



# Warnocks - January 2020 Newsletter

ABN 50 060 862 580 AFSL 484 100

# DONATIONS

The urge to Donate is a natural reaction as we come to grips with the effects of the severe drought and now, the terrible bushfires engulfing large parts of our country. In this newsletter, we look at some of the tax aspects of donations.

Something that may not be so well known is that if you have a valuable piece of artwork or other article that the ATO values at more than \$5,000, then you may be able to donate it and claim a deduction for the value.

## Bushfires and Scams, and the Bendigo Bank initiatives

There are currently a wide range of appeals raising funds for people and animals affected by the bushfires. Unfortunately, some of these are scams. People can call 1300 795 995 to report them.

Bendigo Bank has set up some very worthwhile Bushfire relief schemes. Please see the extra information at the end of this Newsletter regarding reliable donation accounts to which you can donate. Of course, your own bank will likely have a similar scheme.

## To claim a tax deduction

- ▶ The gift or donation must be made to Deductible Gift Recipients (DGRs). Not all charities are DGRs. For example, in recent times crowdfunding campaigns have become a popular way to raise money for charitable causes. However, many of these crowdfunding websites are not run by DGRs, therefore donations to these campaigns aren't tax deductible.
- ▶ You can check the DGR status of an organisation on:  
<https://abr.business.gov.au/Tools/DgrListing>
- ▶ No material benefit or advantage must be obtained in return.
- ▶ You must have a record of your donation, such as a receipt.

## What can I claim?

The amount you can claim as a deduction depends on the type of gift.

- ▶ Money of \$2 or more.
- ▶ Bucket donations: Of up to \$10 for the total of those contributions without a receipt.
- ▶ Political party and independent candidate donations: The most you can claim in an income year is: \$1,500 for contributions and gifts to political parties, and \$1,500 for contributions and gifts to independent candidates and members.
- ▶ Gifts of property or shares: there are different rules depending on the type and value of the property.
- ▶ Gifts under the Heritage and Cultural programs (please see below for more information).

## When can I claim a tax deduction?

You can claim the deduction for your gift for the income year in which the gift was given. A tax deduction claimed for donating a gift cannot add to or create a tax loss. The deduction can reduce your assessable income to nil in the tax year in which the gift is made, but any excess cannot be claimed in that year.

## What if I can't use all of the deduction in the present tax year?

In advance of lodging your tax return, you can choose to spread the tax deduction over a period of up to five income years.

You may choose to do this because you may not be able to claim the whole amount in the current year, or you earn a greater income in some years than others.

## What can't I claim?

You can't claim gifts or donations that provide you with a personal benefit, such as raffle or art union tickets, membership fees, the cost of attending fundraising dinners, payments to school building funds made in return for a benefit, donations made under a will or under a salary sacrifice arrangement.

# Gifts under the Heritage and Cultural Gifts Program

To encourage people to donate cultural items to public art galleries, museums, libraries and archives in Australia, the Cultural Gifts Program offers tax incentives to donors.

Donors can be an individual, company, trust or other type of taxpayer. This program is administered by the Department of Communication and the Arts.

## What types of property can I donate under the program?

You can donate property, other than an estate, interest in land or interest in a building or part of a building.

Examples of tax-deductible gifts which qualify under the Cultural Gifts Program include indigenous arts, cultural artefacts, natural and scientific materials, film and social history pieces, paintings, manuscripts, books, antiques and jewellery.

## How much can I claim?

You will need to get a valuation of the property you are donating. The general rule is that the amount you can claim as a deduction is the average of two or more written valuations made by valuers approved by the Arts Secretary. NB: Property donated under the Cultural Gifts Program is exempt from capital gains tax (CGT).

## More on Bushfire Donations (see separate Poster, attached)

You need to know that your contribution will reach where you want it to go. We are pleased to advise that Bendigo Bank has waived its usual fees.

You can reliably donate to the following two Bendigo Bank initiatives:



*1. National Bushfire Disaster Appeal: go to*

<https://www.communityenterprisefoundation.com.au/make-a-donation/national-bushfire-disaster-appeal/>

*2. Partnership with Rotary International District 9800 - Australian Bushfire Appeal: go to*

<https://www.communityenterprisefoundation.com.au/make-a-donation/rotaryd9800bushfireappeal/>

The account number for this appeal is BSB: 633000 171227895

To contact a senior Banker from Bendigo Community Bank for more information, you can email Sue Foley at the following email address: [Sue.Foley@bendigoadelaide.com.au](mailto:Sue.Foley@bendigoadelaide.com.au) or you can call Sue on (03) 9586 8166.

*This newsletter was produced by Anelle Wong and Jolie Dang.*

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