



Reporting requirements to self-assess income tax exemption

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Last updated 2 May 2024

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NFP self-review return requirement

What the new reporting requirement means to the administration of NFP entities.

Last updated 2 May 2024

On 11 May 2021, the Australian Government announced changes to the administration of NFP entities that self-assess as income tax exempt. This was announced as part of the [2021–22 Federal Budget](#) .

The changes require non-charitable NFPs with an active Australian business number (ABN) to lodge an annual NFP self-review return to self-assess their eligibility for income tax exemption.

The annual reporting requirement came into effect from 1 July 2023 and is designed to enhance transparency and integrity in the system, by ensuring only eligible NFPs access income tax exemption.

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How the annual NFP self-review return will work

The annual NFP self-review return can be lodged using ATO online services.

Last updated 1 July 2024

The NFP self-review return for the 2023–24 income year can be lodged using **Online services** for business.

A registered tax agent can also lodge the return on behalf of an NFP using **Online services for agents**.

The NFP self-review return:

- requires NFPs to advise of the type of exempt category the NFP is self-assessing against
- guides NFPs to consider their purpose and activities against specific eligibility requirements under 1 of 8 income tax exempt categories
- doesn't include questions that are financial in nature. However, one question asks for an estimate of gross revenue range as small, medium or large, to indicate the size of the NFP organisation.

Once the NFP self-review return is lodged, NFPs will receive a notice on screen confirming the submission and the outcome of their self-assessment.

Each year after the first NFP self-review lodgment, NFPs will need to confirm or update information on a pre-populated return.

Penalties may apply under the ATO's penalty framework if an NFP self-review return is not lodged each year.

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When the first NFP self-review return is due

The first NFP self-review return must be lodged for the 2023–24 income year and each subsequent income year.

Last updated 26 July 2024

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Lodgment date

For organisations with an income year ending 30 June, the 2023–24 NFP self-review return is due between 1 July and 31 October 2024.

- If you are set up in **Online services for business** you can lodge your NFP self-review return from 1 July 2024.
- If you can't access online services, you can submit the 2023–24 NFP self-review return by phoning our **Self-help service** on **13 72 26**.

- If you require **additional time to lodge**, there is transitional support available allowing lodgment up to 31 March 2025. You don't need to contact us to request extra time.

A new return must be lodged each income year. NFPs don't need to lodge a NFP self-review return for any income years prior to 2023–24.

Substituted accounting periods

Some NFPs operate on a substituted accounting period (SAP), which is an income year that is not the standard tax year of 1 July to 30 June.

SAPs may be granted to NFPs where they can demonstrate that an ongoing event, industry practice, business driver or other ongoing circumstance makes 30 June an inappropriate or impractical balance date.

NFPs that **don't** have an ATO approved SAP need to lodge their NFP self-review return based on their purpose, and activities undertaken, in the year ending 30 June.

If you don't have an ATO approved SAP

To have a SAP approved, an NFP needs to demonstrate a **business need** that makes 30 June inappropriate or impractical as a balance date.

In most situations, income tax exempt NFPs won't be required to have their financial reports prepared for the period ending 30 June to lodge their NFP self-review return. This is because the self-review return mainly requires consideration of the NFPs activities and its governing documents.

Your NFP board or committee can use the **NFP self-review guide** to conduct an early review of their income tax eligibility during a normal meeting or out of session meeting. You don't need to wait for the annual general meeting to approve and lodge the return.

Additionally, your NFP self-review return doesn't need to align with periods for other federal, state or territory and local reporting.

Example: sporting club operating on an income year ending 31 December

Mountain Meadows Athletics Club has always prepared its financial reports on a calendar year basis (ending 31 December) but it doesn't have an ATO approved SAP. Its governing documents state that it is established to promote the sport of competing in track and field events. Its main activities are running track and field events and it also undertakes fundraising to support these activities. Its only purpose is to promote the sport of athletics. It also incurs minor expenditure when purchasing equipment from an international supplier.

