



# MANAGING A CHARITY

ISSUED BY THE DEPARTMENT OF SERVICES

## FOREWORD

The management of a charity is a rewarding, though sometimes exacting task; but charity workers are aided by an Act and a code of Regulations drafted in such a manner as to provide basic controls and working methods.

The Charitable Collections Act, 1934, provides for the registration of charities, the regulation of their collections, and the keeping and audit of their accounts. The Act defines an "Appeal for Support" and then goes on to say that an appeal for support of any charity is only lawful under certain conditions. For your purposes, the most important of these conditions is that the charity concerned shall be registered, or specially exempted from registration.

A registered or exempted charity, then, enjoys the right of being able to appeal directly to the public for funds, but in return it incurs a number of obligations which are set out in the Act, and described in greater detail in the Regulations under the Act.

All of these provisions operate to the advantage of your charity in the long run and it is essential that you become familiar with them. This pamphlet has been produced to explain to you, without delving too deeply into legal technicalities, just what a charity may do, and what it may not do.

If you need further guidance, our officers will be only too glad to advise you.

A handwritten signature in blue ink that reads "J. B. Holliday". The signature is written in a cursive style with a large, looped "J" and a long, sweeping "y".

Under Secretary.

Department of Services,  
121 Macquarie Street, Sydney.

## Managing a Charity

### APPEALS FOR SUPPORT

The term "appeal for support" has quite a wide meaning at law. It includes not only public collections, donations and the proceeds of fetes and bazaars, but also members' subscriptions and the proceeds of queen competitions, balls, concerts and other entertainments in aid of charity.

Every appeal a charity makes must be authorized by its governing body (that is, "the Committee"), and where authority to conduct the appeal is delegated to some individual, a "sanction" in the form set out below must be issued.

#### SANCTION TO CONDUCT AN APPEAL FOR SUPPORT IN RELATION TO THE

\_\_\_\_\_ (name of Charity)

You are hereby authorized to conduct an appeal for support of the abovenamed charity on the date and at the place stated, and in the manner set out hereunder:

*(Particulars of appeal to be inserted here.)*

This sanction is granted subject to strict compliance with the provisions of the Charitable Collections Act, 1934-1941, and the Regulations thereunder.

Signature \_\_\_\_\_

*(State in what capacity authority is given.)*

The Committee of a charity can impose whatever conditions it thinks fit when issuing a Sanction, and it is suggested that one such condition should be that a statement of income and expenditure, together with receipts evidencing all expenditure, be rendered to the charity by the person conducting the appeal.

Collectors should be issued with authorities similar to the "Sanction" shown above, provision being made for an expiry date not more than twelve months after the date of issue.

The Committee should make sure that each of its collectors or promoters is a person of good repute. If not personally known to the Committee, every prospective employee or agent should be asked to produce references or testimonials. If careful enquiries of this nature are not made, then there is a very real danger that illegal or unethical behaviour by a collector or promoter may damage the charity's reputation with the public, and bring discredit upon all charity workers.

Once a charity has been registered, or exempted from registration, it does not need to seek permission under the Charitable Collections Act for individual appeals. However, some types of fund raising require authorization under other Acts, such as the Lotteries and Art Unions Act, or perhaps the Local Government Act.

Some of the more popular methods of fund raising are described in the pages which follow.



## DOORKNOCK APPEALS

House to house collections, or Doorknock Appeals as they are now becoming known, may be made by a charity under these conditions:

- Permission from the local council to be obtained.
- Each collector to have a written authority (see "Appeals for Support" above). He must present it every time he makes an appeal.
- Each collector to be at least seventeen years of age unless specially authorized by the Minister.
- The charity's own ticket or receipt to be issued for every amount received. Even where some article, such as a pencil or a calendar, is sold, a ticket or receipt must also be issued.
- The charity to ensure that all moneys collected are properly and promptly accounted for by each collector.

## STREET COLLECTIONS AND BUTTON DAYS

Collections in streets, roads, or other public places may be made by a charity under these conditions:

- Permission from the local council and the police to be obtained. If collections are to be made at railway stations or wharves, permission should be obtained from the Department of Railways or the Maritime Services Board.
- The charity to issue each collector with a distinctive armlet or badge, which he must display at all times. These armlets or badges to be numbered and a record kept of the persons to whom they are issued. An armlet or badge may only be used by the person to whom it is issued; it is not transferable.
- Each collector to be at least seventeen years of age unless specially authorized by the Minister.
- Collection boxes may be used if they comply with the Regulations (see "Collection Box Appeals" below).
- Where Collection Boxes are not used, the charity's own ticket, receipt, button or emblem to be issued for every amount received.
- The charity to ensure that all moneys collected are properly and promptly accounted for by each collector.

Where buttons or emblems are being sold it is important to record all issues to sellers and also to keep stock records of buttons received from the manufacturers. These records should be capable of being balanced after each button day and reconciled with stocks actually on hand.

It is important, when designing buttons or emblems, to include the full name of the charity and the price.



### COLLECTION BOX APPEALS

Where collections are being made in places of public entertainment, or public refreshment, collection boxes must be used.

If the charity wishes, it may also use collection boxes in street appeals or make arrangements to leave them in shops.

Each box must be:

- constructed of metal (soldered at the joints) or wood securely screwed or nailed together; or other material approved by the Minister;
- properly sealed prior to issue to collectors;
- clearly numbered for identification; and
- clearly labelled with the name of the charity.

The Committee of the charity should authorize persons to break the seals and open the boxes. This duty must not be performed by the collectors themselves.

Proper supervision must be exercised by the Committee when issuing boxes, when opening them, and when accounting for the contents.

The following record must be kept:

REGISTER OF COLLECTION BOXES

Box	Issued to—		Where box located	Date issued	Date returned	Amount of contents	Receipt No.	Remarks
	Name	Address						

Boxes should not be placed in shops unless the Committee is prepared to make arrangements for regular clearances by a charity representative. This is good public relations policy, because any evidence that the charity is neglecting its boxes is likely to lead to a loss of goodwill.

### CHRISTMAS SEALS

Where Christmas Seals are sent through the post to selected members of the public, with a request for a donation, it is quite permissible to state in a covering letter that . . . "the nominal value is . . . per sheet", and leave it to the recipient to decide the size of his donation (if any). But no values should appear on the seals themselves.

If values are shown on the seals, they become "tickets or receipts" within the meaning of the Charitable Collections Act and must be serially numbered, their issue strictly controlled, and the prescribed Registers kept (see "Accounts" page 6).

## ENTERTAINMENTS

When a carnival, sports meeting or other entertainment is held, or where competitions and games are conducted in aid of charity, the following requirements must be observed:

- Gross proceeds to be banked in a trust account.
- Commissions and expenses to be paid by cheque drawn on the trust account.
- The trust account to be operated on by at least two persons, one of whom must be a member of the Committee of the charity.
- Commission and expenses paid out should not exceed 50 per cent of the gross takings.

Where an entertainment of some sort is being arranged for the charity by a theatrical agency or entrepreneur, it is essential to have some evidence in writing of the terms of the agreement. There have been instances where a charity has been promised the services of well known entertainers, but at the last moment, lesser known performers have been substituted without any significant reduction in fees being allowed.

If it is proposed to have programmes printed, please refer to "Publications" page 5.

## FETES, BAZAARS AND STREET STALLS

When functions are held in a street or road, or in a position which can be seen from a street or road, the permission of the local council and the police must be obtained.

A permit from the Department of Services must also be obtained whenever games of chance other than raffles are being conducted (see below).

## COMPETITIONS AND GAMES OF CHANCE

An application should be made to the Department of Services for a permit under the Lotteries and Art Unions Act if a charity wishes to conduct chocolate wheels, lucky envelopes or similar games of chance.

Where these functions are being conducted on a regular basis, the one permit is issued to cover all functions held at a particular place during three calendar months.

Applications for permits, or for the renewal of permits about to expire, should be lodged a fortnight before the date on which it is proposed to hold the function.

Permits are not issued for Crown and Anchor, Odds and Evens, Roulette, Esmeralda and other odds-paying games. Also, permits are not issued if it is proposed to conduct games of chance on Sundays, Christmas Day or Good Friday.

Permits are not required for the conduct of raffles provided the value of the prize/s in any one raffle does not exceed \$1,000, and provided the provisions of the Lotteries and Art Unions Act and the relevant Regulations are observed.

### ART UNIONS

If a Committee proposes to organize an art union to raise funds for a charitable purpose, application for permission to do so must be lodged with the Department of Services.

A Promoter and a Committee of five persons must be prepared to enter into a formal agreement with the Minister to conduct the art union in accordance with certain prescribed conditions and to guarantee a profit to the charity of at least 40 per cent of the gross income of the art union.

"200 Clubs", "Silver Circles", and other schemes involving weekly drawings of prizes are not provided for under the Lotteries and Art Unions Act, so they cannot be approved unless the promoters are prepared to conduct them as art unions, and draw all prizes at the one time.

### PUBLICATIONS

The Committee should be careful where publishing or advertising organizations are allowed to produce a book or a monthly magazine for the charity, or to supply printed programmes, tickets, pamphlets or other literature. Instances have come to the notice of the Department of attempts being made to impose on the public by persons claiming to be acting on behalf of well-known charities.

The method adopted by some operators has been to offer to supply printed matter free of charge and then to approach various business people and invite them to purchase advertising space which they were led to believe would be for the benefit of the charity. Actually, the whole of the money paid for the advertisement was retained by the operator and the only assistance which the charity received was the supply of a number of free programmes.



The charity, of course, might be quite satisfied with this arrangement and even condone it, but it should be realized that the fact that advertising revenue meant for the charity often goes into the pockets of others does not pass unnoticed by the business community. Naturally enough, this results in many businessmen adopting a cynical attitude towards all charitable appeals.

Collection of advertising revenue on behalf of charities may only be done by publishing or advertising organizations under the following conditions:

- Gross proceeds to be banked in a trust account.
- Commissions and expenses to be paid by cheque drawn on the trust account.
- The trust account to be operated on by at least two persons, one of whom must be a member of the Committee of the charity.
- Commission paid out should not exceed 20 per cent of the gross proceeds.
- Commissions and expenses paid out should not exceed 50 per cent of the gross proceeds.

## ACCOUNTS

Numbered receipts or tickets must be given for all moneys received, except where collection boxes, buttons or emblems are used. In these cases it is not necessary to hand out a ticket or receipt to every person making a donation, but it is a good idea to give each collector a receipt for the gross takings handed in. This results in a complete record of all income received, and makes the Auditor's job a lot easier.

Even when an anonymous donation is received, a receipt should be issued. The original receipt could remain in the book if the address of the donor is unknown.

All moneys received should be banked intact and without deduction in the charity's bank account. The account should be in the name of the charity and operated on by not less than two persons jointly. The practice of signing blank cheques in advance is very dangerous and should not be allowed.

Payments of ten dollars (\$10) and over should be made by cheque and receipts obtained from the payees. Invoices and other documentation, supporting payments, should be certified that goods or services have been received. These documents should then be endorsed with the relevant cheque number and filed in cheque number order. All expenditure must be ratified or approved, if necessary, by the Committee, and it is particularly important that details of all accounts passed for payment be set out in the minute book. Invoices and other claims for payment should be tabled at Committee meetings in order that Committee members might all have the opportunity of inspecting them.

Details of receipts and payments should be regularly entered in the Cash Book. At the close of each month the Cash Book must be balanced with the bank account and a Reconciliation Statement written into the Cash Book. The Reconciliation Statement, together with the Bank Pass Sheet should be presented to Committee meetings. The Cash Book should be kept in a similar manner to the form below:

CASH BOOK										
DR.						CR.				
Receipts						Payments				
Date	Receipt No.	Received from	Particulars	Details	Bank	Date	Paid to	Particulars	Cheque No.	Bank

NOTE.—The receipts and payments should be dissected under appropriate columns wherever practicable.

Payments of less than ten dollars (\$10) may be made from a Petty Cash Account, which must be kept on the imprest system, with full details being recorded in a Petty Cash Book. It is also a good practice, where postage expenses are heavy, to have a separate account for stamps only, and to keep a Postage Stamp Record.

