has the following advantages.

Advantages of a Formal Registration Process

- 1 A formal registration process would encourage the organisation applying to consider more carefully the conditions for eligibility, and provide more certainty that the organisation applying is eligible.
- 2 Registration makes it more likely that the privilege of tax exemption is extended only to those organisations that fall within the definition of a charity. Those organisations who wish to claim charitable status would be required not only to set out their aims and objectives but also describe the activities which they will undertake to meet these. This provides a simple test to determine not only their own understanding of charitable status, but also a clear example to others of how they will achieve this purpose.
- 3 Registration should provide greater certainty that the beneficiaries of charitable organisations receive the benefits to which they are entitled. Registration documents should be available to the public, enabling any member of the public to scrutinise information on file about charities. This increased accountability would enhance confidence in organisations seeking public donations and other funding.
- 4 More, and better, information would be available to government and to the sector itself to allow for better informed policy-making.
- 5 Having a registration number through which information may be accessed would reduce the requirement on charities to supply information to a range of funders and government agencies.
- 6 Registration would confer donee status automatically, at least at this stage for those charities whose purposes are exclusively in New Zealand.

- 7 Registration would act as the gateway to the relevant tax exemption. These currently include:
 - Income tax
 - Gift duty
 - Resident withholding tax on interest and dividends
 - FBT.
- 8 The publicly available information would assist IRD to identify taxation issues relating to charities.

Information to be Collected

The Working Party considered what information the Commission should collect as part of the registration process. We believe the information should fulfil the following basic functions:

- 1 enable the Commission to determine whether the organisation qualifies for charitable status for tax purposes
- 2 inform public policy
- 3 ensure that charitable purposes are reflected in the objectives and activities of the organisation
- 4 identify and discourage the use of charities for tax avoidance
- 5 provide the basis for the public register.

We worked on the principle that only information necessary to the purposes of the Commission should be collected.

We believe it would need to include basic identification and contact information; the form of the organisation, eg, trust, incorporated society or company, the principal aims and objectives of the organisation; and the names of the members of the governing body.

We expect the level of information required by the Commission would be reasonably constant and that any major changes would be made after appropriate consultation with the sector.

The Commission may consider classifying charities according to features such as expected longevity, those which raise money from the public and those with overseas charitable purposes.

Attached is a Sample Registration Form as Appendix 5.

Process of Registration

Submitting information should be possible either in hard copy or on-line.

Hard copy

The signed registration form should be sent to the Commission, accompanied by:

- a current copy of the Trust Deed, Constitution or other governing document
- a Copy of the organisation's authorisation to submit the application
- the Registration fee.

Online

Once submitted online the form would be returned in hard copy for signature. This signed copy would be returned with the same supporting documents and registration fee as for a hard copy application.

Once the Commission is satisfied the organisation is eligible, the charity would receive a registration number. We recommend charities be required to use this number on stationery, receipts and other official documents and display it during public fundraising.

The Commission may refuse to register an organisation if in the view of the commission:

- the objects or activities of the organisation are not charitable
- the name of the charity is misleading or offensive
- an office holder in the organisations is not suitable. Guidance on suitability could be based on some of the criteria listed in section 151 of the Companies Act or section 7 of the Community Trusts Act.

Registration would automatically confer relevant tax exemptions and donee status for charities with exclusively New Zealand purposes. This status should entitle the organisation to expect that, except in certain circumstances, such as tax avoidance or fraud, any removal of the organisation's charitable status would not be backdated. We expect any such cases to be rare.

As noted above the Charities Commission would assist organisations in applying for registration. We suggest that the Commission should maintain a website with appropriate information and links. There should also be an explanatory leaflet to explain details of the registration and annual return forms.

Who would need to Register

We recommend that all organisations wishing to claim tax-exempt status due to their charitable nature be required to register, including organisations that are defined as charitable under other Acts of Parliament.

Organisations with overseas charitable purposes would also be required to register. We have made this initial recommendation on charitable organisations with an overseas focus. However we intend to consider this area further and make more recommendations in our report to the Minister on 31 May 2002.

Charitable trusts created by will should also register. However, in many cases a charitable bequest is held in trust pending distribution of the estates assets. For these short term trusts we recommend the existing tax exemption under section CB 4(1)(d) continues to apply. As a guideline we consider two years is an appropriate cut off point beyond which such trusts would be required to register.

Where an organisation operates as a number of entities, the organisation itself should choose whether the organisation as whole, or its separate parts would register. The decision taken at registration would dictate the form of reporting.

