**Notes for 23 April 2018 Private ancillary fund model trust deed**

These notes are not be used as part of the deed but should be read before using the deed.

This version of the model trust deed is for use in **Victoria**

**General information:**

**2.1 Definitions**

**Associate** the meaning is that outlined in section 318 of the *Income Tax Assessment Act 1936*; subsection 318(3)(a) says that an associate of the trust (among others) is any entity that benefits under the Trust. However, guideline 42 of the Public ancillary fund Guidelines says that the fund must not provide any material benefit to an associate. To counteract this, clause 5.2 of the Public ancillary fund model trust deed by referring to clause 4.1 allows payment under clause 4.1 by which the fund distributes to eligible entities although the recipient would be an associate.

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| **Date of change** | **Description of significant changes to the 1 February 2010 *Private ancillary fund model trust deed*, not including changes to grammar and format.** |
| 23 April 2018 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 14 February 2018 amended as follows:  **Clause 4.1** amended to ensure that, where a declaration is in force for the Trust under section 7K(3) of the *Charities Act 1978* (Vic), money, property or benefits can only be paid or applied to or for an Eligible Entity that is covered by that declaration if the fund, authority or institution is a government entity as described in the *Charities Act 2013* (Cth) that would be a charity were it not a government entity.  **Private ancillary fund** amended to include reference to endorsement by the Commissioner under sub-division 30-BA of *Income Tax Assessment Act 1997.*  **Public ancillary fund** amended to include reference to endorsement by the Commissioner under sub-division 30-BA of *Income Tax Assessment Act 1997.* |
| 14 February 2018 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 1 January 2014 amended as follows:  **2.1 Definitions**  **ACNC Act** included  **Commissioner of the ACNC** included  **Eligible Entity:** amended to be in accordance with the provisions of the ITAA 1997.  **Private ancillary fund** amended to refer to section 426-105 of schedule 1 to the TAA 1953  **Public ancillary fund** included  **Relevant Law** included an Act administered by the Commissioner of the ACNC  **Responsible Person:** includes an individual before whom a statutory declaration may be made  **4 Trust Purposes**  Clause 4.1 amended to remove paragraph 4.1(c) (i.e., “Use for Victorian funds only - …”) as a consequence of changes to the meaning of Eligible Entity.  Paragraph 4.6(a) changed to reflect amendment to the private AF guidelines (rule 51A of the private ancillary fund guidelines, version F2016C00435 registered 06/05/2016).  **6 Qualifications of Trustee**  Included paragraph (d) in clause 6.2 (rule 14.3 of the private ancillary fund guidelines, version F2016C00435 registered 06/05/2016).  **9 Liability for breaches of trust**  Heading changed to ‘Indemnity for breaches of trust’, and paragraph 9(a) removed. The changes reflect the purpose of clause 9 which provides indemnity to the trustee in specified circumstance in respect of specified matters including liability  **10 Establishment and operation of Gift Account**  Clause 10 has been removed as the instrument of trust of an ancillary fund is not required to include a gift fund (subsections 30-120(a) and 30-125(1) of the ITAA 1997 which deal with DGR endorsement of an entity do not require a gift fund to be maintained)  **11 (now 10) Returns, and giving material to the Commissioner…**  Clause 11.6 (now 10.6) amended to provide for an audit **or review**. ThePrivate ancillary fund guidelines (rule 28 of version F2016C00435 registered 06/05/2016) provides for a review instead of an audit in specified circumstances.  **14 (now 13) Amending this deed**  Paragraph 14.1(c) (now 13.1(c)) amended as the Trustee can notify the Commissioner of the ACNC in specified circumstances (rule 17.1 of the private ancillary fund guidelines, version F2016C00435 registered 06/05/2016)  **17 (now 16) Winding up**  Removed reference to the ‘Gift Account’ from paragraph 17(a) (now 16(a)). Clause 10 Establishment and operation of Gift Account has been removed  **Annexure A**  Has been deleted as a consequence of changes to the meaning of Eligible Entity. |
| 1 January 2014 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 30 April 2012’ amended as follows:  **2.1 Definitions**  **Charitable** included  **Eligible entity**: the examples have been updated as a result of the enactment of the *Charities Act 2013* commencing 1 January 2014.  **Governing Law** included  **4 Trust Purposes**  Clause 4.1(c) has been included to limit the purposes of a Victorian Private ancillary fund that opts under the *Charities Act 1978* (Vic*)* to have power to make distributions to certain government linked entities, so that only those government linked entities also covered by section 13 of the *Charities Act 2013* are permitted to receive distributions. |
| 30 April 2012 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 13 February 2012’ amended as follows:  An advice to seek legal advice has been included on the cover page.  **4 Trust Purposes**  Clause 4.6 has been included. It only allows portability if, among other things, the relevant law permits it. At the time of this change to the model deed, the relevant law does not permit it.  **8 Compliance**  Paragraph (c) has been included to specifically reflect Private ancillary fund guideline 45 that the fund must not solicit donations from the public.  **14.2 Conversion to Public ancillary fund**  This clause now extends the scope for conversion to a Public ancillary fund. The Public ancillary fund can have the purpose of the establishment of Eligible Entities |
