



CEF Australia Ltd is endorsed as a DGR1 (Deductible Gift Recipient 1) as listed by name under the provision of item 2.2.31 of the table in section 30-25(2) of the Income Tax Assessment Act 1997 (ITAA 1997).

Local foundations are separate entities and do not individually hold DGR status, but can access our DGR status.

This document defines a tax deductible GIFT and how your donors can access their tax invoices, keeping both accountants and the ATO happy.

## A DEDUCTIBLE 'GIFT' IS....



- a transfer of money (over \$2) or property
- where the transfer is made voluntarily
- the donor doesn't expect anything in return for the gift
- the donor does not materially benefit from the gift.



## A DEDUCTIBLE 'GIFT' IS NOT....



- buying items at a charity auction
- purchases of raffle tickets and art union tickets
- buying chocolates, pens & similar low cost items
- tickets to a fundraising event
- membership fees
- providing a service
- any payments made that will 'benefit' the donor
- gifts made under a will
- gift vouchers donated to a DGR

## Wait! What about Sponsorships?

**What if you want to show a donors or sponsors public appreciation for their generosity?**

A small token in acknowledgment of a donation, may still be considered a gift. For example you may give a donor the following for a gift:

- a sticker or lapel badge
- a mention in a newsletter or periodical
- a plaque, if it is of small cost and prominence.

However, if you give larger acknowledgments for example in the form of commercial advertising, it may be considered a commercial arrangement and prevent the payment from being viewed as a **gift**.

If you are unsure if your acknowledgement could potential be a commercial arrangement, give national office a call to discuss.

**Now that you have a generous donation from a supporter, how do they access their tax invoice to claim their tax deduction?**

**First and foremost the donation must come into the CEF Donations account to generate the DGR receipt.**



Receipts are raised with the date funds were deposited into the national donations account. Please ensure EOFY donations are deposited prior to EOFY. If you have a late donation ask the donor use the website as per **Option 1** below.

## HOW TO RAISE A DGR RECEIPT FOR YOUR DONORS

- Option 1** The easiest option is via our website. By using the site's donate button, donors nominate the foundation and amount, and are automatically emailed the DGR receipt. Donations are reported and transferred to your foundation monthly.
- Option 2** Donors can direct deposit into the CEF donations account. The foundation needs to email [info@cef.org.au](mailto:info@cef.org.au) with the name of the donor and amount of the donation so we can identify and raise the DGR receipt that will be sent to your foundation.  
**Donations acct - BSB 062 629 Acct No. 1001 0818**
- Option 3** Donors can send funds directly to their foundations. In order to raise a receipt for those funds, foundations deposit funds onto the CEF Donations account and notify who the funds are from and request the DGR receipt.

## Summary

- Country Education Foundation of Australia holds DGR1 status, however foundations access the benefits of the status where local funds are deposited into the donations account.
- A local foundation cannot raise a DGR receipt.
- To be defined as a 'gift', donors cannot receive anything in turn i.e. raffle or event ticket.
- A commercial arrangement with your donor may not be deemed a gift but may be claimed as a business expense. Please contact us to discuss if you are unsure.