

NOT FOR PROFIT REPORTING REQUIREMENTS UNDER COMMONWEALTH LAW

Depending on the nature of your not-for-profit (NFP), both companies and charities may be required to meet certain reporting obligations under commonwealth law in addition to state or territory laws.

COMPANIES

NFPs which are companies limited by guarantee may be required to report annually if they meet certain revenue thresholds:

- Small companies limited by guarantee are not required to report annually.
- Medium companies limited by guarantee (annual revenue less than \$1 million) must prepare a financial report and directors' report. They may choose to have their financial report reviewed rather than audited.
- Large companies limited by guarantee (annual revenue over \$1 million) must prepare a financial report, directors' report, and they are required to have their financial report audited.

CHARITIES

Charities registered with the Australian Charities and Not-for profits Commission (ACNC) are required to submit financial reports each year. Charities should keep a record of all their records in paper or electronic form.

The specific reporting requirements will depend on the size of the charity:

- Small charities (annual revenue below \$500,000.00) are required to submit an Annual Information Statement.
- Medium charities (annual revenue between \$500,000.00 and \$2,999,999.00) are required to submit an Annual Information Statement and an Annual Financial Report (that is reviewed or audited).
- Large charities (annual revenue \$3,000,000.00 or above) are required to submit an Annual Information Statement and an Annual Financial Report (that is audited).

Charities can access an approved form of the Annual Activity Statement on the ACNC website. To complete the form, you are required to answer a number of questions about basic financials, the charity, its activities, and any related party transactions.

Practical tip: Not every NFP is a charity. For more see the fact sheet: Is a NFP also a Charity?

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