| 13 February 2012 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 1 January 2012’ amended as follows:  **2.1 Definitions**  **Associate:** the reference to ‘donor’ has been removed.  **7 Trustee’s powers**  **7.1 Powers**  The words ‘consistent with’ have been included in reference to the Trust’s investment strategy.  **14 Amending this deed**  **14.2 Conversion to Public ancillary fund** has been amended to ensure the Trust is endorsed as a Public ancillary fund as described in section 426-102 in Schedule 1 to the TAA 53. |
| 1 January 2012 | PRIVATE ANCILLARY FUND MODEL TRUST DEED as of 1 February 2010’ amended as follows: |
|  | **2.1 Definitions**  **Associate** the meaning is now that outlined in section 318 of the *Income Tax Assessment Act 1936* instead of that in section 78A: see **5.2 Benefits below**.  **Donor** has been expanded to include the donor of a Deductible Contribution.  **Eligible Entity examples 5 and 6** have been added for funds under the trust laws of Western Australia and South Australia respectively.  **Officer** a definition has been added.  **Responsible Person** has been expanded to indicate that employees of the Founder, Trustee or Major Donor cannot be a Responsible Person unless the Commissioner agrees.  **4 Trust Purpose**  **4.1 Payment and application of the Trust Fund** (c) has been added to allow the trustee to pay or apply the Trust Fund in the manner permitted by the relevant law. **4.4 Not-for-profit entity** has been added: it says that the Trust is established and must operate as a not-for-profit entity. **4.5 In Australia** has been added: it says that the Trust is established in and must operate only in Australia.  **5 Transaction that is uncommercial and benefits** **5.2 Benefits:** Now refers to a payment under clause 4.1. The reason is as follows: The meaning of **Associate** is that outlined in section 318 of the *Income Tax Assessment Act 1936*; subsection 318 (3) (a) says that an associate of the Trust (among others) is any entity that benefits under the Trust. However, guideline 42 of the Private Ancillary Fund Guidelines says that the fund must not provide any material benefit to an associate. To counteract this, clause 5.2 of the deed by referring to clause 4.1 allows payment under clause 4.1 by which the fund distributes to eligible entities although the recipient would be an associate.  **6 Qualifications of Trustee 6.2 Other Trustees** has been added: this allows for where the relevant law has allowed an individual to be the trustee, that the trustee must be a responsible person or in the case of two or more persons at least one of whom is a Responsible Person. **Note:** It is not for new applicants and is only for those funds that had an individual Trustee and were taken to be endorsed as a Private ancillary fund on 1 October 2009. Such funds may need this clause when amending their deed. **6.3 Qualifications not met** is a new clause name and number and includes the text previously under 6 (d).  **7 Trustee’s powers  7.1 Investment** has been expanded to acknowledge the investment strategy.  **7.2 Other powers** the subclause number and name have been removed and the content now appears as before using (a) through to (m). (g) has been expanded: it includes winding up, ceasing to be a Private ancillary fund, revocation of endorsement as a deductible gift recipient and amending this deed; it excludes payment of, or reimbursement for any penalties under section 426-120 of Schedule 1 to the TAA 53. **7.3 Powers are supplementary** is now **7.2 Powers are supplementary**.  **10 Establishment and operation of a gift account** **10.3 Winding up or revocation of endorsement** is now **10.3 Winding up, ceasing to be a Private ancillary fund or revocation of endorsement:** paragraph **(2)** which dealt with revocation is now paragraph **(3)** and the replacement paragraph **(2)** says ‘the Trust ceasing to be a Private ancillary fund’.  **11** **Returns, and giving material to the Commissioner in compliance with the Australian law and the relevant law** some subclauses have been put into a different order and renumbered. **11.3** which was **Trust to keep accounts** is now **11.3 Valuation**. **11.4** which was **Financial statements** is now **11.4 Trustee** to keep accounts. **11.5** which was **Audit** is now **11.5 Financial statements**. **11.6** which was **Receipts** is now **11.6 Audit**. **11.7** which was **Investment strategy** is now **11.7 Receipts**. **11.8** which was **Valuation** is now **11.8 Investment strategy**. **11.1 Returns** has been expanded to show that a return must be given if the Trustee is required to do so by law. **11.5 Financial statements**: ‘and a statement of financial performance’ has been removed. **11.6 Audit** has been expanded to more comprehensively reflect the Private Ancillary fund guidelines. **11.7 Receipts** (b) has been expanded to include that the Trustee must issue receipts for Deductible Contributions. **11.8 Investment strategy** has been expanded to more comprehensively reflect the Private Ancillary Fund Guidelines.  **13 Patrons** has been expanded to allow the appointment of more than one patron.  **15 Trustee’s remuneration and expenses** has been expanded to not allow application of the Trust Fund for a payment of or reimbursement for any penalties under section 426-120 of Schedule 1 to the TAA 53.  **16 General 16.3 Personal interest of the Trustee** ‘Officer’ has replaced ‘person who is a member of the board or other controlling committee’ and ‘a member of the Trustee’.  **16.4 Delegation of powers** has been expanded to include that this is subject to the requirements of clause 6 and the relevant law.  **17 Winding up** (a) has been expanded to include revocation of the Trust’s endorsement as a deductible gift recipient under Subdivision 30-BA of the ITAA 97. |