Transitional Arrangements

We recommend organisations with a letter from the IRD, confirming IRD's view that the organisation has charitable status, should gain provisional registration by sending a copy of the letter to the Commission. They would then have to submit their full documentation for approval within two years from the date on which the legislation comes into effect.

Existing charities without an IRD letter would have to go through the full registration process.

Organisations with income from public donations of over \$100,000 in the previous year, excluding church collections and grants from grant making bodies, would be required to supply a copy of their audited annual financial statements.

The Role of IRD

The approval process involved in registration should be sufficiently robust to give IRD confidence to forego its current pre-approval role. We envisage that the Commission and IRD would maintain links to ensure that mutual ongoing confidence in the approval process is maintained.

REPORTING BY REGISTERED CHARITIES

Advantages

As with the information required for registration, there would be a number of benefits from gathering information in annual returns. These include:

- 1 enabling the Commission to fulfil its monitoring role.
- 2 providing much needed data to better inform government policy making.
- 3 assisting the charitable sector to develop better policies and practices.
- 4 improving accountability through assisting donors, funders and the general public to access information about individual organisations and the charitable sector.
- 5 allowing individual organisations to refer potential funders to the publicly available information would reduce the need to repeatedly supply basic information as now occurs. This would save time and money for all concerned.

Purpose of Reporting

The main purpose for a reporting regime is to ensure an organisation continues to qualify as a charity and to update the information provided at registration.

When looking at the options for reporting requirements we considered the following:

- what date charities should report
- should all charities file an annual return
- should the annual return be in a standard format
- should they file audited accounts.

We recommend each registered charity be required to submit an annual return using a standard format within a prescribed period. The prescribed period should be based on the balance date of the charity.

All information filed with the Commission should be available to the public.

Our Sample Annual Return Form is attached as Appendix 6.

The information required falls into three categories:

- the identity of the organisation and the members of the governing body
- the purposes and current activities of the organisation; and
- financial information including:
 - Summary of financial information. This would be required from all registered charities.
 - Audited financial statements. These would be required only from those organisations that receive more than \$100,000 annually from public donations, excluding church collections and grants from grant making bodies.

The information required would be similar to that which organisations need for their internal reporting and funding applications.

The onus would be on the organisation to supply the correct information. The Commission would be available to assist organisations and improve their ability over time to provide the necessary information.

In our view the benefits of this recommendation to the charitable sector, Government and public outweigh the compliance costs, which we see as minimal.

The information in our recommended form would in most cases be sufficient to determine whether organisations continue to qualify as a charitable entity.

Information would only be collected where it is necessary for the purposes of the Commission. We recognise additional information or modifications to the prescribed forms may be necessary as experience is gained through the system's operation. Any major changes however should be made in consultation with the sector.

Failure to provide an annual return should not in itself lead to immediate deregistration, but the Commission should be able to impose penalties if non-compliance continued. Penalties are discussed later in this report.

MONITORING AND ENFORCEMENT

Advantages to the charitable sector through effective monitoring include:

- 1 improving the charitable sector's credibility with the public
- 2 enabling education and support programmes for the sector to be better targeted
- 3 enabling irregularities to be detected and dealt with at an early date, to the benefit of all concerned.

We considered the monitoring role of the Commission on the basis of three principles that:

- monitoring should maintain the integrity of the register
- monitoring should enhance the charitable sector
- monitoring should ensure that the funds of registered charities are being used as required by the organisation's founding document.

The Commission should have the power to investigate the affairs of a registered charity either where the reporting process shows irregularities or when information received suggests irregularities. This would require an investigating capability within the Commission's office.

In investigating a charity we believe the Commission must have the statutory authority to require that the terms of the governing document are carried out in an appropriate manner and the power to replace the governing body or appoint a temporary managing trustee if necessary and appropriate.

We recommend therefore that where organisations are found to be in breach of their obligations, the actions of the Commission should be designed to encourage compliance through education rather than punishment, in the first instance. The actions of the Commission should be to support, advise and educate so as to promote best practice.

However where an organisation chooses not to comply, any monetary penalties must be against officers or trustees of the governing body who should not be able to be indemnified from the funds of the charity. This would ensure beneficiaries are not penalised by unlawful actions of the officers or trustees of the organisation.

We strongly recommend that the investigative powers of the Commission extend to other bodies who are not registered charities but hold themselves out as being so, especially where they are involved in public fundraising activities.

Deregistration should be a last resort. We recommend the Commission publish lists of deregistered organisations and their office holders and make the information available to IRD. After deregistration, following an investigation by the Commission, the report on the investigation should be made available to the public, as is the case in the United Kingdom.