The Petty Cash Book should be kept in a similar manner to the form below:

PETTY CASH BOOK							
Receipts		Disbursements					
Date	Advance and Recoups	To whom Paid	Particulars	Total	Dissection		
					Sundries	Stamps	Printing and Stationery







## REGISTER OF RECEIPT BOOKS AND BULK TICKETS

Date received	Name of supplier	Book or Roll Numbers		To whom issued		Date completed	Initials of Auditor
		Commencing No.	Concluding No.	Date	Name and address		

Where a charity has assets other than cash, it is advisable to set up a proper system of double entry book-keeping, using a Journal and Ledger. The Ledger should be classified in such a way as to show the existence of every item of a fixed and permanent nature (e.g., pieces of furniture, units of equipment).

A Plant Register could be set up as a subsidiary record for this purpose.

If the Committee, after consultation with the charity's Auditor, considers that a Journal and Ledger are not necessary, the following Register is required to be kept.

## REGISTER OF ASSETS

Date of purchase or acquisition	Description of Asset	Cost or Valuation	Disposal				
			Date			Manner	Consideration received

Within eight weeks of the conclusion of the charity's financial year, the following items should be forwarded to the Department:-

- (1) An Income and Expenditure Account and a Balance Sheet duly certified by the Auditor and passed at the charity's Annual General Meeting.
- (2) Bank Certificate/s as at the conclusion of the financial year.
- (3) Bank Reconciliation Statement.
- (4) List of donations made by the charity during the period.
- (5) Annual Report.

Within eight weeks of the charity ceasing to function, the following items should be forwarded to the Department:

- (1) An Income and Expenditure Account and a Balance Sheet duly certified by the Auditor covering the period from the commencement of the financial year to the date of dissolution of the charity.
- (2) Receipt/s covering the disbursement of all assets after the discharge of all liabilities.
- (3) Certificate of Registration under the Charitable Collections Act.

The Financial Statements should be drawn up in a similar manner to the Schedules below:

\_\_\_\_\_ (Charity)

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED \_\_\_\_\_ 19\_\_\_\_

DR.	EXPENDITURE	INCOME	CR.
To Administrative Charges—		By Collections (gross) .....	
Salaries and Wages (administrative).		Less direct expenses .....	
Advertising .....		Entertainments, functions, etc. (gross) .....	
Printing and Stationery .....		Less direct expenses .....	
Postage .....		Appeals (gross) .....	
		Less direct expenses .....	
		Donations .....	
Expenditure in furtherance of objects—		Government Aid or Subsidies .....	
Salaries and wages .....		Municipal Aid or Subsidies .....	
(non-administrative).		Members' Subscriptions .....	
		Patients' fees or contributions .....	
		Other income—	
Special Expenditure—			
Balance (excess of income over expenditure).		Balance (excess of expenditure over income).	

BALANCE SHEET AS AT \_\_\_\_\_ 19\_\_\_\_

LIABILITIES	ASSETS
Sundry creditors .....	Cash on hand .....
Bank overdraft .....	Cash at Bank (as per Bank certificate and reconciliation attached) .....
Accrued expenses .....	Invested Funds and securities .....
Mortgage .....	Land and buildings .....
Loans or advances (secured by _____)	Plant .....
Special Funds .....	Furniture and fittings .....
Accumulated Funds .....	Prepaid expenses .....
	Income accrued due .....
Total .....	Total .....

AUDIT CERTIFICATE.—I/We have examined the books, vouchers and documents of the \_\_\_\_\_ and hereby certify that the above Income and Expenditure Account and Balance Sheet are in accordance therewith.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ } Auditors.

Date \_\_\_\_\_ 19\_\_\_\_

The books of account, and all receipts, vouchers and other documents relating to the accounts of a charity should be preserved, and should not be destroyed without permission in writing from the Minister.

Charities which have been granted exemption from registration are not legally obliged to keep their books of accounts strictly in accordance with the provisions of the Regulations under the Charitable Collections Act, but they are strongly advised to do so, in their own interests.

Exempted charities, charities with income of less than \$800 p.a. and charities whose assets (apart from real estate) and liabilities are less than \$800 in value are not required to submit audited financial statements to the Department unless they are specifically asked to do so.

### AUDIT

The accounts of a registered charity must be audited at least once in each year by a person holding any one of the following qualifications:

Membership of The Institute of Chartered Accountants in Australia or The Institute of Chartered Accountants of England and Wales, or The Australian Society of Accountants, or the Society of Incorporated Accountants and Auditors (England), or The International Institute of Accountants (Incorporated), or registration as a public accountant under the provisions of the Public Accountants Registration Act, 1945, as amended by subsequent Acts;

or by some person or persons approved by the Minister.

If a qualified auditor is not engaged, it will be necessary to seek the approval of the Minister for the audit of the accounts of a registered charity by any person who does not possess any of the foregoing qualifications. In this regard every effort must be made to secure the services of some competent person of good standing and repute.

For ethical reasons the Auditor should not be a Committee member, or anybody closely related to a Committee member.



A list of duties which should be carried out during the course of an audit is set out below.

Although primarily designed for the guidance of persons not qualified by examination, this list is also recommended for study by qualified auditors prior to drawing up their own audit programmes:

(1) *Minute Book*—

Ensure that:

- A proper record of minutes is kept.
- All expenditure is authorized by Committee resolution, and details of each payment so authorized recorded in the Minute Book.

(2) *Cash Book*—

- Opening balance to be verified.
- Vouch income: that is, check duplicate receipts or Register of Tickets against Cash Book entries.
- Vouch expenditure: that is, check receipted invoices and other such vouchers against Cash Book entries. Where wages are paid, it is important to see that every employee has signed for his own wages.
- Inquire closely into any payment which appears to be a little out of the ordinary, or not apparently related to the charity's normal activities.
- Check arithmetic in the Cash Book, and balances carried forward from one page to another.
- Reconcile closing balance of cash with the Bank Balance (as shown in Bank Certificate and Bank Pass Sheets) and cash in hand (verified by counting).

(3) *Ledger*—

Although there is no legal obligation to have a ledger, there should at least be a Register of Assets if the charity has any assets of a fixed or permanent nature, such as buildings, furniture or motor vehicles:

- Opening balances in the ledger to be verified.
- Postings from the Cash Book or Journal to be checked.
- Arithmetic to be checked.
- Where possible each asset should be sighted by the Auditor.
- It is essential that the existence of Investments be verified. The certificate of some third party, such as a banker or stock-broker, is usually accepted as adequate evidence.
- Deeds of property to be inspected to ensure that there are no undisclosed mortgages.
- Enquiries to be made to ensure that all liabilities are recorded.

(4) *Other Records—*

- Register of Receipt Books.
- Register of Tickets (where tickets, building bricks, lucky envelopes, housie cards, etc., are used).
- Register of Emblems.
- Register of Collection Boxes (where boxes are used).

The above records should all be sighted and a number of test checks made of entries in them. A stocktake of unused books, buttons, etc., on hand is also a good precaution to take.

(5) *Games of Chance—*

The Department, in its administration of the Charitable Collections Act and the Lotteries and Art Unions Act, expects the assistance of charities' Auditors in conducting an audit of special features such as games of chance and competitions. These checks are regarded as essential if the general public and the charities themselves are to be protected. Normally a progressive audit, leaving only a minimum to be carried out at the end of the financial year, will be found to be essential.

(6) *Internal Control—*

The extent of an audit is, of course, dependent upon the size of the charity and upon the degree of "internal control". The decision to use "test-checks" instead of 100 per cent checks where there is a large volume of transactions is one which only the Auditor can make, but he should first satisfy himself as to the "internal control" by asking himself questions like these:

- Is there a proper division of duties? Is it felt that one officer or employee has too much control over charitable funds?
- Are the books written up regularly?
- Are blank cheques ever signed in advance?
- Is the Cash Book balanced and reconciled regularly?
- Are collections banked promptly, and without deductions?

If there is any deficiency of internal control, the appropriate recommendations should be made in the audit report.

(7) *Branches, etc.—*

- If there is some activity of the charity, such as a canteen or an opportunity shop, which has a separate set of books, these should be properly audited.
- If there are Branches, Auxiliaries or Younger Sets, their books should also be audited. If they have their own auditor, of course, another audit would not be necessary, but it is important that their final accounts be included with the charity's annual financial statements, "in consolidation".



### (8) *Financial Statements—*

When the Income and Expenditure Account and the Balance Sheet have been prepared:

- Compare with previous year's statements.
- Check amounts shown against ledger balances and Cash Book totals.  
Check all arithmetic.
- Sign the audit certificate, if satisfied, and indicate whether or not a separate report has been made.
- A separate report is made if there are any outstanding vouchers or other unexplained or unsatisfactory features, and it should accompany the Financial Statements submitted to the Department of Services.

The Department will be pleased to supply on request, without charge, copies of the circulars:

- C.40: "Information for Committees of Charities in relation to Fraud, Misrepresentation and Malpractice likely to be experienced in connection with Charitable Activities".
- C.41: "Information in relation to Fraud, Misrepresentation and Malpractice likely to be experienced in connection with Charitable Activities. Auditing of Accounts of Charities".

### **FRAUD**

Charity auditors and Departmental inspectors have discovered fraud in the most unlikely places, so Committees should not take the view that "it can't happen to us".

A commonsense attitude towards the handling of cash must be adopted, and the dangers of putting too much temptation in the way of employees or office bearers should be fully realized.

If, in spite of all precautions, fraud does occur, the Committee should not be satisfied with merely dismissing the person concerned and attempting to "cover it up". The Committee in such a case owes a duty to the community, particularly to other charities, to ensure that the offence is not repeated elsewhere. Information in respect of unsatisfactory employees or agents should be given to the police or to the Department. The Department will, within reason, respect the desire of the charity to avoid unpleasant publicity, and any information supplied in this regard will be treated confidentially.

### **BRANCHES AND AUXILIARIES**

Where a charity has Branches, Lodges, Auxiliaries, Younger Sets, and other subsidiary groups raising funds on its behalf, sanctions must be issued in a similar manner to those issued to individuals (see "Appeals for Support"). These sanctions are termed "Branch Charters" by some organizations.



If the accounts of the subsidiary groups are not integrated with the accounts of the parent body, and subject to examination by the parent body's auditor, the subsidiary group should elect its own auditor and submit Audited Financial Statements to the parent body each year.

The Department prefers charities to control their own subsidiary groups in this manner rather than to have them registered as separate organizations. Separate registration of branches and auxiliaries generally involves the office-bearers of these groups in a certain amount of extra paper work.

### CHANGES IN OFFICE BEARERS, ETC.

Where any change occurs in the undermentioned particulars the Secretary should immediately notify the Department of Services of such changed particulars so that necessary alterations may be made in The Register of Charities:

- The name of the charity.
- The membership of the Committee.
- The President or Chairman, Secretary or Treasurer.
- The objects of the charity.
- The Auditor.
- The name of the Bank.
- The name or title of Bank Account.
- The names of the persons authorized to operate on Account.
- The date on which the financial year ends.
- The Rules generally.

Alterations in the constitution are not effective until the Minister has signified his approval.

On retirement, resignation, or expulsion from office, an office-bearer must hand over to his successor all books and records in his possession relating to the charity.

### WINDING UP

In the event of any alteration in the name of the charity or if the charity permanently ceases to function, the Certificate of Registration must be returned to the Department of Services for alteration or cancellation.

Where a charity winds up, an audited Financial Statement covering the period up to the date of dissolution should be submitted to the Department, together with receipts evidencing the disposal of its funds.

### THE DEPARTMENT'S ROLE

It is worth remembering that the books of a charity are open to inspection at any time by officers of the Department of Services and the Auditor-General's Department.

Penalties may be imposed for any breach of the law, and the Minister may, in extreme cases, de-register a charity. However, the Department administers the Charitable Collections Act and the Regulations thereunder with sympathy, and with an appreciation of the difficulties that occasionally beset charitable organizations, especially those managed by voluntary workers.

Departmental officers are prepared to assist and advise charity officers with any matter connected with the requirements of the Charitable Collections Act and the Lotteries and Art Unions Act. Telephone enquiries may be directed to 2 0529, ext. 264 (Charitable Collections) or 2 0529, ext. 260 (Art Unions, Raffles, and Games of Chance).

