



# **Changes to Income Tax Exemption Self-Assessment**

Which apply from the 2023-2024 year onwards

# Agenda

- Types of Not-for-profit organisations
- What has changed?
- Why has this changed?
- When is the new return due for lodgement?
- What questions are in the new return?
- How is the new return to be lodged?
- Steps to prepare for lodgement
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# Types of Not-for-profit (NFP) organisations

There are basically 2 types of NFP organisations:

## Charities

- have only charitable purposes and are registered with the ACNC
- are endorsed by the ATO as income tax exempt

## Other NFPs

- are able to self-assess as income tax exempt
- examples from the ATO of such NFPs include most sporting and recreational clubs, community service organisations, professional and business associations, and social organisations.

The changes only affect these NFP's

# What has changed?

- Previously Not-for-profit (NFP) organisations that were self-assessing as income tax exempt did not have to submit anything to the ATO to confirm that self-assessment.
- From the 2023-2024 year onwards, most NFP organisations must submit an annual return to the ATO to confirm that they have self-assessed as income tax exempt.

*Note: this only applies to NFPs that have an ABN and are not charities registered with the ACNC.*

# Why has this changed?

- So that the ATO can ensure that NFP organisations are conducting an annual review of their tax status and confirming that they are self-assessing as income tax exempt.
- So that the ATO can ensure that only eligible NFP organisations are claiming an income tax exemption.

# When is the new return due for lodgement?

- The new self-review return must be lodged every year.
- The first return is for the 2023-2024 year and must be lodged between 1 July 2024 and 31 October 2024.
- Returns for subsequent years must be lodged between 1 July and 31 October after the end of each year.

# What questions are in the new annual return?

- Q1 - What was the estimated annual gross revenue for the organisation?
- Q2 - Choose a category that best reflects the main purpose of the organisation.
- Q3 - Does the organisation have and follow clauses in its governing documents that prohibit the distribution of income or assets to members while it is operating and winding up?
- Q4 - Does the organisation exist operate and incur its expenditure entirely in Australia?
- Q5 - Does the organisation have any charitable purposes?
- Complete the acknowledgement and declaration
- Submit the return

Refer ATO guide at <https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/statements-and-returns/how-to-prepare-a-nfp-self-review-return>

# How is the new return to be lodged?

- The new self-review return must be lodged using an ATO online application called “Online services for business”.  
<https://onlineservices.ato.gov.au/business/>
- This is the same application that some organisations use to lodge other returns with the ATO, e.g. Business Activity Statements (BAS).
- To login to the ATO’s “Online services for business” you must be a current “Associate” recorded on the club’s ABN, or an authorised contact added by an “Associate”.






## Online services for business

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Login

By logging in, you agree to  
the [terms and conditions](#) 

The Business Portal has retired.

Use Online services for business to interact with us online for all  
your tax and super needs.

# Steps to prepare for lodgement

1. Update Associates recorded on the club's ABN by contacting the Australian Business Register (ABR).
  2. One or more Associates to set up a personal myGovID on their smart device.
  3. Associates link their personal myGovID to the club's ABN using an Australian Government online application called Relationship Authorisation Manager (RAM).
  4. Associates confirm they can login to the ATO's Online services for business.
  5. Complete the current income tax status review worksheet to confirm the club is currently self-assessing as income tax exempt.
  6. Review (and amend if necessary) the club's Constitution to ensure it meets the requirements for income tax exemption.
- To set up access to lodge the return
- To meet exemption criteria

# Updating Associates on the club's ABN

- An Associate is a person who is a principal authority for an organisation. For a Lions Club, this would include:
  - A director
  - A Public Officer
  - An office bearer of the club
- Associates can be updated by calling the Australian Business Register (ABR) or via the ABR website – if already recorded as an Associate.
- Otherwise, you will need to order a printed copy of a “Change of Registration Details” form from the ATO -  
<https://iorder.com.au/publication/searchpublications.aspx?txt=2943>
- Complete the form, attach copies of minutes showing the appointment of current Associates, and return to the ATO with a covering letter.
- Requirement to update ABN details within 28 days of changes.



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# Setting up your myGovID


- A myGovID is your **personal** digital identity with the Australian Government.

Note: myGovID is NOT the same as your myGov account.

- Download the myGovID app to your smart device (phone or tablet).
- Enter your details – ensure you use a **personal** email address, NOT a club or work email address.
- Follow the prompts in the app to verify your identity – this will require you to enter or scan several ID documents such as driver's licence, passport, birth certificate, and Medicare card.

← ↻ https://www.mygovid.gov.au

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## An easy and secure way to prove who you are online

myGovID is your Digital Identity, use it to unlock participating government online services.





myGovID is your Digital Identity and makes it easier to prove who you are online. Use your myGovID to access [participating government online services](#).




Only download the myGovID app from the official app stores listed above.

# Linking your myGovID to an ABN

- Your myGovID can be linked to an ABN using an Australian Government online application called “Relationship Authorisation Manager” (RAM).  
<https://info.authorisationmanager.gov.au/>
- Login to RAM with your myGovID.
  - Click “Login with myGovID”.
  - Enter your personal myGovID email address on the myGovID page that appears and click “Login”.
  - You will receive a notification on your smart device. Access this notification and enter the 4-digit code that is shown on the myGovID page.
- Select “Link your business” and follow the prompts to link your myGovID to an organisation that you are authorised to act for.