The Commission should also have the power to impose other sanctions, both monetary and non-monetary.

Decisions by the Commission must be able to be challenged through the normal judicial processes.

Where there is evidence that shows the organisation should not have been registered, has not acted according to its charitable purposes or has knowingly provided false information, the Commission would have the ability to deregister retrospectively.

Monitoring of charities with overseas purposes will be addressed a later report.

Relationship with IRD

We acknowledge that IRD must retain the right of independent audit for tax purposes. The information available to them through the registration and reporting regime will help IRD in assessing risk. Protocols would need to be developed around the exchange of information between the Commission and the IRD.

Winding up

Where an organisation ceases to exist the office holders must inform the Commission who shall monitor as appropriate to ensure the assets are disposed of according to the requirements of the governing document.

PUBLIC BENEFIT TEST AND TAXATION OF MAORI ORGANISATIONS

The Working Party was invited to comment on the wider impacts of the issue of the public benefit test as discussed in the Taxation of Maori Organisations Discussion Document, published by Government.

We decided we should comment on this important issue.

The Taxation of Maori Organisations discussion document sets out the purposes of the current review of Maori organisations. The purposes can be summarised as follows:

- The income of Maori organisations is taxed according to a set of rules that were last revised in 1952. As a result, they do not reflect the role that Maori entities now play in facilitating Maori economic and social development.
- There is growing concern that the tax laws have become outdated and may inhibit Maori economic and social development.

In response, the Government has embarked on a review of the income tax laws applying to Maori organisations to develop solutions to the existing problems.

The review examines the rules applying to organisations that are known as “Maori authorities”. The review includes aspects of the law of charities, such as the “public benefit” test, that apply to Maori organisations seeking exemption from tax on the grounds of charitable status.

The discussion document is the product of the review so far. It contains proposals to amend the tax rules for Maori authorities, including the Maori Trustee, and to clarify how charities law applies to all organisations, especially iwi-based and hapu-based organisations and marae.

Chapter 8 of the discussion document sets out proposed policy on changing the public benefit test. It proposes that an entity would not cease to be eligible for charitable status simply because its purpose is to benefit a group of people connected by blood ties.

The discussion document defines charitable purpose, and describes a public benefit, as¹:

- “All entities other than those established for the relief of poverty must meet the “public benefit” test. Although the question of whether an entity meets this test is considered on the facts of each case, the courts have developed a number of general tests for determining whether the benefiting group is the public – or at least an “appreciably significant section” of the public.”
- “Through cases such as *Re Compton* and *Oppenheim v Tobacco Securities*, it has been established that the number of beneficiaries must not be negligible. In addition (and even if the number of beneficiaries is large), those beneficiaries must not be determined on the basis of a personal relationship such as blood or contractual ties. If they are, the entity will not be for the public benefit. Instead, it will be for the benefit of private individuals and therefore not “charitable”.”
- “The House of Lords (Lord Cross) in *Dingle v Turner* has questioned the *Re Compton* and *Oppenheim* and *Oppenheim* tests, suggesting that the existence of a personal connection such as blood ties or contract should not be determinative of whether an entity provides a public rather than a private benefit. Rather, consideration should also be given to the nature of the entity and the charitable purpose for which it was established, the number of beneficiaries, and the degree of connection between the beneficiaries.”
- “Although the *Re Compton* and *Oppenheim* tests have continued to be applied in the English courts, Lord Cross’s comments have been noted with approval in two recent New Zealand cases. Consequently, there is now a degree of uncertainty in New Zealand about whether trusts whose beneficiaries are determined by a blood or a contractual relationship will satisfy the ‘public benefit’ test.”

The discussion document lists the problems with the “public benefit” test, as:

- The inability of an entity to qualify for charitable status when its beneficiaries are determined on the basis of bloodlines has been raised by the Maori community as a major concern, although it is by no means an issue limited to Maori. Although Maori authorities often provide benefits of a charitable nature to iwi and hapu, they might not qualify for an exemption because their benefit extends to a specified group of people connected by blood ties.
- Those consulted considered that the general view of the “public benefit” requirement is inappropriate to New Zealand society because it fails to recognise New Zealand’s unique cultural groupings.

The Government proposal is to change the “public benefit” test so that an entity would not cease to be eligible for charitable status simply because its purpose is to benefit a group of people connected by blood ties.

The discussion document set outs how this proposal would work.