The Department, however, should not be called upon to intervene in purely internal matters or to act as an Arbitrator where disputes or differences of opinion arise. Procedure at meetings, conduct of elections of office-bearers and interpretation of the charity's constitution or rules—these are all domestic problems which should be solved by the members of the charity or by its honorary legal adviser.



## CHARITABLE COLLECTIONS ACT, 1934

### AUDIT REQUIREMENTS

#### Auditor Qualifications

The financial accounts of a registered charity must be audited at least once in each year by a person holding any one of the following qualifications:-

- o Membership of the Institute of Chartered Accountants.
- o Membership of the Australian Society of Accountants.
- o Registration under the Public Accountants Registration Act, 1945.

or by some person(s) approved by the Department.

It will be necessary to seek approval for the audit of the accounts by any person who does not possess any of the foregoing qualifications.

Approval is sought by providing particulars stating whether the auditor is in possession of any special knowledge or experience which would fit that person for the position. Every effort must be made to secure the services of some competent person of good standing and repute.

For ethical reasons the Auditor should not be a Committee member, or anybody closely related to a Committee member.

#### Audit Program

A list of duties which should be carried out during the course of an audit is set out below.

Although primarily designed for the guidance of persons not qualified by examination, this list of also recommended for study by qualified auditors prior to drawing up their own audit programs:

##### (1) Minute Book -

Ensure that:

- \* A proper record of minutes is kept.
- \* All expenditure is authorised by Committee resolution, and details of each payment so authorised recorded in the Minute Book.

##### (2) Cash Book -

- \* Opening balance to be verified.



- \* Vouch income: that is, check duplicate receipts or Register of Tickets against Cash Book entries.
- \* Vouch expenditure: that is, check receipted invoices and other such vouchers against Cash Book entries. Where wages are paid, it is important to see that every employee has signed for his own wages.
- \* Inquire closely into any payment which appears to be a little out of the ordinary, or not apparently related to the charity's normal activities.
- \* Check arithmetic in the Cash book, and balances carried forwarded from one page to another.
- \* Reconcile closing balance of cash with the Bank or Building Society Balance (as shown in Bank or Building Society Certificate and Pass Sheets) and cash in hand (verified by counting).

(3) Ledger -

Although there is no legal obligation to have a ledger, there should at least be a Register of Assets if the charity has any assets of a fixed or permanent nature, such as buildings, furniture or motor vehicles.

- \* Opening balances in the ledger to be verified.
- \* Postings from the Cash Book or Journal to be checked.
- \* Arithmetic to be checked.
- \* Where possible each asset should be sighted by the Auditor.
- \* It is essential that the existence of Investments be verified. The certificate of some third party, such as a banker or stockbroker, is usually accepted as adequate evidence.
- \* Deeds of property to be inspected to ensure that there are no undisclosed mortgages.
- \* Enquiries to be made to ensure that all liabilities are recorded.

(4) Other Records -

- \* Register of Receipt Books.

- \* Register of Tickets (where tickets, lucky envelopes, housie cards, etc., are used).
- \* Register of Emblems.
- \* Register of Collection Boxes (where boxes are used).

The above records should all be sighted and a number of test checks made of entries in them. A stocktake of unused books, buttons, etc., on hand is also a good precaution to take.

(5) Games of Chance -

The Department, in its administration of the Charitable Collections Act and the Lotteries and Art Unions Act, excepts the assistance of charities' Auditors in conducting an audit of special features such as games of chance and competitions. These checks are regarded as essential if the general public and the charities themselves are to be protected. Normally a progressive audit, leaving only a minimum to be carried out at the end of the financial year, will be found to be essential.

(6) Internal Control -

The extent of an audit is, of course, dependent upon the size of the charity and upon the degree of "internal control". The decision to use "test checks" instead of 100 percent checks where there is a large volume of transactions is one which only the Auditor can make, but he should first satisfy himself as to the "internal control" by asking himself questions like these:

- \* Is there a proper division of duties? Is it felt that one officer or employee has too much control over charitable funds?
- \* Are the books written up regularly?
- \* Are blank cheques or withdrawals ever signed in advance?
- \* Is the Cash Book balanced and reconciled regularly?
- \* Are collections banked promptly, and without deductions?

If there is any deficiency of internal control, the appropriate recommendations should be made in the audit report.

(7) Branches, etc. -

- \* If there is some activity of the charity, such as a canteen or an opportunity shop, which has a separate set of books, these should be properly audited.



- \* If there are Branches, Auxiliaries or Younger Sets, their books should also be audited. If they have their own auditor, of course, another audit would not be necessary, but it is important that their final accounts be included with the charity's annual financial statements, "in consolidation".

#### (8) Financial Statements -

When the Income and Expenditure Account and the Balance Sheet have been prepared.

- \* Compare with previous year's statements.
- \* Check amounts shown against Ledger balances and Cash Book totals. Check all arithmetic.
- \* Sign the audit certificate, if satisfied and indicate whether or not a separate report has been made.
- \* A separate report is made if there are any outstanding vouchers or other unexplained or unsatisfactory features, and it should accompany the Financial Statements submitted to the Department.

#### Audit Certificate

The Audit Certificate should be in, or to the effect of, the following form:-

AUDIT CERTIFICATE - I, We have examined the books, vouchers and documents of the..... and hereby certify that the above Income and Expenditure Account and Balance Sheet are in accordance therewith.

.....)

.....) Auditors

.....)

Date / /19

#### Lodgement with the Department

Prior to the audited accounts being forwarded to the Department they must be approved at the Annual General Meeting of the charity.

The accounts must be lodged to the Department within 6 months of the close of the financial year of the charity.

#### Preservation of Records

The books of account, and all receipts, vouchers and other documents relating to the accounts of a charity should be preserved, and should not be destroyed without permission in writing from the Department.



Department of Services,  
BOX 30, G.P.O.,  
SYDNEY, N.S.W. 2001

**CIRCULAR:**

**Charitable Collections Act, 1934, and Lotteries and Art Unions Act, 1901, Information for Auditors of Accounts of Charities.**

Enclosed is a copy of a Circular and Statement which have been forwarded to the Hon. Secretaries of Charities. The material should be studied by yourself and retained for future reference as much of it will also be of interest to Auditors of charities.

In addition, the Department considers that it is desirable that reference be made to some additional unsatisfactory features and deficiencies noted in connection with the financial administration of charities, so that Auditors, in their examination of the accounts, may be on the alert to frustrate the abuses. For such purpose the attached comments are supplied.

Yours faithfully,

J.B. HOLLIDAY,

*Under Secretary.*



Department of Services,  
Box 30, G.P.O.,  
Sydney, N.S.W. 2001

Charitable Collections Act, 1934, and Lotteries and Art Unions Act, 1901, Information in relation to Fraud, Misrepresentation and Malpractice likely to be experienced in connection with Charitable Activities. Auditing of Accounts of Charities.

**A. Withholding of Claims for Expenditure:**

From February of a certain year the Appeals Cash Book of a particular charity which was the subject of a Departmental investigation, showed an unfavourable balance with the exception of June, when the account was favourable to a small extent. This occurred as the Appeals Section withheld claims for payment of wages, commission, petty cash, etc., to the extent that on Friday, 1st July, and Monday, 4th July, cheques to the value of over \$1000 were issued. In the first week of the new financial year ended Friday 8th July, the total value of cheques issued was over \$2000. Apparently this was done in order to deceive the governing body of the charity when the accounts of the Appeals Section were to be presented for incorporation in the main charity accounts as at 30th June, so that the Appeal Account might revert from a debit to a credit balance.

**B. Manipulation of Accounts.**

One charity which was inspected had a general overdraft limit with its Bank of several thousands of pounds covered by assets valued far in excess of the overdraft limit. Prior to the inspection an additional account had been opened entitled: Appeal Account. Moneys collected from the Appeal were paid to this Account. Later, another account was opened at the same Bank entitled: Welfare Account — into which were paid profits accruing from the Appeal.

A check of the Bank Statements of the Appeal Account revealed that the account became overdrawn. Despite this fact, however, the Appeals Organiser continued to transfer amounts of between \$200 and \$400 from the Appeals Accounts to the Welfare Account, and, when questioned, stated that in order to have cheques signed by the cheque-signing officers of the charity, it was necessary for him to show that he was making a profit and that the charity was obtaining some advantage from his operations. In addition to deceiving the Chairman and members of the Committee by the transfer of non-existing funds from the Appeals Account in overdraft to the credit of the Welfare Fund, the Appeals Organiser made or concurred in making false or fraudulent entries in the Cash Book.

**C. Receipts and Tickets:**

The special attention of Auditors is drawn to the remarks in part 4 of the Circular to charities dealing with the authorization and numbering of tickets. It will be noted that the latter part of Regulation 8 (j) prescribes that invoices for tickets shall show the commencing and concluding numbers to the stocks supplied. Auditors will appreciate that these commencing and concluding numbers should, of course, be inserted by the Printer and not by the charity's officers. An inspection by the Department of the operations of one particular charity revealed that no commencing and concluding numbers had been shown. It was impossible to make a sufficient check of series of tickets to establish whether malpractices had occurred although there was strong suspicion. In view of the possibility of misappropriation of funds, Auditors should be on the alert to detect irregularities of this nature and should arrange for immediate review of the situation should it be found to exist and for a special report then to be made to the Committee of the charity.

**D. Minute Books:**

The attention of Auditors is invited to the basic requirements in relation to the keeping of minute books by charities as set out in Item 6 of the Circular to charities. The Department experience is that some committees are prone to accept expenditure by executive officers without thoroughly satisfying themselves that such expenditure has been fully justified. There is often failure by executive officers to arrange for detailed schedules of expenditure to be appended to the minutes for Committees' or Boards' consideration.



**E. Games of Chance:**

Under Item 7 of the Circular to Committees the Department has indicated the safeguards which should be adopted in connection with the ordering and accounting for tickets for games of chance. The Department is aware that many Auditors have not made any checks of this type of appeal for support. This is regarded as a serious omission, particularly as there is often opportunity for malpractice, and Auditors should, in future, include these features in their audits.

**F. Register of Receipt Books:**

One of the serious deficiencies which have come under the notice of the Department through its inspectors is the failure by some charities to keep a Register of Receipt Books.

In one charity which was investigated by the Department, not only was there no Register of Receipt Books in existence, but the person responsible had issued receipts without any regard to numerical sequence. In another instance the serial numbers on the receipts had been printed from 1 to 10,000 and had then been duplicated.

With such unsatisfactory administration there is every opportunity for malpractice and Auditors are reminded of the responsibility which devolves on them in these directions in their examination of the accounts of charities.

**G. Art Unions:**

The attention of Auditors of Art Unions is drawn to the remarks under Item 13 of the Circular to Committees of charities.

In addition, Auditors are enjoined to exercise especial care to ensure that:

- (a) Art Union prizes are purchased only by the Committee;
- (b) the maximum percentage of commission on sale of tickets, viz. 20% is not exceeded and that attempts are not made to charge any commission in excess of 20% to other expenditure;
- (c) reductions so far as discount and Sales Tax are concerned are properly accounted for;
- (d) receipts and vouchers are sighted for all items of expenditure, and for the payment of the net proceeds of the Art Union to the benefiting charity.

**H. Incomplete Audits:**

In one instance, because of the short time between the end of the financial year and the publication of the annual report in the journal of the charity, it was stated that the audit had not been as thorough as was desirable. Because of this no audit was carried out of any competitions which had been conducted.

This is disturbing as the Department in its administration of the Charitable Collections Act must have the assistance of charities' auditors in making a full audit of special features such as competitions, if the general public and the charities themselves are to be protected. Difficulties of this nature can be overcome by a more progressive audit, leaving only a minimum to be carried out at the end of the financial year.





## CHIEF SECRETARY'S DEPARTMENT

### CHARITIES ADMINISTRATION

Secretary

SLOVENIAN SCHOOLS COMMITTEE OF NSW  
311 MERRYLANDS ROAD  
MERRYLANDS 2160 216

Level 5  
121 Macquarie Street  
Sydney 2000  
Locked Bag No. 2  
Royal Exchange 2000

Our reference:

Your reference:

Telephone: 287 6777  
19 July, 1989

#### CHARITABLE COLLECTIONS ACT, 1934 ANNUAL RETURN JUNE/JULY/AUGUST 1989

A requirement of registration as a charity under the provisions of the Charitable Collections Act is that an Annual Return, which includes audited financial statements, be forwarded to the Charities Administration, Chief Secretary's Department, within six (6) months of the close of the charity's financial year.

