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The Australian Taxation Office (ATO) has introduced a Workplace Giving program that is designed to facilitate donations to charities and non-profit groups which have deductible gift recipient (DGR) status, by allowing donors to receive a tax deduction at the time donations are made.

Employers who implement Workplace Giving programs deduct donations from employees salary payments and forward them to participating DGR's (which employees nominated to donate to) each payday as a lump sum payment from all contributing employees.

The benefits of this initiative include employees receiving an immediate tax deductions for their donation, DGR's receiving regular lump sum payments and an overall reduction in administrative costs.

If employers choose to introduce Workplace Giving programs then an enabling agreement shall be entered into with individual employees which contains the following elements:

1. An agreed list of charities and non-profit organisations which have Australian Taxation Office deductible gift recipient (DGR) status.
2. A commitment by employers to certify that the designated charities and non-profit organisations have DGR status.
3. A 'voluntary consent for deduction' form to be completed and signed by employees authorising employers to deduct donations.
4. Provision for employees to enter, vary or withdraw from the scheme at any time, consistent with employers' payroll deduction procedures and policies.
5. A commitment by employers to make the nominated monetary deduction(s) from the pre-tax earnings of employees and then apply appropriate tax to remaining earnings.
6. A commitment that deducted monies will be remitted to the designated DGRs.
7. A commitment by employers to provide employees with details of total donations made in each financial year and the DGRs to whom the donations were made. This may be made by group certificate, payment summary, or other written or electronic communication.

Further details of this initiative can be found on the ATO's website at www.ato.gov.au/nonprofit/content.asp@doc=/content/35094.htm.

For further queries please contact Ted Boronovskis on 9222 7675.

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