¹ *Taxation of Maori Organisations – August 2001.*

- This proposal will apply to both Maori and non – Maori entities, and it is especially relevant to iwi-based and hapu-based entities. However, it should be noted that to obtain charitable status an entity must still meet the other requirements of a charity – that is, it must have a “charitable purpose” and it must be for the benefit of the public or an appreciably significant section of the public.
- In determining whether an entity benefits an appreciably significant section of the public, it will be necessary to consider other factors such as the nature of the entity, the number of potential beneficiaries, and the degree of relationship between beneficiaries.
- For example, whanau trusts may qualify for a “charitable” tax exemption if their pool of beneficiaries is large enough and inclusive enough to constitute an appreciably significant section of the public, or if the purposes for which they are established confer a wide public benefit. However, if the entity benefits a few family members only (so that it is actually a private family trust), it will not be regarded as benefiting an appreciably significant section of the public.

Wider Impacts and Benefits of Change

The Working Party has identified impacts of changing the public benefit test so an entity would not cease to be eligible for charitable status simply because its purpose is to benefit a group of people connected by blood ties. These include:

- The proposed change appears fair and reasonable and takes into account the unique cultural situation that exists in New Zealand and thus would provide greater equity across the nation.
- It is consistent with Article 3 of the Treaty of Waitangi.
- A greater number of organisations would be classed as charitable and thus able to apply for funding to a number of funding agencies that can only fund charitable organisations or activities. This would mean more competition for available funding.
- A greater number of organisations would also be able to achieve donee status. This may encourage more support to organisations by way of voluntary donations.
- Private family trusts however would not be affected as the benefits are only available to a few family members and the other tests for charities would not be satisfied.

Recommendation

The Working Party recommends that:

The public benefit test be changed, so that in applying the public benefit test, an organisation would not cease to be eligible for registered charity status simply because its purpose is to benefit a group of people connected by blood ties.

APPENDICES

Appendix 1 - Members of the Working Party

Sidney Ashton, (Chairperson), former Chief Executive Officer of Te Runanga o Ngai Tahu

Frank Claridge, Treasurer of the Royal New Zealand Foundation for the Blind, member of the Federation of Voluntary Welfare organisations national executive

Gordon Copeland, Chair of the Inter Church Working Party on Taxation, Financial Administrator of the Catholic Archdiocese of Wellington

Pat Hanley, Manager of the Association of Non Governmental organisations of Aotearoa and Chair of the Social and Civic Policy Institute

Judith Timpany, Chair of Philanthropy New Zealand, Executive Director of the Whanganui Community Foundation

Hemi-Rua Rapata, Chairman of the Federation of Maori Authorities o Aotearoa; the Taitokerau Federation of Maori Authorities; the Matauri X Incorporation

Pat Webster, Former Executive Director of the Council for International Development, Executive Member of Non Governmental organisations of Aotearoa, Trustee of the Social and Civic Policy Institute.

Appendix 2 - Resources

- Tax and Charities Government Discussion Document. June 2001.
- Taxation of Maori Organisations Discussion Document. August 2001.
- Report to the Minister of Finance and the Minister of Social Welfare by the Working Party on Charities and Sporting Bodies – Sir Spencer Russell. November 1989.
- Accountability and Self Regulation of Charities and Voluntary Organisations – Project Report – David Robinson. 6 April 1999.
- Report of the Inquiry into the Definition of Charities and Related Organisations (Australia). June 2001.
- Submissions made to the Government as a result of the Tax and Charities Government Discussion Document.
- Registration for Charities forms used in Australia, USA, United Kingdom and Canada.
- Charities Annual Report Forms used in Australia, USA, United Kingdom and Canada.
- Charities Act (UK) 1993.
- Report of the Inquiry into Definition of Charities and Related Organisations. Commonwealth of Australia 2000.
- Charitable Trusts Act 1957 and amendments.
- Income Tax Act 1976 and amendments.
- “Charitable Organisations” – A tax guide for charities, donee organisations, and other groups Inland Revenue Department December 2001 (draft).
- Working Draft of legislation prepared in 1989 following the report of the Sir Spencer Russell Inquiry.
- Statement of Government Intentions for an Improved Community – Government Relationship. December 2001.

The Working Party consulted officials from Ministry of Economic Development, Department of Internal Affairs, Treasury, Inland Revenue Department and Te Puni Kokiri.

Acknowledgements

The Working Party wishes to acknowledge the valued assistance of Rosemary Cook, Murray Shadbolt, Justin Brownlie and Gavin Hamilton from the Treasury.

Appendix 3 – Terms of Reference

Working Party on Registration, Reporting and Monitoring of Charities ²

Functions

The Working Party has been appointed to make recommendations to the government on the design of a method of registration, reporting and monitoring for charities, and to provide comment on other identified issues.