To assist persons with the reporting requirements an 'Annual Return Check List' has been provided. Please pay careful attention to those requirements.

Should you require any further information or explanation in respect of these matters, please phone (02) 2876777.

Please quote the reference number indicated below on the Annual Return or on any correspondence with the Charities Administration.

K.W. Browne,  
Manager.

CC24662

FORM\AR1\689



# CHIEF SECRETARY'S DEPARTMENT



Liquor — Gaming — Charities

Slovenian Schools Committee of NSW  
311 Merrylands Road  
Merrylands 2160

## IMPORTANT

### **Charitable Fundraising Act - Application for an Authority to Fundraise -**

As you are aware, new legislation regulating fundraising appeals for charitable purposes commenced on 1 September 1993. The new legislation (the Charitable Fundraising Act) requires an organisation to hold an authority to fundraise if it proposes to conduct appeals for charitable purposes. An organisation formerly registered as a charity under the Charitable Collections Act can continue to lawfully conduct fundraising appeals until 31 August 1995, after which it must hold an authority to fundraise.

The Department is inviting formerly registered charities to apply for an authority to fundraise before 31 August 1995. This will enable those organisations to make an orderly transfer from the old to the new.

Our records show that your organisation does not appear to have responded to an earlier invitation to apply for an authority. If you propose to apply for an authority to fundraise, I would be grateful if you could lodge the completed application form by **30 May 1995**.

If you consider it is unnecessary to obtain an authority to fundraise, please advise the Charities Division of your decision with any reasons.

If you are uncertain of your position, please discuss your circumstances with a Departmental officer on one of the following telephone numbers (02)289 8616, (02) 289 8617, (02) 289 8618, or (02) 289 8619.

Thank you for your cooperation. I stress the importance of lodging your application for an authority to fundraise as any organisation conducting a fundraising appeal beyond 31 August 1995 without an authority may be in breach of the Act.

If you have any problems, please do not hesitate to contact the Charities Division.

**Manager, Charities Division**  
15 March, 1995

Please quote your former charity registration number (ie, CC24662) in any correspondence with this office.



# GENERAL INFORMATION CHARITABLE FUNDRAISING ACT

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*This brochure provides general information about the Charitable Fundraising Act 1991 - the law that governs fundraising appeals for charitable purposes in New South Wales.*

Many organisations conduct fundraising appeals in order to finance their charitable activities.

Under the Charitable Fundraising Act 1991 an organisation wishing to raise money for charitable purposes - a fundraising appeal - must hold an authority to fundraise.

By possessing an authority to fundraise, an organisation is entitled to appeal to the public for funds, but in return that organisation incurs a number of obligations which are set out in the Act, the Regulations and in greater detail in the conditions attached to the authority to fundraise.

The management of charitable fundraising activities is a rewarding, though exacting task; but persons and organisations conducting such activities are aided by an Act and a code of regulations and authority conditions that provide prudent controls and working methods.

The objects of the Charitable Fundraising Act, 1991, are :

- ✓ to promote proper and efficient management and administration of fundraising appeals for charitable purposes; and
- ✓ to ensure proper keeping and auditing of accounts in connection with such appeals; and
- ✓ to prevent deception of members of the public who desire to support worthy causes.

If you are unsure of any aspect of the requirements, please contact the Charities Division at the **contact point** shown below.

Copies of the legislation may be purchased from the Government Information and Sales Centre - (02)7437200 or 008 463955.

## What is a charitable purpose?

The definition of a "charitable purpose" is very broad. It is based on the common law definition of a charitable purpose.

At common law, there are four "heads of charity". These are -

- ♥ assistance to the aged, the sick and infirm, and the relief of poverty;
- ♥ the advancement of education;
- ♥ the advancement of religion; and
- ♥ any other purpose beneficial to the community.

Under the Act, a charitable purpose also includes any benevolent, philanthropic or patriotic purpose.

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New South Wales Government

**Chief Secretary's Department**

Charities Division

Level 9, Cnr Hay and Castlereagh Streets,  
Sydney

GPO Box 7005, Sydney 2001



Phone No. (02) 289 8666

Facsimile No. (02) 289 8611



Generally, appeals to the public to assist members of the community or for causes of benefit to the community are to be regarded as charitable appeals which must be made in accordance with the Act.

## What is a fundraising appeal?

The soliciting or receiving of any money, property or other benefit from the public constitutes a fundraising appeal if a representation is made (this may be implied) that the appeal is for a charitable purpose or for the support of an organisation having a charitable object.

An appeal may take a variety of forms - donations, sponsorship, telethons, the conduct of lotteries and competitions, the supply of food, entertainment or other goods or services, or in connection with any other commercial undertaking. A membership drive undertaken by an organisation is a fundraising appeal if one of the objects of the organisation is a charitable object.

The term is not limited to simple collections from the public.

Each of the following does not constitute a fundraising appeal for the purposes of the Act:

- ♣ a request for renewal of fees for membership of an organisation;
- ♣ an appeal by the organisation to its membership;
- ♣ a request that property be devised or bequeathed;
- ♣ workplace appeals (an appeal conducted among persons sharing a common employer or place of work to directly assist another employee or the employee's immediate family);
- ♣ an application for a grant, sponsorship, etc. from a Commonwealth, State or local government authority;
- ♣ a request for, or the receipt of, money from a person if the money is wholly payable by the person as the genuine fee or charge for the provision of:
  - (a) educational facilities or services; or
  - (b) child-minding services; or
  - (c) goods and services by a sheltered workshop or supported employment services for people with disabilities; or
  - (d) nursing and medical services; or
  - (e) other care or welfare services.

## Controls on charitable fundraising

### Authority to fundraise

The Act requires that before an organisation may conduct charitable fundraising activities it is required to hold an authority to fundraise. This authority may be granted for an indefinite period for an indefinite number of appeals. In practice authorities will be issued for a specific period such as five years. Conditions will be attached to authorities.

An application form can be obtained by contacting the Department. There is no fee associated with making the application or being granted an authority to fundraise.

### Exceptions under the Act

Certain types of fundraising are not classified as a fundraising appeal for purposes of the Act - refer to "*What is a fundraising appeal*".

An organisation established by an Act and subject to the control and direction of a Minister are not required to obtain an authority to fundraise. Nevertheless, this type of organisation must still comply with all other requirements of the Act and Regulations including maintaining proper records, having their accounts audited, etc..

Religious organisations that are recognised under the Marriage Act 1961 are exempt from all the requirements of the Act. This exemption may also be passed onto organisations and bodies associated with the religious organisation if the religious organisation's principal or executive officer gives approval in writing.





## APPLICATION FOR AN AUTHORITY TO FUNDRAISE FOR CHARITABLE PURPOSES Charitable Fundraising Act 1991

Section 15

Form CF1- 1 February 1995

Please use block letters

<b>Applicant</b>		Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Ms <input type="checkbox"/>	Miss <input type="checkbox"/>	<b>Refer Note</b>	<b>1</b>
Given Names		Surname		(your full name)			
		(business name, if applicable)					
(Business address)		(business address)					
		(business township or suburb)					
Post Code		(postal address)					
(If same as business address, write "AS ABOVE")		(postal township or suburb)					
Post Code							
Telephone No (      )		Facsimile No (      )					

<b>Name of Organisation</b>	<b>Refer Note</b>	<b>2</b>

<b>Address of Organisation</b>	<b>Refer Note</b>	<b>3</b>
	(building name)	
	(street number and name)	
Post Code	(township or suburb)	

<b>Postal Address of Organisation</b>	<i>If same as address above, write AS ABOVE</i>	<b>Refer Note</b>	<b>4</b>
	(building name)		
	(street no. and name or post office box)		
Post Code	(township or suburb)		

<b>Telephone Number of Organisation</b>	<b>Refer Note</b>	<b>5</b>
Telephone No (      )	Facsimile No (      )	



Please use block letters

Other Name(s) of Organisation

Refer Note 6

Organisation's Structure

Refer Note 7

Please advise the Organisation's structure, and follow the directions at Note 7.

If the Organisation is incorporated, please advise the incorporation number (eg. ACN, Y, etc.,)

Directors, Office Bearers, etc.

Refer Note 8

Please provide details of the Organisation's directors, office bearers, members of the management committee, etc. If insufficient room attach an annexure labelled "DIRECTORS, OFFICE BEARERS, ETC."

Full name	Usual residential address	Position held	Date of Birth	Place of Birth

Branches, Auxiliaries, Subsidiaries, etc

Refer Note 9

Are you making application to include the Organisation's branches, auxiliaries, subsidiaries, etc? Please answer Yes or No.

☐

If Yes, attach an annexure labelled "BRANCHES" detailing information in respect of each branch as sought at Note 9.

Is the Organisation a branch, auxiliary, subsidiary, etc., of another organisation? Please answer Yes or No.

☐

If Yes, advise the full name of the head organisation below and attach an annexure providing information sought at Note 9.

Charitable Purposes

Refer Note 10

In order of importance identify in the following boxes up to 5 "charitable purpose codes" that best fit the organisation. The charitable purpose codes are obtained from the accompanying information sheet.

1  2  3  4  5

Please attach as an annexure a STATEMENT OF OBJECTS in respect of the organisation.



All documents which are attached to the application must be signed by the applicant. Annexures should have an appropriate identifying label and be endorsed and signed by the applicant. Refer to Note 20 for further information.



# APPLICATION FOR AN AUTHORITY TO FUNDRAISE FOR CHARITABLE PURPOSES

## NOTES

### Note 1 - Applicant

This records details of the person who is authorised to apply for an Authority to Fundraise on behalf of the proposed Authority Holder (organisation or person). The applicant may be a current member of the management committee of the organisation, the organisation's or person's professional adviser (e.g. a solicitor), etc. In some cases the applicant and the proposed Authority Holder may be the same person.

### Note 2 - Name of Organisation

In most cases, this will be the name of an organisation, which may be either unincorporated or incorporated. An Authority to Fundraise will be issued to a natural person only in exceptional circumstances.

If it is proposed that the Authority Holder is to be a natural person, provide the name of that person.

A number of persons or a number of organisations may combine to make application for an Authority to Fundraise. If that is the case, identify the name of each person or each organisation. If there is insufficient room attach a separate list as an annexure to the application.

### Note 3 - Address of Organisation

The Charitable Fundraising Act requires that the Authority Holder maintain an address in New South Wales to which notices and other documents may be forwarded and at which all records of income and expenditure relating to appeals must be maintained. The address so stated is for the purposes of the Act the Registered Office of the Authority Holder.

The address may be the principal place of business of the organisation or person. Alternatively, it may be the address of a professional person, such as an accountant or solicitor. However, it must be the address at which the records of income and expenditure are maintained and to which notices may be sent.

Specify the full address, including the number of the room and of the floor or level of the building (where applicable).

### Note 4 - Postal Address of Organisation

Many organisations and persons have postal addresses to which mail may be sent or notices served. This address may differ to the organisation's principal place of business. It may be a post office box or the address of a professional person.

For the purposes of the Act notices and documents may be served at the postal address.

Specify the full postal address, including the number of the room and of the floor or level of the building. If a professional person's address is provided, please provide the name of the professional firm.

If the postal address is the same as the principal place of business of the organisation, and at which all records are required to be maintained, please answer "AS ABOVE".

### Note 5 - Telephone Number of Organisation

Specify the telephone number of the organisation. Where the organisation does not have a business telephone number please provide the telephone number of a director, office bearer or a member of the management committee. If applicable, advise the organisation's facsimile number.

### Note 6 - Other Names of Organisation

If the organisation or person has a registered business name(s), please advise that name(s).

### Note 7 - Organisation's Structure

Specify whether the proposed Authority Holder is :

- ☐ an **unincorporated** body of persons;
- ☐ incorporated under the NSW **Associations Incorporation Act, 1984**;
- ☐ incorporated as a **Company Limited by Guarantee** under the Corporations Law, 1990;
- ☐ incorporated as a **Community Advancement Society** under the Co-Operation Act, 1923;
- ☐ incorporated as a **Public Company** under the Corporations Law, 1990;
- ☐ incorporated as a **Proprietary Limited Company** under the Corporations Law, 1990;
- ☐ incorporated under any other piece of legislation - advise the name of the Act;
- ☐ a **natural person** (only in exceptional circumstances).

