

SPECIAL COUNCIL MEETING 21 OCTOBER 2014	3.6
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MAYOR'S CHRISTMAS APPEAL – TAX DEDUCTIBLE DONATIONS

Joanne Nicholson: Team Leader Accounting (#427434)

Darryl Crees: General Manager Corporate Services

RECOMMENDATION:

That Council:

- 1 approves establishment of the Mayor's Christmas Appeal, constitution, bank account and completion of relevant Australian Taxation Office forms for tax deductibility;**
- 2 delegates authority to the Mayor and Chief Executive Officer in accordance with the *Local Government Act 2009* to finalise any minor amendments in relation to administering the Mayor's Christmas Appeal.**

EXECUTIVE SUMMARY:

The Mayor's Christmas Appeal has been conducted for several years under the former Douglas Shire Council and Cairns Regional Council. It is proposed that the new Douglas Shire Council launch a Mayor's Christmas Appeal, and make the appropriate applications to the ATO to enable donations of \$2 or more to be tax deductible.

BACKGROUND:

The Mayor's Christmas Appeal has been conducted for several years under the former Douglas Shire Council and Cairns Regional Council, providing eligible applicants with hampers containing food for Christmas Day. Eligible applicants are families receiving a Government benefit, with a child aged 15 years and under. Hampers are purchased using funds received from public donations. To enable donations of \$2 or more to be tax deductible, various procedures need to be implemented.

Discussions with the ATO resulted in the following advice being provided:

- Public Ruling TR 95/27 enables the Douglas Shire Council to apply to have the Mayor's Christmas Appeal be tax deductible.
- Council is to establish at a Constitution with clear purpose for 4.1.3 (Public Fund for persons in necessitous circumstances) category, it must contain a dissolution clause and members of the committee must be classified as "Responsible Persons" under the ATO regulations

- A separate bank account – Douglas Shire Council Mayor’s Christmas Appeal will require to be opened for all donations to be deposited to
- Complete NAT 2948 and send to ATO (takes at least 28 days to process) with the Constitution attached, with no Schedule required.

PROPOSAL:

The proposal is for Council to establish the Mayor’s Christmas Appeal, constitution, bank account and completion of relevant Australian Taxation Office application form.

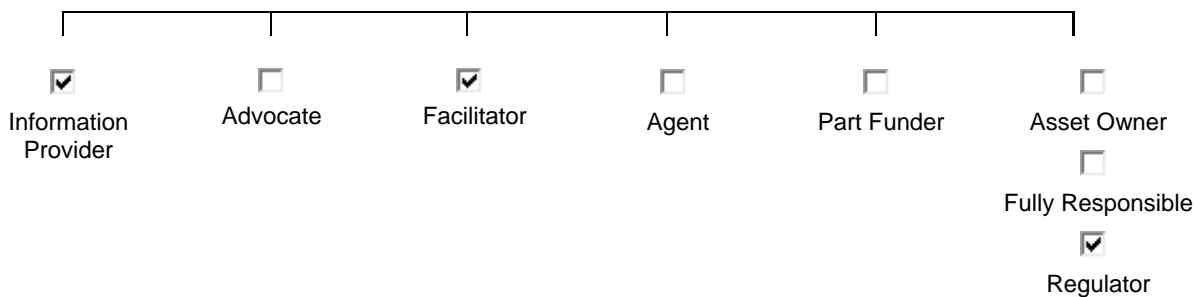
CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE:

- Douglas Shire Council Corporate Plan:
 Theme 1 Goal 2 To encourage and support our vulnerable and disadvantaged communities;
 Theme 5 Goal 2 To demonstrate leadership in local government through sound, transparent, accountable and equitable decision making.

COUNCIL’S ROLE:

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council’s involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:



Information Provider:	Providing access to information to assist communities and organisations.
Facilitator:	Bringing people together to develop solutions to problems.
Regulator:	Meeting the responsibilities associated with regulating activities through legislation or local law.

Information Provider: The CEO Unit will disseminate information throughout the communities promoting the Mayor’s Christmas Appeal.

Facilitator: CEO Unit will work with local community organisations to ensure hamper application forms are completed correctly and oversee the community or church group assisting with compilation and delivery of hampers to eligible applicants.

Regulator: Council will receive all donations through a separate bank account and comply with ATO requirements in relation to tax deductibility

FINANCIAL/RESOURCE IMPLICATIONS:

The hamper costs associated with the Mayor's Christmas Appeal will be covered by donations.

Council's Community & Economic Development Officer will be responsible for administering hamper applications, coordinating hamper packing and deliveries in conjunction with local church and community organisations. Council's Communications and Events Officer will be responsible for organising the launch and promotion of the Appeal.

RISK MANAGEMENT IMPLICATIONS:

Committee will consist of "Responsible Persons" (defined by the ATO) under government regulation to monitor, control and approve distribution of funds.

SUSTAINABILITY IMPLICATIONS:

ECONOMIC: The number and size of hampers distributed will be determined by cash donations received from the community.

SOCIAL: The Mayor's Christmas Appeal will provide assistance to vulnerable community members in the Douglas Shire with food hampers purchased from cash donations.

INTERNAL/EXTERNAL CONSULTATION:

Australian Taxation Office
Douglas Shire Council Community & Economic Development Officer