

SCRIPTURE UNION QUEENSLAND

GST AND FUNDRAISING FOR CHAPLAINCY

When planning fundraising activities it is important to keep in mind what GST obligations are involved. The following summary gives information about the most typical types of fundraising. If your planned activity is not readily covered by one of these please contact us for further advice. (PH: 3112 6073)

Note: the GST portion of any fundraising is remitted to the tax office and the amount after the GST is deducted forms the actual amount raised towards your Chaplaincy.

Not all fundraising is tax-deductible to the giver. Only direct gifts or donations as described below are tax-deductible.

GST concession		
Gifts / Direct donations	GST FREE & Tax deductible to the giver, for Chaplaincy and At-Risk programs	For a payment to be considered a gift it must be made voluntarily and the payer cannot receive a material benefit (a ticket to a dinner, or an item that has a use or function, such as a pen or a book) in return, and be made in a spirit of generosity, with no expectation of receiving anything in return.
Chocolate sale	GST Applicable	As the chocolate bar can be eaten as a sweet it has a use or function and therefore the payment is not a gift and GST is applicable
Dinner Tickets	GST Applicable	<p>GST is payable on, and in effect included in, the full amount of a ticket price to a dinner or similar function conducted by the non-profit organisation, even though part of the ticket price may be intended to be a gift to the organisation. When a person attends the dinner they are receiving a material benefit (the dinner) in exchange for the purchase price of the ticket. No part of the payment is a gift when the full purchase price must be paid in order to receive the dinner.</p> <p>NOTE: If you receive voluntary payments in addition to the ticket price and the additional payments are gifts to you, you do not have to pay GST on these voluntary amounts.</p>

Trivia Nights	GST Applicable	<p>John attends a fundraising trivia night in aid of a charity and pays a \$20 admission fee. Later, the 'hat is passed around' by the organisers and John contributes an additional \$10 to the charity.</p> <p>As John had to pay \$20 to attend the trivia night, the \$20 payment is subject to GST. However, the \$10 gift is a gift and is not subject to GST.</p>
Auction Items	GST Applicable	<p>Brian buys a clock at auction for \$100 (with a market value of \$50) The amount paid to the charity cannot be split between the market value of the clock and a 'gift'. The money received by the charity for the clock is consideration for a sale and so GST is calculated on the purchase price.</p>
Raffles and bingo	GST FREE	<p>The sale of tickets in a raffle and the acceptance of a person's participation in a game of bingo by a gift deductible entity are GST-free provided they do not contravene state or territory law.</p>
Fundraising events	Input taxed	<p>An eligible entity may choose to treat all sales it makes in connection with certain fundraising events as input taxed. When you make an input-taxed sale, you do not have to pay GST on the price you charge for it. However, you cannot claim a GST credit for the GST in anything that you purchase that relates to making the sale.</p> <p>Sales connected with the following fundraising events can be treated as input taxed:</p> <ul style="list-style-type: none"> • a fete, ball, gala show, dinner, performance or similar event • an event where all goods are sold for \$20 or less, where selling such goods is not a normal part of your business (except where the event involves the sale of alcohol or tobacco) <p>If you choose to have sales in connection with a fundraising event treated as input taxed, you must keep a record of this choice and you will need to advise SUQ too.</p>
Non-commercial activities	GST FREE	<p>Sales made when the payment received for the sale is less than a specified amount - less than 50% of the GST-inclusive market value, or less than 75% of the amount the gift deductible entity paid to acquire the</p>

		goods, services or other things that are subsequently sold.
Camp Fee	GST FREE	Sales made when the payment received for the sale is less than a specified amount - less than 50% of the GST-inclusive market value, or less than 75% of the amount the gift deductible entity paid to acquire the goods, services or other things that are subsequently sold.
Donated second-hand goods (no change in the original character of the goods)	GST FREE	A charity receives donations of damaged second-hand clothes. If the donated clothing is cleaned and/or repaired prior to sale it will be GST-free
Donated second-hand goods (change in the original character of the goods)	GST Applicable	If the second-hand clothes are cut up and sold as rags, the sale of the rags will not be GST-free as they are no longer the same as the goods that were donated, but have been manufactured by the charity into a new product, that is, rags.