Australian Government

Grants News – September 2019 Edition

Welcome to the September 2019 edition of Grants News. We hope that you find this edition full of useful updates.

This edition comes at an interesting time for the Grants Policy Team at Finance, which has recently merged with the team responsible for the Streamlining Government Grants Administration (SGGA) Program. This exciting move represents a good opportunity for Finance to provide advice on grants that is cognisant of all aspects of the Commonwealth grants environment.

**For more information email:** **grants@finance.gov.au**

***This September edition of Grants News provides a number of interesting articles on:***

* *The Grants Community of Practice forum;*
* *Standards for charities operating overseas; and*
* *Grant-making charities;*

**An Update from the July Grants Community of Practice Forum**

On 31 July 2019, the Department of Finance (Finance) hosted the 2019 mid-year Grants Community of Practice Forum (the Forum). Speakers included officials from the Finance Grants Policy Team, the National Indigenous Australians Agency, the Finance Procurement Team, and the Finance Web Services Team.

As Finance is in the process of redeveloping its website, the Forum provided us with an opportunity to conduct a workshop on the

availability and accessibility of Finance information and resources in the Grants space.

In this workshop, we asked the Forum’s attendees a number of questions regarding the current Finance webpages:

1. How do you find Commonwealth Grants Information?

2. Do you find what you are looking for on the Finance webpages?

3. Do you access Grants information from the Finance homepage?

4. Do you prefer to use the webpages, or to call/email the Grants Policy team?

5. Do you have any feedback on the current layout of the Grants webpages?

6. What new content would you like to see on the webpages?

We also asked the attendees if there was any additional content they would like to see on the Finance website.

The feedback from the attendees was primarily focused on the accessibility of Grants information, but also touched on the need for additional training and support for users. This complements our analysis of queries that providers and recipients send to Finance. We will use this to help make the new webpages more accessible and useful for providers and recipients.

Finance will also be launching a GovTeams page by the end of 2019.

If you have any ideas on how we can improve our grants web content, send them through to grants@finance.gov.au

**New standards for charities operating overseas – Mel Yates, Director, Reporting, Red Tape Reduction and ACNC Corporate Services, ACNC**

An important part of the great work many of Australia’s registered charities do each day involves helping people in other countries.

According to the ACNC’s most recent [Australian Charities Report](https://www.acnc.gov.au/tools/reports/australian-charities-report-2017), nearly 10% of Australia’s charities operate overseas.

For some charities, this might involve actually setting up an operation in another country, or directly providing services to people overseas. For others, it might mean they fund the work of an organisation in another country, or that they send money to overseas beneficiaries.

There can be significant challenges for charities operating overseas in these ways:

* How do charities know that their money and services are being directed where they should be, or that their work is aiding their intended beneficiaries?
* How can charities be assured that their work or financing isn’t subject to fraud, and that its efforts overseas don’t fall victim to corruption?
* How do charities properly and adequately keep track of their overseas work and activities?
* What can charities do to protect those vulnerable people overseas it aims to help or support, and how can it protect any staff or volunteers it has operating overseas?

A new set of standards to be introduced later this month aim to provide guidance on charities’ overseas operations and work.

The External Conduct Standards (ECS) are a set of four standards that will govern a registered charity’s operations outside of Australia.

They aim to provide firm guidance and direction around some of the issues that charities operating overseas face, as well as set out baseline expectations for the behaviour and conduct of charities operating overseas.

The ECS promote transparency and provide confidence that the resources a charity sends overseas – or the services it provides overseas – reach those they are intended to benefit and are used only for charitable purposes.

They also set out to protect vulnerable people overseas, be they a charity’s beneficiaries, or its staff or volunteers.

**Which charities must comply with the ECS?**

**Generally, registered charities that ‘operate outside Australia’ will have to comply with the ECS.**

Importantly, this requirement is not limited simply to major programs, projects or activities a charity might be involved with overseas.

Even if a minor portion of a charity’s activities occur overseas, or if a charity only sends a small amount of money overseas, it may be considered to operate outside Australia and therefore must comply with the ECS.

Also registered charities that are classed by the ACNC as Basic Religious Charities will be subject to the ECS if they operate outside Australia.

The steps a charity takes to comply with the standards need only be ‘reasonable’, based on their size, overseas activities and other circumstances. For small charities, or other charities with only minor overseas activities, it is unlikely that these obligations will be onerous.

**The standards**

The four ECS are:

**Standard 1: Activities and control of resources, including funds**

The standard covers the reasonable steps charities must take to manage their activities, funding and other resources overseas, including when operating in collaboration with a third party, to ensure they are being directed towards their intended not-for-profit purpose. The standard also requires charities to take steps to comply with applicable Australian laws.

**Standard 2: Annual review of overseas activities and record-keeping**

This standard outlines the requirements for charities to keep sufficient records for their overseas activities.

**Standard 3: Anti-fraud and anti-corruption**

This standard covers the reasonable steps charities should take to combat fraud and corruption when operating outside Australia. This includes situations when charities collaborate with a third party on overseas operations, and also requires charities to identify and document conflicts of interest.

**Standard 4: Protection of vulnerable individuals**

Standard 4 covers charities’ need to take reasonable steps to protect the vulnerable people they work with – as well as staff and volunteers – when providing services or benefits overseas. Again, this includes times charities collaborate with a third party on overseas operations.

**Regulating the standards**

The ACNC will be responsible for regulating the ECS in line with our [regulatory approach](https://www.acnc.gov.au/raise-concern/regulating-charities/regulatory-approach-statement).

Our aim will be to provide education and guidance to charities that need to comply with the Standards. An important part of this work will be extensive information that we will publish on the [ACNC website](https://www.acnc.gov.au).

We expect charities that need to comply with the ECS will take the time to understand the Standards and how they affect their operations. We also expect these charities will take steps to ensure they meet the Standards.

Charities will not need to submit management plans, policies or procedures to the ACNC to show they meet the standard. But they must be able to provide evidence of meeting the Standards if the ACNC requests them to do so.

Keep an eye on [acnc.gov.au/externalconductstandards](https://www.acnc.gov.au/externalconductstandards) for more on the implementation of the ECS.

**2019 Taxable payments annual report**

The ATO is reminding government entities that the 2019 *Taxable payments annual report* (TPAR) was due by 28 August 2019.

As a government entity, you need to lodge a TPAR to report to the ATO:

* the total payments you make to an entity for providing services , and
* grants payments to people or organisations with an Australian business number (ABN)

Local government entities are not required to report grants.

You can lodge online if your business software offers TPAR. If you don’t have business software that offers TPAR, you can lodge online using the TPAR online form available via the ATO Business Portal – select ‘Online forms’ from the menu then ‘Taxable payments annual report’. Fill in the form and submit.

Go to [ato.gov.au/tparlodge](https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/Lodging-your-TPAR/?=redirected_TPARlodge) for information about lodging the report online.

If you don’t need to lodge, you can complete the *Taxable payments annual report – Not required to lodge* online form at [ato.gov.au/TPARnilreport](http://www.ato.gov.au/TPARnilreport) - this will update the ATO’s records to avoid unnecessary follow up by them.

To find out more visit the ATO’s website at [ato.gov.au/TPARgov](http://www.ato.gov.au/TPARgov)

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