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| Trust deed for [name of Private ancillary fund] |  |
|  |
| **IMPORTANT ADVICE – delete before using deed**  **This model trust deed for a Private ancillary fund is provided by way of example only and may require modification to meet particular legal or circumstantial requirements. Any person seeking to establish a Private ancillary fund should seek legal advice about appropriate provisions to be included in the trust deed.**  **This version of the model trust deed is for use in Victoria** | |

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Trust deed for [name of Private ancillary fund]

Date ►

|  |  |
| --- | --- |
| Between the parties |  |
| Founder | **[Name of Founder]**  [insert Founder address] |
| Trustee | **[Name of Corporate Trustee]**  [insert ACN] |
| Recitals | 1. The Founder wishes to establish a fund for the purposes outlined below. 2. The Founder has paid the Settled Sum to the Trustee to hold on the trusts outlined in this deed and in accordance with the relevant law. |
| This deed witnesses as follows: | |

# Name

The Trust is to be known as [**name of Foundation**].

# Definitions and interpretation

## Definitions

In this deed:

|  |  |
| --- | --- |
| Term | Meaning |
| Advisory Committee | a committee established under clause 11. |
| ACNC Act | *Australian Charities and Not-for-profits Commission Act 2012* |
| Associate | as outlined in section 318 of the ITAA 36. |
| Charitable | charitable within:   * the Governing Law; and * the laws of the Commonwealth. |
| Commissioner | the Commissioner of Taxation, a Second Commissioner of Taxation or a Deputy Commissioner of Taxation for the purposes of the ITAA 97. |
| Commissioner of the ACNC | the Commissioner of the Australian Charities and Not‑for‑profits Commission for the purposes of the ACNC Act. |
| Deductible Contribution | a contribution of money or property as described in item 7 or item 8 of the table in section 30-15 of the ITAA 97 in relation to a fundraising event held for the purpose of the Trust. |
| Donor | the donor of a Gift or a Deductible Contribution to the Trust. |
| Eligible Entity | a fund, authority or institution:   1. which is Charitable; and 2. gifts to which are deductible under item 1 of the table in section 30-15 of ITAA 97. |
| Financial Year | the period from the date of this deed to the following 30 June and then each period of 12 months beginning on 1 July and ending on 30 June in each year or such other period as agreed to by the Commissioner. |
| Gift | a gift as described in item 2 of the table in section 30-15 of the ITAA 97 to the Trust. |
| Governing Law | the laws of the jurisdiction named in clause 17. |
| ITAA 36 | the Income Tax Assessment Act *1936*. |
| ITAA 97 | the Income Tax Assessment Act *1997*. |
| Major Donor | at a particular time, a Donor who has made Gifts totalling more than $10,000 to the Trust since the date of this deed. |
| Officer | Officer of the Trustee includes a director, a member of a committee of management or any other controlling body of the Trustee. |
| Private ancillary fund | a trust that is a private ancillary fund as described in section 426-105 of schedule 1 to the TAA 53 and endorsed by the Commissioner as a deductible gift recipient under Subdivision 30-BA of ITAA 97. |
| Private ancillary fund guidelines | the Private ancillary fund guidelines, as in force from time to time, made under section 426-110 of Schedule 1 to the TAA 53. |
| Public ancillary fund | a trust that is a public ancillary fund as described in section 426-102 of schedule 1 to the TAA 53 and endorsed by the Commissioner as a deductible gift recipient under Subdivision 30-BA of ITAA 97. |
