

Information Sheet No.19

Deductible Gift Recipients

Certain types of organisations can receive income tax deductible gifts. These organisations are called Deductible Gift Recipients (DGRs). A donor to a gift fund operated by a DGR can claim an income tax deduction in their income tax return.

P&Cs do not automatically qualify as Deductible Gift Recipients. If your P&C wishes to become a DGR you must apply to the Australian Tax Office for DGR endorsement.

To be entitled to endorsement, your P&C must have an Australian Business Number (ABN).

In addition, your P&C must maintain a gift fund and fall within a general DGR category as set out in tax law. Examples of gift funds include school building funds and library funds for public libraries (which would generally include a school library). Only gifts to the gift fund are tax deductible. Gift funds must only be used for the purpose for which the fund is established.

If your P&C is considering seeking DRG endorsement, you should look at the Tax Office factsheet called *The endorsement process for deductible gift recipients (NAT 3193)*. If you apply for endorsement, the Tax Office will send you written notification of the outcome of your application.

Further information on DGRs can be found in the Tax Office guide called *GiftPack for deductible gift recipients & donors (NAT 3132)*.

You can get a copy of the publications mentioned above by:
visiting the Australian Tax Office (ATO) website at www.ato.gov.au (click on "For non-profit organisations");
phoning 1300 720 092 and quoting the NAT number of the publication you would like to order (a NAT number is a unique identifying number for each ATO publication); or
writing to the ATO at GPO Box 9935, Canberra ACT 2600.

If you are unsure whether your P&C has DGR endorsement, it is important that you check with the Tax Office by telephoning the Non-profit Infoline on 1300 130 248 or by checking on the website www.abr.business.gov.au.

You must notify the ATO if you stop being entitled to DGR endorsement (for example, if you stop maintaining a gift fund).

For further information on this and other taxation issues contact the Non-profit Infoline on 1300 130 248 or go www.ato.gov.au and click on "For non-profit organisations".

DGR endorsement is separate from endorsement to access charity tax concessions (see Information Sheet No. 20).★