\* \* \* \* \*

Where the organisation is incorporated, specify its incorporation number. For example, if incorporated under the Corporations Law, specify the "ACN" number; if incorporated under the Associations Incorporation Act, specify the "Y" number.

\* \* \* \* \*

**The application must be accompanied by the following annexures :**

- ☐ **where the organisation is unincorporated**, provide a copy of the organisation's rules (constitution);
- ☐ **where the organisation is incorporated as:**
  - ✧ an Association under the Associations Incorporation Act;
  - ✧ a Company Limited by Guarantee under the Corporations Law; or
  - ✧ a Community Advancement Society under the Co-Operation Act;provide a copy of the organisation's certificate of incorporation.
- ☐ **where the organisation is incorporated:**
  - ✧ as a Public Company under the Corporations Law;
  - ✧ as a Proprietary Company under the Corporations Act;
  - ✧ or, under any other legislation;provide a copy of the organisation's rules (e.g. the memorandum and articles of association; the rules; the constitution) and a copy of the certificate of incorporation. Note: the rules must not enable the distribution of profits to its members or shareholders, or provide for the capitalisation of profits.



## Page 2 - Notes to the Application for an Authority to Fundraise

### Note 8 - Directors, Office Bearers, etc.

Specify the full name, the usual residential address, the position held, the date of birth and the place of birth in respect of each of the organisation's current directors, office bearers, members of the management committee, etc. Where the proposed Authority Holder is a natural person advise the details in respect of that person.

### Note 9 - Branches, Subsidiaries, etc.

Application may be made for an Authority that relates also to specified branches, auxiliaries, subsidiaries, etc., in NSW of the proposed Authority Holder. To satisfy the legislative requirements, a specified branch, auxiliary, subsidiary, etc., (i.e. branches) must be under the direction and control of the governing body of the proposed Authority Holder.

As far as possible, the Department would prefer that a head organisation make application to include all its branches, etc.

**If application is sought to include branches attach an annexure labelled "BRANCHES" detailing the following:**

- ☐ evidence that the specified branch is under the direction and control of the organisation (e.g. provide a copy of the appropriate part of the branch's and head organisation's rules);
- ☐ in respect of each branch :
  - ✧ its name, including the trading or business name.
  - ✧ its business address, postal address, the address of the registered office and the phone number.

The registered office provided for each branch will be the place at which notices may be served and records maintained.

- ✧ if the branch was registered as a charity under the Charitable Collections Act, 1934, advise its registration number.

**Alternatively, the proposed Authority Holder may be a branch, auxiliary, subsidiary, etc., of another (head) organisation.** If so, please advise the full name of the head organisation.

### Note 10 - Charitable Purposes

A separate information sheet titled "Charitable Fundraising Codes" is required to be used to answer this question. The sheet lists certain charitable purposes which should fit most organisations. In order of importance you are required to identify from that list those charitable purposes that best fit your organisation.

Against each charitable purpose is a code. The application form asks you to identify, in order of importance, those charitable purpose codes in the boxes commencing at 1 and progressing through to 5, if appropriate. **At least one box must be filled in.**

The application also asks that a copy of the organisation's statement of objects be lodged.

### Note 11 - Duration of Authority

Please advise the period for which the Authority is sought. The Department's policy is not to issue an Authority to Fundraise for a period greater than 5 years.

However, in some cases the Department may be prepared to issue an Authority for a greater period. If a period in

excess of 5 years is sought, please submit an appropriate case for consideration by the Department.

Although a period may be identified on the application, the Department may determine to issue the Authority for a lesser period. For example, an organisation that has had no previous experience in fundraising may be issued an Authority for a period not exceeding 2 years.

### Note 12 - Appeals to be undertaken

In the space provided, please advise whether an "INDEFINITE" or "SPECIFIED" number of appeals is to be undertaken.

**"INDEFINITE" number of appeals** - this is where the organisation is to conduct an **unknown** number of appeals, some of which may be certain.

**"SPECIFIED" number of appeals** - this is where the organisation is to conduct one or more certain appeals. Where the answer is "SPECIFIED" please advise the name or names of the proposed appeals to be undertaken. A separate list labelled "APPEALS" should be attached if there is insufficient room. The Authority will entitle the organisation to conduct those appeals specified. Any variation will have to be communicated to the Department.

#### APPEAL NAMES

If the organisation is to conduct any appeal or appeals where the organisation's name will not be obvious, please advise the name of the appeal or appeals. *If insufficient room please attach an annexure labelled "APPEALS".* Provision of this information will assist the Department in answering inquiries from members of the public concerning the conduct of appeals.

### Note 13 - Financial Position

Please advise the day and month that the organisation's financial year ends. The accounts of the Authority Holder are required to be audited annually within 6 months of the end of the organisation's financial year.

Unincorporated organisations and certain incorporated organisations are required to submit to the Department a return including a copy of the audited financial statements of the organisation within 6 months from the end of the organisation's financial period. Incorporated organisations may be requested from time to time to submit their audited financial statements.

If the gross income from all fundraising appeals is less than \$10,000 p.a. a periodic return is not required to be lodged with the Department. However, a return is required to be lodged within 2 months of the expiration of the authority, or if an application for a further Authority to Fundraise is lodged a return must accompany that application.

Authority Holders will be reminded of the need to submit a periodic return by the Department.

This application should be accompanied by a copy of the organisation's last financial statements (income and expenditure account and balance sheet), if applicable.

### Note 14 - Banking Facilities

All money received in the course of a fundraising appeal is to be paid immediately into an account at a bank, building society or credit union.





## CHARITABLE FUNDRAISING ACT 1991

### THE BASIC FACTS

#### Is an Authority to Fundraise required?

If your organisation intends to fundraise for its charitable purposes it **must** be the holder of an Authority to Fundraise.

If you as a person intends to fundraise for a charitable purpose you **must** be the holder of an Authority to Fundraise. However, an Authority to Fundraise will be only issued to a natural person in exceptional circumstances.

\* \* \* \* \*

If you intend to conduct an appeal in the name of, or on behalf of, an organisation, the appeal must be authorised by that organisation which in turn must either hold or be exempt from the need to hold an Authority to Fundraise.

\* \* \* \* \*

If you or your organisation undertakes a fundraising appeal, where that appeal is undertaken in connection with the supply of goods or services in the course of any trade or business carried on by you or your organisation, or otherwise partly for your benefit, or your organisation's benefit, the appeal must be conducted in conjunction with an Authority Holder. The Act refers to you or your organisation as a "trader".

\* \* \* \* \*

If your organisation is established under an Act and subject to the control and direction of a Minister, fundraising appeals may be conducted without the need for a Authority to Fundraise.

\* \* \* \* \*

The Act does not apply to a religious body or organisation in respect of which a proclamation is in force under section 26 of the Marriage Act 1961 (Commonwealth) or a religious body, or an organisation or office, within a denomination in respect of which such a proclamation is in force.

In addition, the Act does not apply to a body or organisation affiliated with and approved by the religious body or organisation referred above, provided the principal or executive officer of the religious body or organisation has certified this in writing.

#### What is a charitable purpose?

The definition of a "charitable purpose" is very broad. It is based on the common law definition of a charitable purpose.

At common law, there are four "heads of charity". These are -

- ♥ assistance to the aged, the sick and infirm, and the relief of poverty;
- ♥ the advancement of education;
- ♥ the advancement of religion; and

- ♥ any other purpose beneficial to the community.

Under the Act, a charitable purpose also includes any benevolent, philanthropic or patriotic purpose.

Generally, appeals to the public to assist members of the community or for causes of benefit to the community are to be regarded as charitable appeals which must be made in accordance with the Act.

If you are unsure whether your organisation is to conduct a fundraising appeal for a charitable purpose, you should be able to obtain assistance from the information sheet titled **Charitable Purposes Codes** (Form CF4).

#### What is a fundraising appeal?

The soliciting or receiving of any money, property or other benefit from the public constitutes a fundraising appeal if a representation is made (this may be implied) that the appeal is for a charitable purpose or for the support of an organisation having a charitable object.

An appeal may take a variety of forms - donations, sponsorship, telethons, the conduct of lotteries and competitions, the supply of food, entertainment or other goods or services, or in connection with any other commercial undertaking. A membership drive undertaken by an organisation is a fundraising appeal if one of the objects of the organisation is a charitable object.

The term is not limited to simple collections from the public.

**The following do not constitute a fundraising appeal for the purposes of the Act:**

- ♠ a request for **renewal** of fees for membership of an organisation;
- ♠ an appeal by the organisation to its membership;
- ♠ a request that property be devised or bequeathed;
- ♠ workplace appeals (an appeal conducted among persons sharing a common employer or place of work to directly assist another employee or the employee's immediate family);
- ♠ an application for a grant, sponsorship, etc. from a Commonwealth, State or local government authority;
- ♠ a request for, or the receipt of, money from a person if the money is wholly payable by the person as the **genuine** fee or charge for the provision of:
  - (a) educational facilities or services; or
  - (b) child-minding services; or
  - (c) goods and services by a sheltered workshop or supported employment services for people with disabilities; or
  - (d) nursing and medical services; or
  - (e) other care or welfare services.



### How do I obtain an Authority to Fundraise?

An Authority to Fundraise is obtained by lodging a completed *Application for an Authority to Fundraise for Charitable Purposes* (Form CF1) with the Charities Division, Chief Secretary's Department. The application must be accompanied with all the supporting material.

The **Application Check List** opposite will assist you in lodging the application.

### Are there any fees?

No fees are charged for seeking an Authority to Fundraise.

### What happens after the application is lodged?

#### Application acknowledged

The application for an authority will be acknowledged by a "receipt notice".

If you do not receive a response to your application within one month telephone or facsimile a letter to the Charities Division and inquire whether the application has been received.

\* \* \* \* \*

#### Additional information

If further information is sought from you, the Department may refuse to deal with the application until you have furnished the information sought.

\* \* \* \* \*

#### Additional information acknowledged

When you have furnished the additional information, the receipt of the additional information will be acknowledged by a further **receipt notice**.

\* \* \* \* \*

#### Deemed authority

If you have not received your Authority to Fundraise within 60 days after the date of the receipt notice for the application (or within 60 days after the date of the receipt notice for any additional information) then you may take it that the application has been approved.

In these cases, the authority is taken to have been granted subject to the conditions prescribed in Schedule 1 of the Charitable Fundraising Regulations.

### LODGEMENT OF APPLICATION FORM

Lodge with the:

**Charities Division**

**Chief Secretary's Department**

**GPO Box 7005, Sydney 2001**

**(Level 9, Cnr Hay & Castlereagh Streets, Sydney)**

### ENQUIRIES

Phone No..... (02) 289 8666

Facsimile No. .... (02) 289 8611

## Application Check List

- ☐ All questions are answered and full particulars provided;
- ☐ The Declaration is completed and signed (Question 20);
- ☐ All annexures have been attached, labelled and endorsed as required;
- ☐ If applicable, full details of the organisation's branches, subsidiaries, etc. have been provided (Question 9).
- ☐ Where the organisation is a branch or a subsidiary of another organisation - the name of that other organisation has been provided (Question 9).
- ☐ Where the organisation is unincorporated - a copy of the organisation's rules (constitution) is attached. Suggested Rules may obtained from the Department (Question 7);
- ☐ Where the organisation is incorporated as an Association (*Associations Incorporation Act*), as a Company Limited by Guarantee (*Corporations Law*), as a Community Advancement Society (*Co-Operation Act*) - a copy of the organisation's certificate of incorporation is attached (Question 7);
- ☐ Where the organisation is otherwise incorporated (*including a public company or a proprietary company under the Corporations Law*) - a copy of the organisation's rules and a copy of the certificate of incorporation are attached (Question 7);
- ☐ A copy of the organisation's most recent financial accounts, if applicable, is attached (Question 13);
- ☐ Where the proposed auditor is other than a Registered Company Auditor, details in respect of the proposed auditor's qualifications are attached (Question 15);
- ☐ Where traders are to be used - details in respect of those persons are attached (Question 16);
- ☐ Where directors, office bearers, etc. are proposed to be remunerated, detailed information as sought at Question 17 are attached.