The functions of the Working Party will be:

- i to provide recommendations on the type of registration, reporting and monitoring arrangements that should be introduced in New Zealand and how they should be implemented;
- ii to comment (if it wishes) on any wider impacts of the issue of the public benefit test as discussed in the Taxation of Maori Organisations Discussion Document;
- iii to report to the Minister of Finance on its findings.

The Working Party is also invited to comment on:

- whether the definition of “charitable purpose” can be improved without altering its overall scope; and
- the proposal to standardise the various tax assistance rules applying to New Zealand charities with overseas purposes.

Context

The Government acknowledges the enormous contribution the charitable sector makes to New Zealand society. The work of these groups is highly valued by both government and the community.

The current government has initiated work focusing on improving the relationship between government and the community and voluntary sector, but also recognises that the legal and regulatory environment in which charities operate is in need of review.

Successive governments have expressed an interest in reform but have also expressed concerns about the degree to which the tax exemption for charities can be used for tax avoidance. These same concerns have at times been expressed from within the community and voluntary sector itself.

² Defined as “organisations with charitable purposes for the purposes of the Income Tax Act”.

New Zealand is not alone in considering changes to the charities legal environment. A number of Commonwealth countries are considering reforms of the charitable sector, and we expect to follow developments in those countries closely.

The Government released a discussion document in June 2001 canvassing various options for change related mainly to tax issues. The document highlighted that there is a lack of information available about the charitable sector, including who benefits, and how, from the tax assistance the government provides.

The discussion document generated a large number of submissions from a wide range of individuals and groups within and associated with the charitable sector. From submissions it is clear that there is general support for a registration, reporting and monitoring system.

As a first step, therefore, the Government has decided on a package, which includes proceeding with a registration, reporting and monitoring system. It has set up this working party to work with officials in developing a simple cost effective system that is suitable for New Zealand.

This leaves several issues still to be considered, some of which were raised in the discussion document. The working party has been asked to comment on some of these, but the government acknowledges that there is further work to be done over the next few years. It is hoped that the information gathered through the reporting and monitoring system to be introduced, as well as observation of other jurisdictions, will contribute to an informed debate on the wider issues, and to reform that will assist the sector in its vital role within New Zealand society.

Purpose

In his press statement of 16 October the Minister announced:

“A decision in principle has also been taken to introduce registration, reporting and monitoring requirements for charities claiming tax-free status. This is common in overseas jurisdictions and, from the feedback we have received, is broadly accepted here.

“To ensure the new system works well and has wide acceptance, the government has agreed to consult the charitable sector on the design details – including ways to reduce the compliance costs for smaller charities.

“A working party comprising sector representatives will be appointed and asked to come back to the government with recommendations.”

The Working Party will concentrate on the operational aspects of a registration and reporting system that is workable for charities and useful to the Government and the public. Their recommendations will form the basis of advice to the Government in this area.

Ideally the system should be simple, efficient, fair and reliable. It should not impose unnecessary compliance costs on charities, as the resources of the sector, including the time of employees and volunteers should be focused on the valuable work they do, rather than on administration.

Task of the Working Party

The Working Party will:

- identify the body which will register charities
- propose a clear, simple, cost efficient and straight-forward method of registering charities
- recommend a system for the on-going collection and monitoring of information from the sector having regard to the purposes for which that information is collected.

The Working Party is invited to:

- comment on whether the definition of “charitable purpose” can be improved without altering its overall scope;
- comment on the proposal to standardise the various tax assistance rules applying to New Zealand charities with overseas purposes;
- comment on the wider implications of the issue of the public benefit test as it applies to Maori organisations.

The recommendations on registration and reporting need to be sufficiently particular to provide a clear idea of the actual legislative change and operational policies that they would require, including any enforcement policies.

With the exception of their comments on the definition of “charitable purpose” and on overseas charitable purposes, the Working Party will submit its report to the Minister of Finance by the end of February 2002. The working party will provide its comments on those other issues by the end of May 2002.

Process Expectations

The Government will make available officials, and will expect them to contribute significantly in assisting the Working Party. It is likely that officials will provide a formal liaison between the Working Party and the relevant government departments.

A large number of submissions were received by the government on the Tax and Charities discussion document. The Working Party may have regard to those submissions, to the extent they are relevant to its work on registration, reporting and monitoring.

Both officials and the Working Party will keep Ministers informed of the progress of the Working Party.