The club doesn't need to apply for a SAP and can continue to prepare financial reports on a calendar year basis. It only needs to consider its purpose, and activities undertaken, in the year ending 30 June to lodge its NFP Self-review return.

If your NFP determines they are taxable

NFPs that become aware they are taxable after self-reviewing their income tax eligibility, can apply for an ATO approved SAP for the purposes of lodging an income tax return.

However, if a taxable NFP is not eligible for an ATO approved SAP they will need to prepare financial reports for the period ending 30 June to calculate their taxable income and lodge their income tax return.

For more information see [Transitional support if you determine you are taxable](#).

If you have an ATO approved SAP

NFPs with an ATO approved SAP for income tax need to follow the SAP due dates to lodge their NFP self-review return. See [SAP lodgment due dates for 2023–24](#).

SAP lodgment due dates for 2023–24

The first NFP self-review return for the 2023–24 income year becomes available for lodgment in Online Services on 1 July 2024.

If you can't lodge using online services by the due date and require additional time to lodge, we have transitional support available.

Table: SAP due dates for the 2023–24 income year

SAP code	Approved balance date	2023–24 NFP self-review return due date
A	31 Dec 2023 December balancer	31 October 2024
B	31 Jan 2024 January balancer	31 October 2024
C	29 Feb 2024 February balancer	31 October 2024
D	31 Mar 2024 March balancer	31 October 2024
E	30 Apr 2024 April balancer	15 November 2024
F	31 May 2024 May balancer	15 December 2024
G	31 July 2024 July balancer	15 February 2025
H	31 Aug 2024 August balancer	15 March 2025
I	30 Sep 2024 September balancer	15 April 2025
J	31 Oct 2024 October balancer	15 May 2025
K	30 Nov 2024 November balancer	15 June 2025

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How to access and lodge the NFP self-review return

The NFP self-review return can be lodged using ATO online services.

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Lodge using online services

To access Online services for business, you need to set up myGovID and RAM.

Once you have set up myGovID and RAM, you will be able to view the return in Online services for business from 1 July 2024.

If you have engaged a registered tax agent to lodge the annual NFP self-review return on your behalf, the agent can lodge through Online services for agents.

Check what to do [if you can't lodge](#) using online services by 31 October 2024.

If you can't lodge using online services

If you can't access Online services for business, you can submit your NFP self-review return using our Self-help phone service.

To lodge using the Self-help service, you will need to:

- first review the list of self-review return questions at [How to prepare an NFP self-review return](#)
- record responses to each return question and have these with you when you call

- phone the **Self-help service on 13 72 26** for NFP self-review return lodgment
- enter the organisation's ABN and a reference number listed on any letter we have posted to your organisation, such as the *Your annual self-review reporting obligation* notice.
- follow the prompts to record your responses and submit the NFP self-review return.

If you have the above details with you when you call, lodgment using the self-help service typically takes around 10 minutes to complete.

Self-help phone service is available if you can't access Online services for business for the 2023–24 income year. NFPs that are already reporting for GST or PAYG Withholding should lodge using Online services for business for an improved experience.

Additional time if you can't lodge by due date

If you are having difficulties accessing Online services or our Self-help phone service, there is transitional support available **allowing lodgment up to 31 March 2025**.

You don't need to contact us to request this extra time. However, if you lodge after 31 March 2025, we may apply failure to lodge penalties to your account.

This extra time gives you the opportunity to update your organisation's ABN details so you can access Online services for business. Access is needed to lodge your return or to engage a registered tax agent to act on your behalf.

Update your details now

Your organisation's address, associate and authorised contacts must be up to date so you can access Online services for business or engage a registered tax agent.

If your registration details need to be updated **notify us of changes now**.

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Who needs to lodge

Non-charitable NFPs with an active ABN that self-assess income tax exemption must lodge an NFP self-review return.

Last updated 2 May 2024

Eligible types of income tax exempt entities

There are 8 categories of income tax exempt entities that can self-assess eligibility for income tax exemption, outlined in Division 50 of *the Income Tax Assessment Act 1997* (ITAA 1997). These are:

- community service
- sporting
- cultural
- educational
- health
- employment
- scientific
- resource development.