## APPLICATION FOR AN AUTHORITY TO FUNDRAISE CHARITABLE PURPOSE CODES

This Charitable Purpose Code sheet enables you to answer Question 10 on the Application for an Authority to Fundraise.

You are required to identify from the following list those charitable purposes that best fit your organisation.

Against each charitable purpose is a code.

In order of importance place a number - 1 (most important) through to 5 - against the box and boxes that best fit the charitable purposes of the organisation. Identify 5 only.

Transfer the identified *charitable purpose code* to the corresponding box (labelled 1 through to 5) at Question 10 on the Application.

At least one box must be filled in.

- ☐ ... relief of poverty howsoever caused and its prevention ..... [10] **[CODE]**
- ..... prevention and mitigation of illness or disability
- ☐ ... provision and staffing of hospitals, nursing and convalescent homes and clinics ..... [21]
- ☐ ... promotion of medical research ..... [23]
- ☐ ... provision of advice, treatment or support ..... [24]
- ☐ ... establishment of residential, occupational or other programs for people with a disability or other people who may experience disadvantage ..... [25]
- ☐ ... relief of the suffering and distress or disability caused by old age, including the provision of homes for the care of the old and of housing for old people adapted to their special needs ..... [30]
- ☐ ... relief of distress caused by natural disasters or sudden catastrophes ..... [40]
- ..... advancement of education:
- ☐ ... provision of schools, universities, and other like institutions (including those for persons with disabilities) ..... [51]
- ☐ ... establishment of professorships, fellowships, and lectureships ..... [52]
- ☐ ... provisions of scholarships, bursaries and prizes [53]
- ☐ ... provision of physical training and sports for young persons ..... [54]
- ☐ ... education of the public generally ..... [55]
- ☐ ... promotion of research. .... [60]
- ☐ ... nurturing of public taste in aesthetic matters, including art, music, literature and craftsmanship including facilities for their practice ..... [70]
- ☐ ... provision and maintenance of museums and art galleries ..... [80]

- ☐ ... advancement of ethical and moral teachings and studies ..... [90]
- ☐ ... provision of social welfare services for those in need of them ..... [100]
- ☐ ... provision of housing for those in special need [110]
- ☐ ... protection (including preservation & improvement) of the national heritage whether physical, environment, artistic, cultural or otherwise ..... [120]
- ☐ ... promotion of sport and recreation in the interests of social welfare. .... [130]
- ☐ ... welfare of children including prevention of cruelty to them ..... [140]
- ☐ ... rehabilitation and resettlement ..... [150]
- ☐ ... establishment in life of young people ..... [160]
- ☐ ... establishment of organisations to assist sections of the community with special needs, eg. one-parent families, single persons with dependants, battered spouses, specially gifted children and immigrants ..... [170]
- ☐ ... provision of public works for the benefit of the community and the protection of the lives and property of the community ..... [180]
- ☐ ... advancement and improvement of the standards of efficiency of industry, commerce and agriculture ..... [190]
- ☐ ... maintenance and improvement of efficiency of the fighting forces and the police force and their welfare. .... [200]
- ☐ ... welfare of animals including the prevention of cruelty to them ..... [210]
- ..... advancement of religion (here meaning belief in and reverence for the divine power) and the practice of the worship of that divinity:
- ☐ ... the organisation and carrying out of religious instruction, pastoral and missionary work here and overseas ..... [221]
- ☐ ... provision and maintenance of buildings for such worship or other religious use ..... [222]
- ☐ ... payment of stipends to and the provision of houses for ministers of religion, their widows and dependent children ..... [223]
- ☐ ... other purposes tending to promote the moral or spiritual welfare of the community ..... [224]
- ☐ ... other charitable purposes ..... [300]

### ENQUIRIES

☎ (02) 289 8666 Fax. No. (02) 289 8611  
Charities Division,  
Chief Secretary's Department,  
Level 9, Cnr Hay & Castlereagh Streets,  
Sydney  
✉ GPO Box 7005, Sydney 2001



# Sample

**3** ...relief of poverty howsoever caused and its prevention ..... [10]

[CODE]

.....prevention and mitigation of illness or disability

☐ ...provision and staffing of hospitals, nursing and convalescent homes and clinics ..... [21]

☐ ...promotion of medical research ..... [23]

☐ ...provision of advice, treatment or support ..... [24]

☐ ...establishment of residential, occupational or other programs for people with a disability or other people who may experience disadvantage ..... [25]

**5** ...relief of the suffering and distress or disability caused by old age, including the provision of homes for the care of the old and of housing for old people adapted to their special needs ..... [30]

☐ ...relief of distress caused by natural disasters or sudden catastrophes ..... [40]

.....advancement of education:

☐ ...provision of schools, universities, and other like institutions (including those for persons with disabilities) ..... [51]

☐ ...establishment of professorships, fellowships, and lectureships ..... [52]

☐ ...provisions of scholarships, bursaries and prizes [53]

☐ ...provision of physical training and sports for young persons ..... [54]

☐ ...education of the public generally ..... [55]

☐ ...promotion of research ..... [60]

☐ ...nurturing of public taste in aesthetic matters, including art, music, literature and craftsmanship including facilities for their practice ..... [70]

☐ ...provision and maintenance of museums and art galleries ..... [80]

☐ ...advancement of ethical and moral teachings and studies ..... [90]

**1** ...provision of social welfare services for those in need of them ..... [100]

**2** ...provision of housing for those in special need [110]

☐ ...protection (including preservation & improvement) of the national heritage whether physical, environment, artistic, cultural or otherwise ..... [120]

☐ ...promotion of sport and recreation in the interests of social welfare ..... [130]

☐ ...welfare of children including prevention of cruelty to them ..... [140]

☐ ...rehabilitation and resettlement ..... [150]

**4** ...establishment in life of young people ..... [160]

☐ ...establishment of organisations to assist sections of the community with special needs, eg. one-parent families, single persons with dependants, battered spouses, specially gifted children and immigrants ..... [170]

☐ ...provision of public works for the benefit of the community and the protection of the lives and property of the community ..... [180]

☐ ...advancement and improvement of the standards of efficiency of industry, commerce and agriculture ..... [190]

☐ ...maintenance and improvement of efficiency of the fighting forces and the police force and their welfare ..... [200]

☐ ...welfare of animals including the prevention of cruelty to them ..... [210]

☐ ...advancement of religion (here meaning belief in and reverence for the divine power) and the practice of the worship of that divinity:

☐ ...the organisation and carrying out of religious instruction, pastoral and missionary work here and overseas ..... [221]

☐ ...provision and maintenance of buildings for such worship or other religious use ..... [222]

☐ ...payment of stipends to and the provision of houses for ministers of religion, their widows and dependent children ..... [223]

☐ ...other purposes tending to promote the moral or spiritual welfare of the community ..... [224]

☐ ...other charitable purposes ..... [300]

## Extract of Application Form - CF1

### Charitable Purposes

Refer Note 10

In order of importance identify in the following boxes up to 5 "charitable purpose codes" that best fit the organisation. The charitable purpose codes are obtained from the accompanying information sheet.

1

100

2

110

3

10

4

170

5

30

Please attach as an annexure a STATEMENT OF OBJECTS in respect of the organisation.



The account is to consist **only** of monies raised from an appeal. A separate account may be maintained for each separate appeal.

The account must be operated by no fewer than two persons jointly, and must be kept in the name of the Authority Holder (organisation).

*Please advise details of the name of the account or accounts, the name and address of the bank, building society or credit union account, and the names of the persons authorised to operate the account or accounts. If there is insufficient room attach an annexure labelled "BANKING FACILITIES".*

Application may be made to vary the legislative requirement that all appeal monies must be paid immediately into an "appeal" account. **The application must provide the following particulars-**

- name of the account, the name and address of the bank, building society or credit union, the names of the persons authorised to operate the account or accounts;*
- a case why the organisation cannot operate a separate "appeal" account, and why application is made to operate an account other than an "appeal" account; and*
- what accounting controls and procedures are in place to ensure that all proceeds and expenses of each appeal are identified.*

The application shall be considered on its merits.

#### Note 15 - Auditor

The financial accounts of the authority holder are required to be audited annually by a registered company auditor or by a person having other qualifications or experience approved by the Department. The auditor must be independent.

Please advise the auditor's name, accounting firm (if applicable), postal address and telephone number.

If the auditor is a registered company auditor under the Corporations Law, please write in the box provided the words "Registered Company Auditor".

Authority holders incorporated under the Corporations Law and the Co-Operation Act must have their accounts audited by a Registered Company Auditor.

If a person is not a registered company auditor written application must be made to the Department for approval to engage that person as an auditor.

**Application for approval to engage an auditor must contain the following information:**

- The full name, accounting firm (if applicable) postal and business address and telephone number of the person for whom approval is sought.*
- Whether the proposed person is a member of the committee of the organisation, or related to a member of the committee of the organisation.*
- The name of the employer of the proposed auditor and place of business.*
- Details of the accounting qualification held by the person (e.g. degree in commerce, associated diploma or certificate in accountancy, etc.).*
- Details of membership of any professional accounting body (e.g. Chartered Institute of Accountants, Australian Society of Certified Practising Accountants, National Institute of Accountants, etc.).*

- The extent of experience and expertise held by the nominated person.*
- Details of the level of fundraising income raised by the authority holder in each of the past 2 years. Where the organisation has not previously conducted fundraising appeals, an estimate of the income to be obtained from fundraising appeals in a financial year.*
- The total value of the assets including bank, building society or credit union accounts and investments at the end of previous two financial years, if applicable.*
- If the nominated person is not a person with the "qualifications" described in "Criteria to be applied in granting approval" (see below), the application:*
  - will need to provide appropriate reasons why approval is sought. The reasons may include:*
    - \* non-availability of a person with the "qualifications" within reasonable proximity of the authority holder.*
    - \* inability of the authority holder to afford the services of a person with the "qualifications".*
    - \* low level of annual income from fundraising appeals and/or assets.*
  - must demonstrate that the nominated person has experience and expertise in the field of commercial or government finance. That is, financial controllers, company secretaries, town clerks, financial institution managers/accountants, and other persons with sound accounting knowledge and experience.*

#### Criteria to be applied in granting approval

If satisfied with the particulars provided in the application, the Department will normally grant approval if the nominated person holds the following qualifications:

- \* is a member of the Chartered Institute of Chartered Accountants and the Australian Society of Certified Practising Accountants (or other prescribed bodies under the Corporations Law); or*
- \* is a member of the National Institute of Accountants; or*
- \* a degree, diploma or certificate in accounting (including auditing) from a recognised institution which makes that person eligible for membership of the two accounting bodies or the National Institute of Accountants.*

Within the following limitations, approval will normally be granted for a person who does not hold the above qualifications - where the annual income of the organisation is less than \$10,000 p.a. for the past two years, and the assets are less than \$20,000 at the last balance date.

Cases which involve persons who do not hold the above qualifications and where the organisation does not satisfy the above limitations, will be considered on their merits.

#### Note 16 - Traders Conducting Appeals

The Act [section 11(1)] refers to a trader as a person who conducts an appeal in connection with the supply of goods or services in the course of any trade or business carried on by that person, or otherwise partly for the person's benefit. A person who simply supplies goods to an authority holder without conducting an appeal, is not a trader.

continued ...



## Page 4 - Notes to the Application for an Authority to Fundraise

If a trader is to be used, please **provide the following information in relation to each trader** (attach an annexure labelled "TRADERS") :

- \* if the trader is a natural person, the person's full name, business and postal addresses and telephone and facsimile contact numbers;
- \* if the trader is an organisation, its full name (together with any registered business names), its business and postal addresses and its telephone and facsimile contact numbers;
- \* if the trader is an organisation, the full name of each director and owner of the business;
- \* the period for which the trader is authorised to conduct the appeal according to the written contract;
- \* the type of appeal or appeals to be undertaken.

### Note 17 - Remuneration of Directors, etc.

Under the Charitable Fundraising Act a person is not prohibited (despite any law to the contrary) from holding office merely because the person receives any remuneration or benefit from the organisation. However, approval must be obtained from the Department. Application is made by submitting the details referred to under "What information must be included in an application". Attach as an annexure labelled "REMUNERATION OF DIRECTORS". Further information on this topic is available by contacting the Department.