← ↻ 🔒 https://info.authorisationmanager.gov.au A★

Your opinion matters, [providing your feedback](#) is important and helps us improve RAM.


 Australian Government Relationship Authorisation Manager

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## Use Relationship Authorisation Manager (RAM) to manage your business authorisations in one place


- > [Set up your digital identity](#)
- > [Link your business](#)
- > [Authorise others to act online for your business](#)

[Login with !\[\]\(cd230c51c8ee4b0fd7f4a3b91b64d92f\_img.jpg\)](#)




### Get your digital identity

You need a digital identity to use RAM. Currently only myGovID is available to use with



### Set up your business

Find out how to get set up including linking your digital identity to your ABN.



### Authorise others

Start authorising others to act online for your business.



## Don't have the myGovID app?

Create a myGovID to prove who you are and log in to online services.  
Find out how to [set up your myGovID](#).



### What's next?

1. Download the app
2. Prove who you are
3. Come back and log in

## Already have the myGovID app?

Log in with your myGovID email to continue.



Login



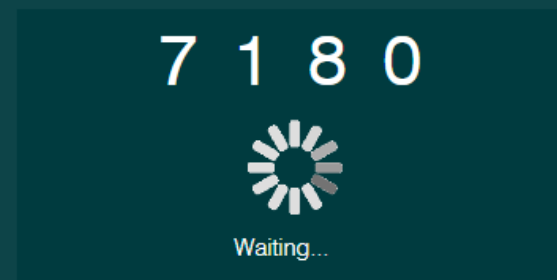
Remember me

[Cancel](#)



1. Open myGovID on your phone

2. Accept or enter the code



3. Come back

[Cancel](#)



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## Relationship Authorisation Manager

### Maxwell SHIRLEY

Select an option below to continue. The action you can take will vary depending on the type of authorisation you have for the business.

[Find out more](#) ⓘ

Link your business ⓘ



View or manage authorisations, machine credentials and cloud software notifications ⓘ



Accept an authorisation for a business ⓘ



# Logging in to ATO's Online services for business


- Once you have linked your myGovID to the club's ABN, you can login to Online services for business at:  
<https://onlineservices.ato.gov.au/business/>
- Click “Login”.
- Enter your personal myGovID email address on the myGovID page that appears and click “Login”.
- You will receive a notification on your smart device. Access this notification and enter the 4-digit code that is shown on the myGovID page.



## Online services for business

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Australian Taxation Office

MULTIPLE DISTRICT 201 OF LIONS CLUBS INTERNATIONAL INC

ABN 63 592 786 032

Switch ABN



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Lodgments  
▾

Employees  
▾

Communication  
▾

Profile  
▾

## For action

### Lodgments

Account	Description	Due date	
Activity statement 001	Feb 2024 - Feb 2024 Instalment activity statement	21 Mar 2024	<a href="#">Prepare &gt;</a>

# **NEWSFLASH – alternative lodgement method coming**

- Lions Australia has been advocating to the ATO for a simpler lodgement method.
- Assistant Commissioner has advised this is coming.
- This will be a lodgement via automated phone system.
- But only for a transitional period.
- More information to come.

# Completing the current income tax status review worksheet

- Download the current income tax status review worksheet at: <https://www.ato.gov.au/forms-and-instructions/income-tax-status-for-self-assessing-non-profit-organisations-review-worksheet>
- Complete the worksheet.
- Submit completed worksheet to your club board for approval.
- Keep the completed worksheet with your club records. It does not need to be sent to the ATO.
- This worksheet is being replaced by the new annual self-review return.



# Reviewing the club's Constitution

- The ATO requires organisations self-assessing as income tax exempt to have governing documents that set out purpose(s), NFP character, and how the organisation operates and makes decisions.
- NFP character – prevented from distributing profits or assets to members while operating and when winding up.
- The LCI Standard Club Constitution does not have these NFP clauses.
- Club's may have to amend their constitution to add NFP clauses.
- The MD have issued an MD201 version of the Standard Club Constitution to include these, which may assist clubs. You can also talk to your district CBL.

# Recap of steps to prepare for lodgement

1. Update Associates on the club's ABN.
2. One or more Associates set up myGovID on their smart device.
3. Associates link their personal myGovID to the club's ABN.
4. Associates confirm login to ATO's Online services for business.
5. Complete the current income tax status review worksheet.
6. Review (and amend if necessary) the club's Constitution.

# Summary

- A new annual self-review return needs to be lodged to confirm eligibility for income tax exemption.
- The first return has to be lodged between 1 July 2024 and 31 October 2024, for the 2023-2024 year.
- The return has to be lodged via the ATO's "Online services for business" application.
- The return can only be lodged by a current Associate or authorised contact recorded on the club's ABN.

# And finally .....

- Don't panic!
- Work through the steps one by one – start now!
- Refer to these slides and the associated Lions Australia Fact Sheet, which have links to relevant pages and videos on the ATO website.
- Refer to ATO website at <https://www.ato.gov.au/> and sign up for ATO NFP newsletter.
- Help is also available by contacting your Cabinet Treasurer, or by contacting the Lions Australia National Office:

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