The Working Party will liaise with the Community and Government Sector Steering Group. The Government will consider the recommendations of the Working Party, and indicate publicly its views on those recommendations by mid April 2002, with a view to introducing a package of legislation into the House in May 2002. The package will include the other charitable taxation issues on which decisions have already been taken, and a clarification of the definition to ensure that charitable purposes of any organisation must be ongoing for the tax exemption to be available.

*Community and Government –
building strong and respectful relationships*



Statement of Government Intentions
for an Improved Community –
Government Relationship

D E C E M B E R 2 0 0 1

Vision

Strong and respectful relationships between government and community, voluntary and iwi/Māori organisations.

Government recognises that community, voluntary and iwi/Māori organisations play a unique and vital role in New Zealand society.

An independent and vibrant community sector is essential to a healthy civil society. Government and the community sector depend on each other to achieve shared goals of social participation, social equity and strengthened communities.

The Community and Voluntary Sector Working Party delivered a strong message that government relationships with the community sector need to improve if these goals are to be realised.

Government will be an active partner in building a relationship based on honesty, trust and integrity – *tika* and *pono*; compassion and caring – *aroha* and *manaakitanga*; and recognition of diversity.

Principles

Government is committed to developing relationships with community, voluntary and iwi/Māori organisations that:

- enable mutual interests to be achieved through co-operation
- respect the independence of community, voluntary and iwi/Māori organisations
- recognise and respect the principles of the Treaty of Waitangi
- demonstrate effective two-way communication
- involve leadership within the community sector and from government ministers
- acknowledge and support the positive role played by umbrella, national and strategic collective bodies
- embrace innovation and creativity
- respect and recognise cultural diversity
- are founded on public accountability and appropriately flexible good practice.

Government commitments

• **Culture of government**

Government expects public servants to treat all New Zealanders with dignity and respect.

This requires leadership from public service chief executives and senior managers to ensure that all staff have a good understanding of the values, governance arrangements and working realities of the community, voluntary and iwi/Māori organisations with whom they interact.

• **“Whole of government” approach**

Government recognises that community, voluntary and iwi/Māori organisations interact across the range of government ministries and departments. Government agencies will give priority to working together, breaking down ‘silos’ and establishing co-ordinated, inter-sectoral policies and programmes.

• **Treaty of Waitangi**

Government expects its departments and ministries to recognise and apply the principles of the Treaty of Waitangi. Public servants need to be well informed about, and responsive to, Treaty matters. Government agencies will continue to develop and improve public servants’ understanding of the principles of the Treaty of Waitangi, its relevance to the agency in which they work and its application to their own roles.

• **Participation in decision-making**

Government values the contribution of community, voluntary and iwi/Māori organisations to good policy making and delivery of effective services. Government agencies and the community sector will work together to develop and improve consultation processes through sharing good practice, guidelines, workshops and training.

• **Government funding to community organisations**

Government acknowledges the valuable contribution made by community, voluntary and iwi/Māori organisations to the achievement of shared social, cultural, environmental and economic goals. Government agencies will, together with the community sector, undertake a programme of work to address concerns about funding arrangements, effectiveness, compliance costs and related matters.

• **Strengthening the community sector**

New Zealand’s social, cultural, environmental and economic well-being requires a healthy and strong community sector. Government will work alongside community, voluntary and iwi/Māori organisations to support and strengthen the community sector.

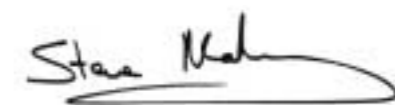
Implementation

Government is committed to creating a genuine partnership with community, voluntary and iwi/Māori organisations. Building strong and respectful relationships with the community sector will take time and will require hard work, reflection and active engagement.

Government sees a future where the state performs its role as a facilitator of a strong civil society based on respectful relationships between government and community, voluntary and iwi/Māori organisations.



Rt Hon Helen Clark
Prime Minister



Hon Steve Maharey
Minister Responsible for the
Community and Voluntary Sector



Charity Registration Form

The information requested in this form together with information taken from your governing document will be used to assess your eligibility for registration as a tax-exempt charity.

You can either complete this form by printing it as a blank document and completing it manually, or completing it and submitting it online.

Manual Registration

If you choose to complete it manually please send the completed and signed form to the registrar at [address] with a copy of your governing document (such as a trust deed or constitution) and your cheque for the registration fee of \$[..].

Online Registration

If you complete this form online we will send you a printed copy of this form which you will need to sign, or stamp with your charity's seal (if applicable), and return to the Registrar at [address] with a copy of your governing document (trust deed or constitution) and your cheque for the registration fee of \$[..].

