



CharitiesInfo

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Principal Executive Officers

Principal Executive Officers (PEOs) are generally defined as the persons within the organisation who have a managerial or financial responsibility for charitable collections and the distribution of funds for charitable purposes.

PEO's include:

- in a trust - the trustees.
- in an incorporated association - the President/Chairperson, Secretary and Treasurer
- in larger organisations that have a Board/Committee - the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Chairperson of the board.
- in a company (Limited by Guarantee) - the Directors and Company Secretary.

When applying for a Charitable Collections Licence, or applying for renewal of the licence, the PEO's of the organisation are required to complete a Principal Executive Officer Declaration and Consent form. They must also provide an original, or a certified copy, of their Police Clearance which has been issued within the last 6 months.

It is important to note that this form must be witnessed by a person 'authorised' to witness a Statutory Declaration. Appropriate witnesses include Accountants, Chemists, Lawyers, Post Office Managers, Police Officers, School Teachers and State or Commonwealth Public Servants.

The Department must be notified of any changes to the persons nominated as PEO's within one month. The new PEO would need to complete a form and supply a current Police Clearance.

Investments by Licensed Charities

Many licensed Charities hold investments and details of those funds must be included in the annual audited accounts sent to the Charities Licensing Office.

There are restrictions on how a licensed charity can invest their funds. Approval from the Commissioner for Consumer Protection is required for all investments other than fixed deposits in any company registered to carry on the business of banking in WA.

If a licensed charity wishes to make investments that are not fixed deposits with a bank registered in this State, the charity should seek professional advice as to whether the investment meets the requirements of the *Trustees Act 1962 WA (Part III)*.

Special approval from the Commissioner is needed should a licensed charity fail to meet the requirements of the *Trustees Act WA 1962 (Part III)*.

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Service Club

Accounts

Licensed Service Clubs such as Apex, Lions and Rotary need to show the Club and Charity accounts separately when preparing their annual audited accounts for lodgement with the Charities Licensing Office.

We need to see a full Income and Expense report for both the club and charity accounts as well as a balance sheet that includes all the accounts of the club.

All licensed charities also need to include sufficient detail in their accounts to allow the charitable income and expenses to be identified. You need to separate individual income and expense items to show the different types of collections received and where those funds have been distributed. For example if you make donations to charitable causes you need to provide a separate itemised list of the beneficiaries and not simply have one expense item called "Donations".

We Have Moved From The City!

The Charities Licensing Section has relocated to new offices at

Unit 4

**321 Selby Street North
Osborne Park.**

You can still lodge your documents in person at the Forrest Centre, however charities office staff will not be available at Forrest Centre to assist with your inquiries. Our postal address has not changed and you should continue to send documents through the post to **Locked Bag 14, Cloisters Square WA 6850.**

Should you need further assistance please visit us at Osborne Park, or you can reach us by telephone on 9282 4373.

Street Collections

Street Appeals are a common method of obtaining financial support from the public, and a significant source of fundraising income for many organisations, both charitable collections licence holders and others.

In its simplest sense, a street appeal is a collection conducted in a street. However, the legal definitions of what constitutes a "collection" and a "street" make it a little more complicated than that.

Under the Act, the definition of "street" is very broad and includes not only the obvious meanings of roadways, highways and footpaths, but also the public areas around shopping centres as well as jetties and bridges.

A "collection" includes the soliciting of money (or any form of contribution), as well as the selling or offering of something such as a gift, badge, token or flower.

Any organisation wanting to conduct a street collection in the Perth Metropolitan area must apply for a Permit under the *Street Collections (Regulations) Act (1940)*.

Even if you hold a charities license you still need to apply for a Street Collections Permit.

An organisation that wishes to conduct a street collection, but does not hold a charitable collections licence, for example a sporting club or animal welfare group, must apply for a Street Collections Permit.

Generally Street Collections are conducted on Fridays but exceptions are made for national charity days such as "Red Nose Day".

A Collection Statement showing the amount collected, must be lodged with the Department of Commerce within 30 days of the Street Collection.

Improving Regulation for Charities across Australia

You may already be aware that Governments around Australia are currently examining ways to streamline and improve the regulation of charitable organisations.

In December 2008 the Commonwealth Senate Standing Committee on Economics issued a report which found that regulation of non-profit organisations in Australia is inconsistent and often burdensome, particularly for national charities which hold more than one licence.

The Senate Report recommended comprehensive changes, including the introduction of a single, independent national regulatory authority for the sector. A copy of the full report can be found at:

http://www.apf.gov.au/Senate/committee/economics_ctte/charities_08/report/index.htm

In February 2009 the Commonwealth Government asked the Productivity Commission to review the contribution of the not for profit sector. The Com-

mission will measure the contribution of the sector to the Australian economy, and try to find ways to reduce the regulatory burden.

You can find full details of the project on the Commission website at:

www.pc.gov.au/projects/study/not-for-profit

Meanwhile, the Council of Australian Governments (COAG) has begun working on two issues identified by the Senate report as having high priority:

- The development of nationally consistent regulation for fundraising; and
- The implementation of a standard chart of accounts for the not for profit sector.

The use of a standard chart of accounts by not for profit organisations ensures that all organisations using the chart capture information in the same way. It has potential to reduce the burden of accounting and reporting for those organisations as well improving the quality and comparability of information provided to regulators, members and the community.

An interim report on reform options in these areas is to be provided to COAG by July 2009.

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Disclaimer: The information contained in this newsletter is intended as a guide only. For more detailed information please refer to the relevant legislation or seek legal advice.