

Not-for-Profit Regulatory Compliance

Course Outline

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Managing a not-for-profit (NFP) organisation — whether it is a charity, professional association, sporting club or community organisation — can be challenging. Contributing factors to the difficulties experienced by NFP organisations (in particular charities), include the following:

- The complex legal and regulatory framework within which NFP organisations have operated. Pre-NFP sector reforms, there were over 178 different pieces of Commonwealth, state and territory legislation and 19 separate agencies which specifically related to NFP organisations and charities, resulting in multiple and varying levels of compliance and reporting.
- A lack of resources to acquire the expertise that may be required.

In February 2010, the Commonwealth Government's Productivity Commission published a research report titled 'Contribution of the Not-For-Profit Sector'. This report provides a useful summary of the sector, its history and its contribution. It also provides recommendations for improving the efficiency and effectiveness of the regulatory and legislative structure. Many of the recommendations were adopted by the Commonwealth Government. The Productivity Commission report is accessible on its website at <pc.gov.au> and is recommended reading for this course (see section 15.5 at the end of these notes).

As a result of the Productivity Commission report, a new Commonwealth regulator for charities was introduced, the Australian Charities and Not-for-Profit Commission (ACNC).

This course discusses the role of the various regulators in Australian for not for profit and charitable organisations and looks at the responsibilities and obligations of these organisations in a regulatory context.

The **aim** of this course is to examine the current legal and regulatory requirements applicable to NFP organisations.

The **key** objectives are to:

- Identify the different legal structures available
- Highlight the importance of the constituent document (constitution)
- Overview funding obligations
- Outline taxation (including GST) issues
- Overview broader compliance responsibilities as an employer

Course Content

1 Introduction

- 1.1 What is the background to this course
- 1.2 What is the aim to this course

2 Legislative and regulatory framework

- 2.1 Role of various government bodies
- 2.2 Types of regulatory obligations

3 The regulators

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4 Legal structures of NFP organisations

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- 4.2 Co-operatives
- 4.3 Incorporated associations
- 4.4 Public companies limited by guarantee
- 4.5 Terminology
- 4.6 Choosing an appropriate legal structure
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5 The constituent document

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- 5.4 Not to contradict legislation
- 5.5 Regular review
- 5.6 Amending the constituent document
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- 6.2 Endowments
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- 7.3 Profits in NFP organisations
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- 7.5 Income tax exemption
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