NFP organisations must meet the specific criteria and conditions of these categories to be eligible to self-assess as income tax exempt.

NFPs will be guided to consider their purposes and activities against these specific criteria when completing the annual NFP self-review return.

Check the types of NFP organisations that can self-assess income tax exemption at [Types of income tax exempt organisations](#).

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Who doesn't need to lodge

Organisations that are not required to lodge an annual NFP self-review return.

Last updated 1 July 2024

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Government entities

- A government entity that is exempt by definition in section 50-25 of the *Income Tax Assessment Act 1997*. This includes a:
 - municipal corporation
 - local governing body
 - public authority constituted under an Australian law
 - constitutionally protected fund.
- A State or Territory body that is exempt under Division 1AB of Part III of the *Income Tax Assessment Act 1936*.

If your organisation is a government entity or State or Territory body, you may be able to request that it to be removed from the list of NFPs required to lodge an NFP self-review return. Phone **1300 130 248** for NFP advice between 8:00 am and 6:00 pm, Monday to Friday.

Taxable not-for-profits

Not all NFPs are exempt from income tax.

Organisations that seek to advance the common interest of their members and don't benefit the broader community will generally not meet the requirements for income tax exemption. Examples of taxable NFPs include:

- social clubs and fraternal organisations
- some business and professional associations
- clubs whose main purpose is providing hospitality services for members
- political parties.

NFPs that are not an **eligible type of income tax exempt entity** are taxable and may have to lodge tax returns and pay income tax. Understanding **mutuality and taxable income** is important as it affects lodgment and what you pay tax on.

To work out if you need to lodge a tax return and what rate of tax you pay, you'll need to work out if your organisation is an **NFP company** or **other taxable company**. This distinction is important because NFP companies have special arrangements for lodging tax returns and special rates of income tax.

For more information see **transitional support if you determine you are taxable**

Not-for-profit companies

If your organisation's governing documents prohibit it from making any distributions (money, property or otherwise) to its members, your organisation is treated as an NFP company.

An NFP company with taxable income of:

- \$416 or less a year is not required to lodge a tax return and will need to notify the ATO of a Return Not Necessary

- more than \$416 a year is required to lodge a tax return for that year.

When determining your NFP's taxable income, you are not required to include mutual receipts from members.

Other taxable companies

Clubs, societies and associations whose governing documents don't prohibit them from making distributions to their members are treated as other taxable companies.

Other **taxable companies** must lodge a tax return each year, regardless of their taxable income. There is no tax-free threshold and they have the same rates of tax applied as other companies but may be able to apply the **mutuality principle** to calculate assessable income.

Taxable trusts and partnerships

Taxable trusts and partnerships are required to lodge a return every year regardless of net income.

NFPs with only charitable purposes

NFPs with only charitable purposes that meet the legal definition of a charity must be registered with the Australian Charities and Not-for-profits Commission (ACNC) and be endorsed by the ATO to be income tax exempt.

NFPs that are registered with the ACNC and endorsed by the Australian Taxation Office (ATO) as income tax exempt, are not required to lodge a NFP self-review return.

Charitable NFPs that do not register as a charity or take the necessary steps to meet ACNC requirements, are not eligible to self-assess as income tax exempt. They are taxable and may be required to lodge an annual income tax return.

Charities registered with the ACNC are required to submit an annual information statement to the ACNC.

To consider if your NFP has only charitable purposes and meets the legal definition of a charity, use the guidance at

[acnc.gov.au/selfassessing](https://www.acnc.gov.au/selfassessing) .

You can find out more information at [Is my organisation eligible for charity tax concessions?](#).

Non-profit sub-entities for GST purposes

A non-profit sub-entity is set up by a parent organisation to have its branches or units treated as separate entities for GST purposes. These branches or units exist for **GST purposes only** and don't have any income tax obligations.

- Non-profit sub-entities are not required to lodge an NFP self-review return, as their parent is the entity recognised for income tax purposes.
- The parent organisation must complete an NFP self-review return and must include the purposes and activities along with their own when lodging.