| Relevant law | 1. the Private ancillary fund guidelines; 2. an Act of which the Commissioner has the general administration (including a part of an Act to the extent to which the Commissioner has the general administration of the part); 3. regulations under such an Act (including such a part of an Act); 4. where the Trust is registered as a charity under the ACNC Act, an Act of which the Commissioner of the ACNC has the general administration (including a part of an Act to the extent to which the Commissioner of the ACNC has the general administration of the part); 5. regulations under such an Act (including such a part of an Act); and 6. any other statute, regulation or law applicable to Private ancillary funds. |
| Responsible Person | an individual who:   1. performs a significant public function; 2. is a member of a professional body having a code of ethics or rules of conduct; 3. is officially charged with spiritual functions by a religious institution; 4. is a director of a company whose shares are listed on the Australian Securities Exchange; 5. has received formal recognition from government for services to the community; 6. is an individual before whom a statutory declaration may be made; or 7. is approved as a Responsible Person by the Commissioner;   and, unless the Commissioner agrees otherwise, is not an employee of the Founder, the Trustee or a Major Donor;  and, who is not:   * the Founder or a Major Donor; * an Associate of the Founder, the Trustee or a Major Donor or of the directors or members of the board or other controlling committee of the Trustee other than: * in a professional capacity; * as a member of the board or other controlling committee of the Trustee; or * as a member of the Trustee. |
| Settled Sum | $100. |
| TAA 53 | the Taxation Administration Act *1953*. |
| Trust | the Trust established under this deed. |
| Trustee | the person named in this deed as the Trustee and any other Trustee for the time being of the Trust. |
| Trust Fund | 1. the Settled Sum; 2. all money, investments and assets paid or transferred to and accepted by the Trustee as additions to the Trust Fund including all Gifts and Deductible Contributions; 3. all income of the Trust Fund including income earned or to which it is entitled; 4. all accretions to the Trust Fund; 5. all accumulations of income; 6. all money, investments and property from time to time representing the above or into which they are converted;   and includes any part of the Trust Fund. |
| Trust Purpose | the purpose outlined in clause 4. |

## Interpretation

In this deed unless the context requires otherwise:

### the singular (including defined terms) includes the plural and the plural includes the singular, and words of any gender include all genders;

### a reference to this deed means this deed as originally executed and as from time to time lawfully amended;

### a reference to any legislation or legislative instrument or a provision of any legislation or legislative instrument, includes any amendment to that legislation or legislative instrument or provision, any consolidation or replacement of that legislation or legislative instrument or provision, and any subordinate legislation or legislative instrument made under that legislation or legislative instrument; and

### a reference to a donation includes a Gift.

## Headings

Headings are used for convenience only and do not affect the interpretation of this deed.

# Declaration of trust

The Founder and the Trustee declare that the Trustee must hold the Trust Fund on the trusts, with the powers and subject to the provisions in this deed.

# Trust Purpose

## Payment and application of the Trust Fund

### The Trustee must pay or apply the Trust Fund solely for the purpose of providing money, property or benefits to or for Eligible Entities or the establishment of Eligible Entities as the Trustee decides, in accordance with the Private ancillary fund guidelines.