Note: If, as at April 2003, you have a letter of confirmation of tax exempt status on the grounds that you are a charity from IRD you have the choice of submitting that letter instead of your governing document in order to obtain a registered charity number. However you must submit your governing document by April 2006.

If your registration is accepted you will be issued with a registered charity number. This information will be entered onto the computerised Registrar of Charities database. The information that you have supplied will be publicly available at our office and on this website.

A. Contact Details

1 Please give the legal name by which the organisation is known.

2 Please give any other names by which the organisation is known (including any acronyms).

3 Is the organisation a branch, subsidiary section, parish, congregation or other internal division of another registered charity or other organisation?

Yes No

If Yes, please provide details below:

4 Street address:

5 Mailing address (if different from street address):

6 Telephone:

7 Fax:

8 Contact person (name and position e.g. secretary):

9 Contact person's email address:

10 Please supply a list of names and addresses of all members of the governing board or governing authority of the organisation (e.g. trustees, parish priest etc). Type each part of the name and address on a new line e.g.:

John Smith
 1/10 Main Street
 GORE

B. Charitable Purpose

11 Year in which the organisation first operated or intends to operate:

12 Are you registered under any other Act of Parliament, and if so what is your registration number?

Company number:

IRD number:

Charitable Trusts Act number:

Incorporated Societies Act number:

Maori Land Court number:

Other, please specify:

13 What are the areas of your main charitable purposes and activities? Select all boxes that apply.

- Education
- Health
- Religion
- Indigenous persons
- Poverty
- Employment

- | | |
|--|--|
| <input type="checkbox"/> Disaster relief | <input type="checkbox"/> Crime prevention |
| <input type="checkbox"/> People with disabilities | <input type="checkbox"/> Science |
| <input type="checkbox"/> Public work and utilities | <input type="checkbox"/> Research |
| <input type="checkbox"/> Community development | <input type="checkbox"/> Culture |
| <input type="checkbox"/> Aged persons | <input type="checkbox"/> Environment |
| <input type="checkbox"/> Young persons | <input type="checkbox"/> Animals |
| <input type="checkbox"/> Family services | <input type="checkbox"/> Other (see 15. below) |
| <input type="checkbox"/> Housing | |

15 If you selected Other at 14. above please describe your main charitable purposes and activities:

C. Activities

Please provide details of the main activities that will be carried out in order to further the objects in the entity's governing document.

16a Object 1:

16b Activities:

17a Object 2:

17b Activities:

18a Object 3:

18b Activities:

19a Object 4:

19b Activities:

20 Add information about any additional objects and activities:

21 Name the charities that will benefit on a winding up of the organisation:

22 Does the entity operate outside New Zealand?

Yes No

23 Does the entity fund any activities outside New Zealand?

Yes No

24 Do you intend to raise money from the public?

Yes No

25 Do you intend to provide services under government contract?

Yes No

D. Trustees' Interests

26 Will any of the following benefit in any way, directly or indirectly from the entity?

- a. Trustees
- b. Others involved in managing the organisation
- c. A relative or business associate of a. or b.
- d. A partner, relative or business associate of a partner

Yes No

27 If 'Yes' please provide details.

28 Is this the first time you have applied for registration?

Yes No

E. Documentation Checklist

29 Which documents will you be submitting with this application:

- Copy of letter of confirmation of tax-exempt status from IRD, or
- Copy of the entity's incorporated/executed/adopted governing document, with evidence of its incorporation/execution/adoption (and stamping if necessary).
- Cheque for \$[.] registration fee
- Copy of authorisation from the organisation to submit this application (e.g.

signed minutes of a meeting).

F. Statutory Declaration

[If filing online, you will complete this section when the form is returned to you.]

30 Has your organisation been in operation for 12 months or more?

If so, please confirm that the charitable objectives outlined above and in your founding document continue to be actively undertaken by delivery to the beneficiaries of charitable services.

Yes No

I, of solemnly and sincerely declare that the information provided in this form is true and correct. And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at this day of .

Justice of the Peace, or other person authorised to take this statutory declaration.

[CHARITY REGISTRATION FORM](#) [HELP WITH REGISTRATION](#) [UPDATE CHARITY DETAILS](#) [CHARITY ANNUAL RETURN](#)

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Charity Annual Return

For the year ended 30 June [03] (including balance dates ending in the 03 calendar year).

Information in sections A, B and C has been taken from your registration form or last annual return. Please update any of this information to highlight any change in your organisation or its activities.

This information will be entered onto the computerised Registrar of Charities database. The information that you have supplied will be publicly available at our office and on this website.