If you're unsure about your structure for tax purposes, contact your parent entity.

If your organisation is a non-profit sub-entity, you can request it to be removed from the list of NFPs required to lodge an NFP self-review return. Phone **1300 130 248** for NFP advice between 8:00 am and 6:00 pm, Monday to Friday.

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Prepare to lodge

How to prepare to lodge your first NFP self-review return.

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Update your organisation's details

You must notify us of changes to your organisation's addresses, associates and authorised contacts. This ensures the correct people:

- are authorised to access information on behalf of your organisation
- can make enquiries over the phone
- can access Online services for business on behalf of your organisation. See [Set up myGovID and RAM](#).

You're required by law to tell the Registrar of the Australian Business Register (ABR) in 28 days of any changes in your registered details. It helps us protect your organisation's privacy and provides key personnel with access to the information they need.

Notify us if you have ceased operating

If your organisation has ceased operating, you must notify us and cancel your ABN to remove any ongoing obligations associated with holding an ABN.

If you later restart operations, you can request that your ABN be re-activated.

For more information, see what you need to know before you end your organisation.

Prepare for lodgment

You can prepare for lodgment before the first NFP self-review return is due in the 2023–24 financial year by:

- [reviewing your governing documents](#)

- [self-assessing your tax status now](#)
- [setting up myGovID and RAM.](#)

Review your governing documents

Organisations self-assessing as income tax exempt should have governing documents. Locate and review your organisation's governing documents to ensure they contain an appropriate not-for-profit clause, dissolution clause and you are operating for your purpose.

An NFP's governing documents are the formal documents that set out the organisation's:

- purpose
- not-for-profit character
- requirements for how it operates and makes decisions.

Your organisation's governing documents may also be referred to as:

- rules or articles of association
- constitution
- rule book
- deed of trust.

Your organisation must have sufficient controls in place to ensure that members and other private persons don't receive property or assets of the organisation.

We will accept your organisation as an NFP if your governing documents prevent it from distributing profits or assets for the benefit of specific people – both while it operates and when it winds up.

Self-assess your tax status now

Complete questions at [How to prepare a NFP self-review return](#) to determine your eligibility for income tax exemption and prepare your answers before the return is available on 1 July.

Note your answers and **keep your records** in an accessible format (either printed or electronic) to assist with your lodgment. You can also

share the outcome with your board or tax agent before you submit. It is good governance to record the outcomes of any significant decisions made for your NFP.

Set up myGovID and RAM

You can use Online services for business to lodge your annual NFP self-review return from 1 July 2024.


To access Online services for business, you need to set up myGovID and Relationship Authorisation Manager (RAM).

Step 1: Set up your myGovID

Each person who needs to access Online services for business will need to set up their own myGovID. This is because it's unique to you and therefore can't be shared.

Follow these steps to set up your myGovID:

1. Download the myGovID app from the App Store or Google Play.
2. Enter your details – open the myGovID app and follow the prompts to enter your full name, date of birth and personal email address. As myGovID is your own personal Digital ID, do not use a work related or NFP organisation email address.
3. Verify your identity – to access Online services for business you will need to achieve either a **Standard** or **Strong** identity strength.

For additional support in setting up your myGovID, see [How to set up](#)  on the myGovID website.

Step 2: Link your myGovID in RAM

Once you've set up your myGovID, you need to link to the organisation in RAM. How you do this depends on whether you're a:

- [principal authority](#) – person responsible for the organisation
- [authorised user or administrator](#) – someone who acts on behalf of the organisation.

The principal authority needs to be the first to link to the organisation in RAM.

Principal authority

As a [principal authority](#), you need to be the first to link your myGovID to the organisation's ABN using RAM. You'll need a myGovID with either a Standard or Strong identity strength.

If you have a Strong identity strength and are listed in the ABR as an eligible individual associate, you are able to [link to the organisation online](#).

Alternatively, you'll need to contact the [RAM support line](#) to link your business, if you:

- are a primary person – this is a type of principal authority who is not listed as an individual associate in the ABR (for example, a responsible person for an NFP)
- are unable to achieve a Strong identity strength - you will need to have set up a Standard identity strength.