#### What are the circumstances where approval will be granted?

Although each application will be dealt with on its merits, the following are examples of the circumstances where approval will be granted.

- ☐ Staff elected members and beneficiaries.
- ☐ The organisation's constitution provide that members of the governing body of the organisation may be remunerated or otherwise receive a benefit.

*If an amendment to the constitution or rules of a charity is required to be made to enable members of the governing body to be remunerated or otherwise receive a benefit, it must be passed by a special resolution of members of the organisation in general meeting. Any member of the governing body who is to be remunerated or otherwise receive a benefit must not be entitled to vote in respect of such a resolution.*

*The number of members on the governing body who are to be remunerated or receive a benefit would generally be limited to one, unless convincing argument is provided to the contrary. A quorum of the meeting of the governing body of the organisation shall not be properly constituted if the number of members of the governing body being remunerated or otherwise receiving a benefit generally exceeds one-third thereof.*

#### What information must be included in an application?

The application must not be submitted by the person it is proposed to be remunerated. The following information must be submitted with the written application:

##### Details about the proposed position or person

- 1 The full name and address of the person proposed to be remunerated or otherwise receive a benefit; or the position, status, title or office it is proposed to be remunerated or otherwise receive a benefit.
- 2 Details of the skills, knowledge, expertise, experience, and empathy the nominated person or position will bring to the organisation's governing body.

##### Financial details

- 3 Details of the proposed remuneration or benefit; and the period over which it is to be paid; and the method by which

*the remuneration or other benefit is to be calculated.*

- 4 Details of the gross and net proceeds obtained in the past 12 months or anticipated to be obtained over a 12 month period from fundraising appeals.
- 5 Details of the total income obtained by the organisation in the past 12 months or anticipated to be obtained over a 12 month period.

##### Organisational details

- 6 Details of the number of persons which constitute the governing body of the organisation, and the quorum for meetings of the governing body of the organisation.
- 7 Details of the organisation's constitution and/or policy and procedures which must be followed to avoid conflicts of interest (including declarations, exclusion from meetings at which business involving the person is discussed and voted upon, disclosure, etc.).
- 8 An extract of the organisation's constitution which provides that a member of the governing body of the organisation may be remunerated or receive a benefit.

### Note 18 - Application of Funds Outside State

If the organisation proposes to remit fundraising funds outside the State, please answer "YES" and provide the following information (attach as an annexure labelled "REMITTANCE OF FUNDS OUTSIDE NSW")

- \* the purposes for which the funds are to be applied;
  - \* the anticipated amount of funds to be so applied compared to the total amount of funds raised;
  - \* the frequency with which these funds are to be applied.
- Approval is not required. However, there must be compliance with the conditions, if any, attached the Authority

### Note 19 - Registration as a Charity

If the organisation was previously registered as a charity under the Charitable Collections Act, 1934, please advise the organisation's charity registration number. This is the number which bears a "CC" prefix.

### Note 20 - Declaration and Directions

- 1 The Declaration is to be completed by the applicant.
- 2 All copies of documents which are attached to the application must be signed by the applicant for the purposes of identification.
- 3 Where the space provided for a particular purpose is insufficient to contain all the required information, that information should be set out in an annexure.
- 4 An annexure to the form should have an appropriate identifying label and be endorsed with the following words completed and signed by the applicant:  
***This is an annexure of (insert number of pages) pages labelled (insert name) referred to in Item (insert Item number of form) signed by me and dated (insert date and signature).***
- 5 The pages in any annexure should be numbered consecutively.
- 6 The application is to be completed in block letters.
- 7 All questions to be answered and full particulars to be provided.
- 8 Any person making a statement that is false or misleading is guilty of an offence under the Charitable Fundraising Act.



Please use block letters

**Duration of Proposed Authority****Refer Note 11**

Please advise the period for which the Authority is sought.

**Appeals to be undertaken****Refer Note 12**

Please advise if an "INDEFINITE" or "SPECIFIED" number of appeals are to be undertaken.

If a SPECIFIED number of appeals, advise the name(s) of the appeal. *If insufficient room attach an annexure labelled "APPEALS".*If the Organisation is to conduct any appeals where the Organisation's name will not be obvious, please advise the name of the appeal(s). *If insufficient room attach an annexure labelled "APPEALS".***Financial Position****Refer Note 13**

Advise the date when the Organisation's financial year ends.

Day Month

Advise whether the anticipated gross income from all fundraising appeals will be greater than \$10,000 p.a. Please answer Yes or No.*Please attach a copy of the organisation's last income and expenditure account and balance sheet, if applicable.***Banking Facilities***If insufficient room attach an annexure labelled BANKING FACILITIES.***Refer Note 14**

<input type="text"/>	(name of the account)
<input type="text"/>	(name *)
<input type="text"/>	(address*)
<input type="text"/>	(names of persons to operate the account)

(\* bank, building society or credit union)

**Auditor****Refer Note 15**

<input type="text"/>	(auditor's name)
<input type="text"/>	(accounting firm)
<input type="text"/>	(postal address)
<input type="text"/>	(township / suburb)
Post Code	
Telephone No (      )	Facsimile No (      )

If the auditor is a registered company auditor please write the words "registered company auditor".

*If the auditor is not a registered company auditor, please attach an annexure labelled "AUDITOR" detailing the proposed auditor's qualifications or experience. Refer Note 15 for further information.*



Please use block letters

### Trader Conducting Appeals

Refer Note 16

Is it proposed to use a trader to conduct a fundraising appeal? Please answer Yes or No.

☐

If YES, please attach an annexure labelled "TRADERS" detailing information in respect of each trader.

### Remuneration of directors, office bearers, etc

Refer Note 17

Is it proposed to remunerate the organisation's directors, etc.? Please answer Yes or No.

☐

If YES, please attach an annexure labelled "REMUNERATION OF DIRECTORS" detailing the information referred to in Note 17.

Unless approval is given, no person may hold an office or be a member of the governing body of the organisation if that person receives a remuneration or other benefit from the organisation.

### Application of Funds Outside State

Refer Note 18

Is it proposed to remit funds outside NSW? Please answer Yes or No.

☐

If YES, please attach an annexure labelled "REMITTANCE OF FUNDS OUTSIDE NSW" detailing the information referred to in Note 18.

If the organisation was registered as a charity under the Charitable Collections Act 1934 advise its charity registration number

CC

Refer Note 19

## DECLARATION

Refer Note 20

I, the Applicant, declare that:


1. I am duly authorised to apply for an Authority to Fundraise on behalf of

in accordance with section 14 of the Charitable Fundraising Act 1991;

2. the particulars contained above are true;

3. the information and particulars contained in the annexures accompanying this application are true; and

4. the copies of documents that accompany this application are true copies of all documents of which they purport to be copies.

Your (Applicant's) Signature 

Date / /

### LODGEMENT OF APPLICATION FORM

Lodged with the:

Charities Division

Chief Secretary's Department

☒ GPO Box 7005, Sydney 2001

(Level 9, Cnr Hay & Castlereagh Streets  
Sydney)

### ENQUIRIES

☎ (02) 289 8666

Fax No. (02) 289 8611



All documents which are attached to the application must be signed by the applicant.

Annexures should have an appropriate identifying label and be endorsed and signed by the applicant. Refer to Note 20, item 4 for further information.



### **Authority Conditions**

The conditions imposed will be of two types, standard and special. Standard conditions will apply to all authorities issued. Special conditions will be imposed on certain authority holders, or a class of authority holders, in response to special or exceptional circumstances. In some instances an authority condition may be modified or replaced with another condition. The conditions are based on prudent and fair practices.

### **Best Practice Guidelines**

The Best Practice Guidelines have been devised with the two-fold objective of providing a source of general reference to authority holders, and to function as a manual of model prudent policies and procedures which should be complied with by authority holders. They should also assist authority holders to comply with the Act, the Regulations and the authority conditions.

The Guidelines cover all areas of financial, fundraising and organisational accountability including the keeping of records, preparation of the annual financial statements, receipting requirements, internal controls, conduct of appeals, audit requirements, etc..

Obviously, some practices may not be relevant or appropriate to your situation. In those circumstances compliance will not be necessary. Any alternative practice or procedure must provide appropriate standards of accountability.

## **Main features of the legislation**

### **Authorisation of appeals**

- A person or organisation conducting or participating in an appeal must be authorised in writing by the authority holder.
- Where the appeal is conducted face to face this authority must be in the form of a consecutively numbered identification badge or card which includes the name and contact phone number of the authority holder, the name of the bearer, and its issue and expiry date. The badge must be worn by all volunteers or persons in receipt of a wage, fee or commission. Where the collector is in receipt of remuneration the badge must also include the words "Paid Collector".
- Where the appeal is *not* conducted face to face, the authority must be in writing and include details of the name of the authorised person, the terms and conditions under which the authorisation is granted, a description of the appeal, the specific period of the authority. It must also be signed and dated by the holder of the authority or a person delegated to do so.

### **Involvement of traders**

- Appeals may be conducted by commercial fundraisers or promoters. The Act refers to these persons as traders. These are persons who undertake a fundraising appeal on behalf of the authority holder, and where the appeal undertaken is in connection with the supply of goods or services in the course of any trade or business carried on by that person, or otherwise partly for the person's benefit.
- Where a trader is to conduct an appeal, it must be conducted jointly with the authority holder under a written agreement. Advertising undertaken by the trader must comply with a number of requirements including that the format and text of any written or printed advertisement must be approved by the authority holder, it must include certain particulars including the full name under which the trader operates and place of business and telephone number, details of the basis on which benefit to be received by the authority holder and trader is calculated, and the date on which the appeal commenced and the date it ends.

### **Telephone canvassing and direct marketing**

- Where an appeal is conducted through telephone canvassing or other direct marketing, a code of practice must be established with certain minimum requirements - including a restriction on telephone calls being made between 8 am and 9 pm and on public holidays; the source of the name and address of the person contacted must be identified on request, and the person's details must be removed from the contact list when requested
- Where persons are employed to solicit by telephone they must state that they are employed and the name of their employer for purposes of the appeal



### **Participation of children in an appeal**

- The minimum age for children participating in an appeal as a volunteer or receiving payment is 8 years, and 13 years respectively. In both cases there must be observance of a code of practice. This Code specifies the conditions under which children may be used as collectors, including the degree of supervision required, conditions of employment and other obligations to protect their welfare and safety.

### **Banking of fundraising proceeds**

- The gross proceeds from any fundraising appeal must be banked intact to an account maintained exclusively for that purpose in a bank, building society or credit union.

### **Investment of fundraising monies**

- Monies received in the course of a fundraising appeal which are not immediately required to be applied to the purpose or objects of the appeal may be invested only in a manner for the time being authorised by law for the investment of trust funds (Trustee Act, 1925).
- Although credit unions are an account in which fundraising monies may be banked, at the time of publication they are not an authorised investment under the Trustee Act. This means that monies raised from fundraising appeals cannot be invested into credit unions.

### **Fundraising expenses**

- Persons or organisations conducting appeals for donations only must take all reasonable steps to ensure that total expenses payable do not amount to more than 40% of the gross proceeds [Condition 8] - previously this was 60%. Where a donor acquisition scheme is unable to achieve that return the authority holder should communicate with the Department.
- In all other forms of fundraising, such as the sale of goods and services, the return must be fair and reasonable.

### **Keeping of records**

- An authority holder is required to maintain certain records including a cash book, a register of assets, a minute book, a register of receipt books, a register of identification badges; and a register of collection boxes.

### **Annual Financial Accounts**

- The annual financial accounts of an authority holder must be prepared and include certain disclosures as attached notes. The financial accounts must be audited by a registered company auditor or by a person approved by the Department.

### **Lodgement of Returns to the Department**

- Incorporated organisations are not required to lodge returns unless requested to do so.
- Unincorporated organisations will be required to lodge an annual return, in an approved form if their income from fundraising appeals exceeds \$10,000. This return will be accompanied by a copy of the authority holder's audited accounts.

### **Disputes, conflicts of interest, etc.**

- Authority holders are required to establish mechanisms to resolve internal disputes which occur within its membership, and complaints from the public.
- Authority holders must also establish a mechanism for dealing with conflicts of interest including the maintenance of a pecuniary interests register where applicable.