A. Contact Details

1 Please give the legal name by which the organisation is known.

2 Please give any other names by which the organisation is known (including any acronyms).

3 Is the organisation a branch, subsidiary section, parish, congregation or other internal division of another registered charity or other organisation?

Yes No

If Yes, please provide details below:

4 Street address:

5 Mailing address (if different from street address):

6 Telephone:

7 Fax:

8 Contact person (name and position e.g. secretary):

9 Contact person's email address:

10 Please supply a list of the names and addresses of all members of the governing board or governing authority of the organisation (e.g. trustees, parish priest etc). Type each part of the name and address on a new line e.g.:

John Smith
1/10 Main Street
GORE

B. Charitable Purpose

11 Year in which the organisation first operated or intends to operate:

12 Are you registered under any other Act of Parliament, and if so what is your registration number?

Company number:

IRD number:

Charitable Trusts Act number:

Incorporated Societies Act number:

Maori Land Court number:

Other, please specify:

13 What are the areas of your main charitable purposes and activities? Select all boxes that apply.

- | | |
|--|--|
| <input type="checkbox"/> Education | <input type="checkbox"/> Health |
| <input type="checkbox"/> Religion | <input type="checkbox"/> Indigenous persons |
| <input type="checkbox"/> Poverty | <input type="checkbox"/> Employment |
| <input type="checkbox"/> Disaster relief | <input type="checkbox"/> Crime prevention |
| <input type="checkbox"/> People with disabilities | <input type="checkbox"/> Science |
| <input type="checkbox"/> Public work and utilities | <input type="checkbox"/> Research |
| <input type="checkbox"/> Community development | <input type="checkbox"/> Culture |
| <input type="checkbox"/> Aged persons | <input type="checkbox"/> Environment |
| <input type="checkbox"/> Young persons | <input type="checkbox"/> Animals |
| <input type="checkbox"/> Family services | <input type="checkbox"/> Other (see 15. below) |
| <input type="checkbox"/> Housing | |

15 If you selected Other at 14. above please describe your main charitable purposes and activities:

C. Activities

Please provide details of the main activities that will be carried out in order to further the objects in the entity's governing document.

16a Object 1:

16b Activities:

17a Object 2:

17b Activities:

18a Object 3:

18b Activities:

19a Object 4:

19b Activities:

20 Add information about any additional objects and activities:

21 Name the charities that will benefit on a winding up of the organisation:

- 22** Does the entity operate outside New Zealand?
 Yes No
- 23** Does the entity fund any activities outside New Zealand?
 Yes No
- 24** Do you intend to raise money from the public?
 Yes No
- 25** Do you intend to provide services under government contract?
 Yes No

D. Balance Date (Being the End of Your Financial Year)

- 26** Your balance date (dd/mm/yy):
/ /

E. Annual General Meeting

- 27** Date of last annual general meeting if applicable (dd/mm/yy):
/ /

F. Income

- 28** Income from:
- Investments: New Zealand company dividends
 - All other investments (excluding New Zealand company dividends)
 - *Subtotal income from investments*
 - Donations from the public
 - Trading activities
 - Grants from other registered charities
 - Government contracts or grants
 - Income from members (including subscriptions)
 - Other
- Total**

G. Outgoings

- 29** **Note: Take all figures from your accounts and allocate overheads such as administration and depreciation as appropriate to your organisation.**
- Service delivery and activity costs (including overhead and administration costs)
- Total grants made within New Zealand
- Grants made within New Zealand to other registered charities*
- Grants made overseas

Fundraising costs		<input type="text"/>
Retained surplus (deficit):		<input type="text"/>
Total		<input type="text"/>

H. Net Worth

30	<i>Current assets</i>	<input type="text"/>	
	<i>Long term assets</i>	<input type="text"/>	
	Total assets		<input type="text"/>
	<i>Current liabilities</i>	<input type="text"/>	
	<i>Long term liabilities</i>	<input type="text"/>	
	Total liabilities		<input type="text"/>
	Balancing figure/Equity		<input type="text"/>

I. Benefits

- 32** Have any of the following benefited in any way, directly or indirectly from the entity?
- Trustees
 - Others involved in managing the organisation
 - A relative or business associate of a. or b.
 - A partner, relative or business associate of a partner

Yes No

If yes, specify amount:

J. Declaration

[If filing online, you will complete this section when the form is returned to you.]

- 33** I declare that the above information is true and correct and that the charitable objectives outlined above have been actively pursued throughout the relevant year.

Signed: Date:

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