Once linked, you can access Online services for business on behalf of the organisation and [set up authorisations](#) for other individuals. This includes setting up authorisation administrators who can also authorise others.

If you've already linked the organisation, you should [check the authorisations](#) are up-to-date.


Authorised user or administrator


To access Online services for business, you need a myGovID with at least a Standard identity strength. If you're unable to achieve a Standard identity strength, you may be able to use a myGovID with a Basic identity strength by completing some extra steps.

A principal authority or authorisation administrator will need to authorise you in RAM where you can [accept the authorisation request](#). You can then access Online services for business on behalf of the organisation.

If you've already been authorised to act on behalf of the organisation, check your authorisation is up to date. For example, you may have changed your myGovID identity strength from Basic to Standard or you need agency access for the ATO. If your authorisation needs to be updated, contact your principal authority or authorisation administrator.

Watch our webinar

Our [New reporting requirements for not-for-profits webinar](#)  helps you prepare and lodge your first NFP self-review return. It provides an overview of:

- who is required to lodge a NFP self-review return
- how to notify of changes to your organisation's **ABN details**, associates and contacts
- how to set up [myGovID](#)  and link it to Relationship Authorisation Manager
- how to nominate a tax agent to act on behalf of your NFP
- completing a NFP self-review return in **Online services for business**.

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Transitional support if you determine you are taxable

Transitional support is available if you find out you are taxable and need more time to meet lodgment obligations.

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[Concessional due date to lodge your 2023–24 income tax return](#)

Support available for taxable 2023–24 lodgments

After completing a self-review of eligibility to income tax exemption, an organisation may find out they are taxable. For these organisations, transitional support arrangements are available to help them meet their lodgment obligations.

Transitional arrangements and **additional time to lodge** the NFP self-review return is also available.

Where your organisation determines they are a taxable for the 2023–24 income year, transitional support is available allowing time to meet your lodgment obligations. This includes:

- providing a [concessional due date to lodge](#) your income tax return and pay any income tax liability
- remission of any applicable general interest charge and penalties
- entering payment plans to allow any income tax liability to be paid progressively.

We also have guidance available to assist with **reconstruction of tax records**, if your organisation has not kept complete records available for the full financial year.

We are taking a practical compliance approach and will focus our resources on the lodgment of the 2023–24 income year and onwards. While our focus is on the 2023–24 income year and onwards we may take compliance action if we identify deliberate past tax evasion or fraudulent behaviour.

Concessional due date to lodge your 2023–24 income tax return

For organisations with an income year ending 30 June, you have up to **15 May 2025** to lodge your income tax return or notify us of a return not necessary. Find out what you will need to lodge at **Taxable NFPs**.

If your organisation has an ATO approved substituted accounting period (SAP) for income tax, your income tax return due date is determined by your balance date. Use the table to determine your income tax return due date for 2023–24.

Table: SAP due dates for the 2023–24 income year

SAP code	Approved balance date	2023–24 concessional income tax return due date
A	31 Dec 2023	31 January 2025

	December balancer	
B	31 Jan 2024 January balancer	31 January 2025
C	29 Feb 2024 February balancer	31 January 2025
D	31 Mar 2024 March balancer	31 January 2025
E	30 Apr 2024 April balancer	28 February 2025
F	31 May 2024 May balancer	31 March 2025
G	31 July 2024 July balancer	31 May 2025
H	31 Aug 2024 August balancer	30 June 2025
I	30 Sep 2024 September balancer	31 July 2025
J	31 Oct 2024 October balancer	31 August 2025
K	30 Nov 2024 November balancer	30 September 2025

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How to stay informed

Stay up to date with reporting obligations and call us if you need help.

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To receive regular updates and stay informed about the new reporting requirements, subscribe to the **NFP Newsletter**.

If you have any questions about your not-for-profit or its income tax status, contact us on **1300 130 248** between 8:00 am and 6:00 pm, Monday to Friday.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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