

# **ALBERT KERSTEN MINING AND MINERALS MUSEUM – DEDUCTIBLE GIFT RECIPIENT (DGR) FUND POLICY**

## **Purpose**

This policy sets out the Australian Tax Office (ATO) requirements for operation of a deductible gift recipient (DGR) fund by Broken Hill City Council as per the ATO's endorsement of the Albert Kersten Mining & Minerals Museum as a public museum under item 12.1.3 of section 30-100 of the *Income Tax Assessment Act*.

The areas covered by the Policy are:

- The basis for Australian Tax Office endorsement of the Albert Kersten Mining & Minerals Museum as a deductible gift recipient (DGR)
- ATO Compliance and Reporting requirements for DGR institutions and Gift Funds
- Broken Hill City Council Gift Fund Governance

## **Scope**

Endorsement by the Australian Tax Office for the Albert Kersten Mining & Minerals Museum to become a DGR institution requires Council to establish and operate an Albert Kersten Mining & Minerals Museum Gift Fund to which income tax deductible gifts and contributions can be made by donors.

This policy sets out the key factors influencing ATO requirements for continuing compliance and governance arrangements for the Albert Kersten Mining & Minerals Museum Gift Fund.

## **General Principles**

### **Definitions:**

**Deductible Gift Fund Recipient (DGR) endorsement:** endorsement by the ATO of a fund, authority or institution as eligible to receive income tax deductible gifts and contributions.

**Gift Fund:** Sub-section 30-125 (2) of the Income Tax Assessment Act 1997 provides that an organisation which has DGR endorsement for an institution it operates must maintain a Gift Fund for the principal purpose of the institution.

**Public Museum:** One of the categories of organisation recognized under the *Income Tax Assessment Act 1997* as eligible for endorsement as a DGR and defined as having the following characteristics: controlled by a government authority; makes its collections available to the public; is a building or place for the keeping, exhibition and study of objects of scientific, artistic or historical interest.

**Tax deductible gifts and contributions:** gifts and contributions defined by tax law as eligible for an income tax deduction by the donor upon donation to a DGR.

### **Albert Kersten Mining & Minerals Museum, deductible gift recipient status:**

To be entitled to DGR endorsement, Broken Hill City Council must meet all of the following requirements:

- fall within a general DGR category as set out in the income tax law
- have an Australian business number
- maintain a gift fund - if seeking endorsement for the operation of a fund, authority or institution, that it owns or controls (The Albert Kersten Mining & Minerals Museum)
- have an appropriate dissolution/revocation of endorsement clause or clauses for the fund
- be in Australia

The Albert Kersten Mining & Minerals Museum recognition by the ATO as a public museum is predicated on it being an institution:

- which is owned or controlled by government (BHCC)

- which makes its collection available to the public
- it is constituted as a museum and is recognised as such
- whose activities are consistent with being a museum

The Albert Kersten Mining & Minerals Museum's DGR status is further dependent on the requirements of Sub-section 30-125 (2) of the *Income Tax Assessment Act 1997*. This requires that council maintain a Gift Fund for the Museum which has the following characteristics:

- It is a fund
- It is maintained for the principal purpose of the institution (Albert Kersten Mining & Minerals Museum)
- All gifts and deductible contributions, of money or property for that purpose are made to it.
- Any money received by the Museum, because of such gifts or deductible contributions, are credited to it.
- The fund does not receive any other money or property
- The fund is only used for the principal purpose of the Museum
- If the Albert Kersten Mining and Minerals Museum is wound up or its endorsement as a Deductible Gift Recipient is revoked any surplus assets of the Albert Kersten Mining and Minerals Museum Gift Fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax deductible gifts can be made.

**Australian Tax Office compliance requirements for endorsed Deductible Gift Recipients and Gift Funds:**

Requirements that are incumbent upon organisations endorsed by the ATO as DGRs include:

- self reviews annually
- when a major changes occurs within the structure of the organisation.

**Broken Hill City Council Albert Kersten Mining & Minerals Museum Gift Fund governance:**

Broken Hill City Council:

- Has established and will maintain a dedicated account called The Albert Kersten Mining & Minerals Museum Gift Fund in accordance with the record keeping requirements of the ATO.

- Ensure that all gifts and contributions to the Fund are receipted in accordance with ATO requirements
- Ensure that contributions to the Fund are used for the principal purpose of The Albert Kersten Mining & Minerals Museum activities.
- Ensure that in all other respects the administration of the Fund complies with the finance policies and procedures of Broken Hill City Council.
- If the Albert Kersten Mining and Minerals Museum is wound up or its endorsement as a Deductible Gift Recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax deductible gifts can be made.

### **Associated Policies & Documents**

Nil.

### **Relevant Legislation**

Related documents: *Income Tax Assessment Act 1997*

### **Quality Control**

<b>Key Direction:</b>	Our Community		
<b>Objective:</b>	1.3 – Our history, culture and diversity is embraced and celebrated.		
<b>Function:</b>	1.3.1.8 – Provide the Albert Kersten Mining and Minerals Museum to celebrate our mining history.		
<b>Strategy:</b>			
<b>File Reference No:</b>	12/114	<b>TRIM No:</b>	D14/30018
<b>Type of Policy:</b>	Council		
<b>Responsible Officer:</b>	Cultural and Heritage Curator		
<b>Review Date:</b>	January, 2017		
<b>Date</b>	<b>Action</b>	<b>Minute No.</b>	
17/12/2014	Endorsed for Public Exhibition	44834	
28/01/2015	Adopted	44851	