### **Public access to information**

- The authority holder must furnish certain documentation and information to the public at a maximum fee of \$5.50 for the first page, and 50 cents for each subsequent page. The information that may be accessed includes copies of annual financial accounts for the past seven years, a copy or extracts from the constitution, and the names, qualifications and occupations of members of the governing body of the organisation.
- Where a person or organisation conducting an appeal is questioned on details of the purpose of the appeal such as the appeal target, objectives, distribution of proceeds, etc., they should use their best endeavours to provide answers.



Sydney, 4 of March 1991

Dear, Sir Madam

Please close old accoud at Westpac Leichhard Central Bank, Norton street, Leichhardt, and open the new one at Canley Heights Branch.

President  
Slovenian School Committee  
of N.S.W.  
Mariza Lican

Secretary  
Slovenian School Committee  
of N.S.W.  
Sr. Francka Zizek

Treasurer  
Slovenian School Committee  
of N.S.W.  
Peter Krope



The Manager,  
Westpac Banking Corporation,

7/10 19 83

Leichhardt Central

Dear Sir,

(a) Full name of society, lodge or club We request you to open or continue to conduct, as the case may be, for (a) Slovenian Schools Committee of NSW

(b) Full name of the Account (hereinafter called "the Body") an account styled (b) Slovenian Schools Committee of NSW (hereinafter called "the Account").

(c) Delete phrase not required (c) We hand you a copy of the Rules, By-Laws or Written Constitution at present in force. You have received a copy of the There are no

(d) If appropriate insert committee or board of management By a resolution of a legally constituted meeting of the (d) committee of the Body authority was given to (e) any two of president, secretary or treasurer jointly to do in the name of the Body all or any of the following things, viz:-

- (e) President and treasurer jointly or as the case may be
1. Draw cheques upon the Account.
  2. Overdraw the Account to any extent permitted by the Bank.
  3. Authorise the Bank to make any periodical payments to the debit of the Account and to debit the Account with all charges and other costs connected with such payments.
  4. Place money on interest bearing deposit or deposit account in the name of the Body and receive payment of the same and any other moneys at any time on interest bearing deposit or deposit account in the name of the Body and interest thereon. Also to give the Bank instructions regarding the disposal, renewal, conversion, or breaking of the period of any interest bearing deposit or deposit account in the name of the Body or as to any other matter relating thereto.
  5. Have access to, demand of and receive from the Bank and give it any instructions regarding any boxes, packets, deeds, Commonwealth Treasury Bonds, Savings Certificates, share or stock certificates, debentures, certificates of deposit, or other documents or property of any kind whatsoever at any time held by the Bank on behalf of the Body.

(f) Treasurer or secretary, or as the case may be By the said resolution any one of the (f) treasurer, president, secretary was authorised to endorse cheques, drafts, bills of exchange, promissory notes, and other instruments made payable to or to the order of the Body and lodged with the Bank for credit of the Account.

The names, designations and specimen signatures of the duly appointed office-bearers now authorised to act under the resolution referred to are as set out in the schedule hereunder.

Such authority is to continue in full force and effect until the branch of the Bank at which the Account is at the time being conducted receives

(g) President and secretary or other principal officers notice in writing from the (g) treasurer, president, secretary of the Body of the cancellation thereof.

The notice(s) previously given by us to you regarding person(s) authorised to sign or act in respect of the matters abovementioned is hereby terminated except as regards any cheques or other instruments dated prior to the date hereof and presented for payment after receipt by the Bank of this notice and as regards any act done by the Bank or such person(s) in pursuance of the authority referred to in such previous notice(s).

SCHEDULE

FULL NAMES OF ALL PERSONS NOW AUTHORISED	OFFICIAL DESIGNATIONS	SPECIMEN SIGNATURES (All cheques must clearly state the name of the Account)
Olga Lah	President	x <u>Olga Lah</u>
Virgil Ferfolya	Treasurer	x <u>Virgil Ferfolya</u>
Vladimir Menart	Secretary	x <u>V. Menart</u>

(Please initial all alterations)

Yours faithfully,

(h) Signatures (h) x Olga Lah (president),  
and designations of x Virgil Ferfolya (secretary),  
president and of the Body  
secretary or  
other principal officers

182 NORTON ST Leichhardt  
(Address for forwarding any communications)

2040

Account No.

BANK USE ONLY	RECEIVED		
	DATE.....		
	(Signature)		
	AUTHORISED BY	RECORDED BY	CHECKED BY



BANK USE ONLY	RECEIVED		
	DATE.....		
	(Signature).....		
	AUTHORISED BY	RECORDED BY	CHECKED BY

The Manager,  
Bank of New South Wales,

P. Leichardt.

19.....

Dear Sir,

(a) Full name of Society, Lodge or Club We request you to open or continue to conduct, as the case may be, for (a) SLOVENIAN SCHOOLS COMMITTEE  
OF N.S.W.

(b) Full name of Account (hereinafter called the said body) an Account styled (b) SLOVENIAN SCHOOLS COMMITTEE  
OF NEW SOUTH WALES

(c) Delete phrase not required. (c) ~~We have received a copy of the~~ There are no Rules, By-Laws or Written Constitution at present in force.

(d) If appropriate insert Committee or Board of Management By a resolution of a legally constituted meeting of the (d) SLOVENIAN SCHOOLS COMMITTEE  
OF N.S.W. of the said body authority was given to (e) COMMITTEE  
ANY TWO OF PRESIDENT, SECRETARY OR TREASURER to do in the name of the said body all or any of the following things, viz:-

- (e) President and Treasurer jointly or as the case may be:
1. Draw Cheques upon the said Account.
  2. Overdraw the said Account to any extent permitted by the Bank.
  3. Authorise the Bank to make any periodical payments to the debit of the said Account and to debit the said Account with all charges and other costs connected with such payments.
  4. Place money on Interest Bearing Deposit or Deposit Account in the name of the said body and receive payment of the same and of any other moneys at any time on Interest Bearing Deposit or Deposit Account in the name of the said body and interest thereon. Also to give the Bank instructions regarding the disposal, renewal, conversion or breaking of the period of any Interest Bearing Deposit or Deposit Account in the name of the said body or as to any other matter relating thereto.
  5. Have access to, demand of and receive from the Bank and give it any instructions regarding any boxes, packets, deeds, Commonwealth Treasury Bonds, Savings Certificates, Share or Stock Certificates, Debentures, Certificates of Deposit or other documents or property of any kind whatsoever at any time held by the Bank on behalf of the said body.

(f) Treasurer or Secretary or as the case may be By the said resolution any one of the (f) PRESIDENT SECRETARY SECRETARY OR  
TREASURER was authorised to endorse Cheques, Drafts, Bills of Exchange, Promissory Notes and other instruments made payable to the order of the said body and lodged with the Bank for credit of the said Account.

Such authority is to continue in full force and effect until the Branch of the Bank at which the said Account is at the time being conducted

(g) President and Secretary or other Principal Officers receives notice in writing from the (g) PRESIDENT of the said body of the cancellation thereof.  
The notice(s) previously given to you by us regarding person(s) authorised to sign or act in respect of the matters abovementioned is hereby terminated except as regards any Cheques or other instruments dated prior to the date hereof and presented for payment after receipt by the Bank of this notice and as regards any act done by the Bank or such person(s) in pursuance of the authority referred to in such previous notice(s)

SCHEDULE		
FULL NAMES OF ALL PERSONS NOW AUTHORISED	OFFICIAL DESIGNATIONS	SPECIMEN SIGNATURES
MRS OLGA LAH	PRESIDENT	x <u>Olga Lah</u>
MR JOZE ZOHAR	SECRETARY	x <u>Zohar J</u>
MR VIRGIL FERFOLYA	TREASURER	x <u>Ferfolya</u>

(Note: All Cheques issued must clearly state the name of the Account)

Yours faithfully,

(h) Signatures and Designations of President and Secretary or other Principal Officers (h) Olga Lah (PRESIDENT)  
Zohar J (SECRETARY)  
of the said body  
182 NORTON STREET, LEICHHARDT, N.S.W.  
(Address for forwarding any communications)

(Please initial all alterations)



BANK USE ONLY	RECEIVED		
	DATE.....		
	(Signature)		
	AUTHORISED BY	RECORDED BY	CHECKED BY

The Manager,  
Bank of New South Wales,

PO Leichhardt.

19

Dear Sir,

(a) Full name  
of Society,  
Lodge or Club

We request you to open or continue to conduct, as the case may be, for (a) SLOVENIAN SCHOOLS COMMITTEE  
OF N.S.W.

(b) Full name  
of Account

(hereinafter called the said body) an Account styled (b) SLOVENIAN SCHOOLS COMMITTEE  
OF NEW SOUTH WALES.

(c) Delete  
phrase not  
required.

(c) ~~We have a copy of the~~  
You have received a copy of the  
~~There are no~~

Rules, By-Laws or Written Constitution at present in force.

(d) If  
appropriate  
insert  
Committee or  
Board of  
Management

By a resolution of a legally constituted meeting of the (d) SLOVENIAN SCHOOLS COMMITTEE  
OF N.S.W. of the said body authority was given to (e) COMMITTEE  
ANY TWO OF  
PRESIDENT, SECRETARY OR TREASURER to do in the name of the said body all or any of the following things, viz.

(e) President  
and Treasurer  
jointly or as  
the case may be.

1. Draw Cheques upon the said Account.
2. Overdraw the said Account to any extent permitted by the Bank.
3. Authorise the Bank to make any periodical payments to the debit of the said Account and to debit the said Account with all charges and other costs connected with such payments.
4. Place money on Interest Bearing Deposit or Deposit Account in the name of the said body and receive payment of the same and of other moneys at any time on Interest Bearing Deposit or Deposit Account in the name of the said body and interest thereon. Also to the Bank instructions regarding the disposal, renewal, conversion or breaking of the period of any Interest Bearing Deposit or Deposit Account in the name of the said body or as to any other matter relating thereto.
5. Have access to, demand of and receive from the Bank and give it any instructions regarding any boxes, packets, deeds, Commonwealth Treasury Bonds, Savings Certificates, Share or Stock Certificates, Debentures, Certificates of Deposit or other documents or property of a kind whatsoever at any time held by the Bank on behalf of the said body.

(f) Treasurer  
or Secretary  
or as the case  
may be

By the said resolution any TWO of the (f) CHAIRMAN  
PRESIDENT, SECRETARY, SECRETARY OR  
TREASURER. was authorised to endorse Cheques, Drafts, Bills of Exchange, Promissory Notes and other instruments made payable to or to the order of the said body and lodged with the Bank for credit of the said Account.

The names, designations and specimen signatures of the duly appointed Office-Bearers now authorised to act under the resolution referred are set out in the Schedule hereunder.

Such authority is to continue in full force and effect until the Branch of the Bank at which the said Account is at the time being conducted

(g) President  
and Secretary  
or other  
Principal  
Officers

receives notice in writing from the (g) PRESIDENT  
of the said body of the cancellation thereof.

The notice(s) previously given to you by us regarding person(s) authorised to sign or act in respect of the matters abovementioned is hereby terminated except as regards any Cheques or other instruments dated prior to the date hereof and presented for payment after receipt by the Bank of this notice and as regards any act done by the Bank or such person(s) in pursuance of the authority referred to in such previous notice.

#### SCHEDULE

FULL NAMES OF ALL PERSONS NOW AUTHORISED	OFFICIAL DESIGNATIONS	SPECIMEN SIGNATURES
MRS OLGA LAH	PRESIDENT	X <u>Olga Lah</u>
MR JOZE ZOHAR	SECRETARY	X <u>Zohar J</u>
MR VIRGIL FERFOLYA.	TREASURER	X <u>Ferfolya</u>

(Note: All Cheques issued must clearly state the name of the Account)

Yours faithfully,

(h) Signatures  
and Designations of  
President  
and  
Secretary  
or other  
Principal  
Officers

(h) X Olga Lah (PRESIDENT)  
X Zohar J (SECRETARY)  
of the said body  
182 NORTON STREET, LEICHHARDT. N.S.W.  
(Address for forwarding any communications)

(Please initial all alterations)

REQUEST TO OPEN OR CONTINUE AN ACCOUNT FOR A SOCIETY, LODGE OR CLUB  
AND NOTICE REGARDING OPERATIONS, ETC.