



Australian Government

Department of the Prime Minister and Cabinet Office for the Arts

Ms Lorna Hempstead
Shakespeare under the Stars
3, The Esplanade
Nelly Bay
MAGNETIC ISLAND QLD 4819

Dear Ms Hempstead

I am pleased to advise that the Minister for the Arts and the Assistant Treasurer on behalf of the Treasurer have approved the application for your organisation to be listed on the Register of Cultural Organisations (ROCO) maintained under Subdivision 30-F of the *Income Tax Assessment Act 1997*. Your public fund, Shakespeare under the Stars Fund, became eligible to receive tax deductible donations from 1 November 2011.

Register Requirements

In order to maintain your organisation's eligibility for ROCO and therefore ensure tax deductibility for your donors, your organisation is required to meet a number of requirements which are outlined in the ROCO Guide. The main requirements for your organisation are to:

- ensure that all receipts issued through the Fund comply with the requirements outlined in the Guide, an example is enclosed for your information
- not enter into any agreement with donors regarding the purpose for which donations will be used – donations must be given unconditionally to be tax deductible
- not accept donations on behalf of another organisation or individual;
- use donated funds exclusively for your organisation's cultural purpose; and
- on a six monthly basis, provide data on donations received. Returns should reflect the periods 1 January – 30 June and 1 July – 31 December and should be made on the Statistical Return Form, available on the Office's website at www.arts.gov.au/roco. Returns should be sent to this office (either by mail or emailed to roco.mail@environment.gov.au) no later than 21 days following the end of the reporting period. If no donations have been received, a "nil" return must be submitted.

As we will periodically review your eligibility for ROCO, it is important that our information is up to date. Please make sure that you send us details of any changes to your organisation's governing documents as well as the composition of the committee administering your public fund. Also, please advise us promptly if the addressee is not the person to whom future correspondence concerning ROCO should be forwarded.

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If your organisation is involved in awarding grants, prizes or other payments to individuals, please provide details of your grant/prize policy or guidelines if you have not already done so.

You should also note the following:

- testamentary gifts, while exempt from capital gains tax, are not tax deductible;
- a “public fund” is a fund to which the public is invited to contribute and in fact does contribute – therefore, to remain eligible for ROCO you must promote your fund and receive donations;
- donors must not receive any advantage of a material character by way of return, for example discounted tickets to performances. It may also be considered a material benefit if donors were to receive a tax deduction for supporting the cultural activities of their relatives, for example the parents of choir members donating to a fund to be used for travel costs of the choir; and
- organisations are not permitted under ROCO to use monies in their public fund to support the purposes (cultural or otherwise) of another body. *This means that organisations cannot provide grants from the public fund to other bodies or pass monies onto another organisation.*

Finalisation of your gift deductible recipient status

As your deductible gift recipient status needs to be finalised by the Australian Taxation Office (ATO), your application has been forwarded to the ATO for processing. The ATO will formally notify you once this process has been completed.

Further information on gift deductibility and not for profits can be obtained through the ATO’s website <http://www.ato.gov.au> or by calling the Non-Profit Infoline on 1300 130 248.

GST-free supplies

Your participation in ROCO also requires that you determine whether supplies that you make are Goods and Services Tax (GST)-free, in accordance with subparagraph 38-250(2)(b)(ii) of the *A New Tax System (Goods and Services Tax) Act 1999*. Further information on this matter is enclosed.

Yours sincerely



Rhonda Thorpe

Director

Cultural Property and Gifts

4 November 2011