### Where gifts to an Eligible Entity are deductible only if, among other things, the conditions set out in the relevant table item in Subdivision 30-B of ITAA 97 are satisfied, a payment or application of the Trust Fund must be made in accordance with those conditions.

* + 1. Despite clauses 4.1(a) and (b), where a declaration is in force for the Trust under section 7K(3) of the Charities Act 1978 (Vic), money, property or benefits may not be paid or applied to or for an Eligible Entity that is the covered by that declaration unless the fund, authority or institution is a government entity as described in the *Charities Act 2013* (Cth) that would be a charity were it not a government entity.

## Factors Trustee may consider

In exercising its discretions under clause 4.1, the Trustee may have regard to:

### any recommendations of an Advisory Committee; and

### the provisions and objects, so far as they are consistent with the Trust Purpose, of any other trust (including a trust established by a testamentary instrument) where:

#### the capital of the other trust has been transferred to or otherwise vested in the Trustee to hold on the trusts of this deed; and

#### the trustee of the other trust has requested the Trustee to recognise the provisions or objects of the other trust in exercising the Trustee’s discretions and powers under this deed.

## Policies and rules

For the purpose of paying or applying the Trust Fund, the Trustee may:

### formulate policies;

### make rules in connection with a policy; and

### revoke or amend a policy or rule and formulate others.

## Not-for-profit entity

The Trust is established as and must operate as a not-for-profit entity.

## In Australia

The Trust is established in and must operate only in Australia.

## Portability

Subject to the agreement of the Commissioner and if permitted by the Private ancillary fund guidelines, and notwithstanding clause 4.1, the Trustee may pay or apply the Trust Fund or any part of it to or for a Public ancillary fund, or to or for another Private ancillary fund, provided the trusts of the Public ancillary fund or other Private ancillary fund are limited to trusts for the provision of money, property or benefits to or for Eligible Entities, or the establishment of Eligible Entities.

# Transaction that is uncommercial and benefits

## Transaction that is uncommercial

### The Trustee may not enter into any transaction that is uncommercial when entered into, unless the transaction is:

#### with a deductible gift recipient covered by item 1 in the table in section 30-15 of the ITAA 97; and

#### is in course of furtherance of the Trust Purpose;

unless the transaction is on terms more favourable to the Trust than would otherwise be expected under an arm’s length transaction.

### In clause 5.1(a), a transaction that is uncommercialis the provision of a financial or other benefit on terms which:

#### would not be reasonable in the circumstances if the benefit were provided on an arm’s length basis; or

#### are more favourable to the recipient than the terms referred to in clause 5.1(b)(1);

and which a reasonable person in the position of the Trustee would not have entered into having regard to all relevant circumstances.

## Benefits

Apart from a payment or application in accordance with clauses 4.1, 5.1, 9 or 14, or a payment or application allowed by the Commissioner, no part of the Trust Fund may be paid or applied, directly or indirectly, to or for:

### a Trustee;

### a member, director, employee, agent or Officer of a Trustee;

### a Donor;

### a Founder; or

### an Associate of any of these entities.

# Qualifications of Trustee

## Corporation

### Each Trustee must be a corporation to which paragraph 51(xx) of the Commonwealth of Australia Constitution Act applies or a body corporate that is incorporated in a Territory.

### The board of directors or other controlling body must comprise at least one Responsible Person.

### The Responsible Person must be an active director of the Trustee if the Trustee is a company, or if the Trustee is another type of corporation, the Responsible Person must be an active member of the board of directors or any other controlling body of that corporation.

## Other Trustees

### Despite clause 6.1, where in accordance with the Relevant Law each Trustee need not be a corporation to which paragraph 51(xx) of the Commonwealth of Australia Constitution Act applies or a body corporate that is incorporated in a Territory, each Trustee must be:

### a corporation as described in clause 6.1;

### a Responsible Person; or

### two or more persons at least one of whom is a Responsible Person; or

* + 1. a Public Trustee of a state or territory.

## Qualifications not met

### (a) If the requirements in clauses 6.1 or 6.2 are at any time not met the Trustee must not exercise any discretion or power until the requirements are met except:

#### (1) for the purpose of exercising a statutory power to appoint a new or additional Trustee;

#### (2) to protect the Trust Fund; or

#### (3) in the case of urgency.

### If the requirements in clauses 6.1 or 6.2 are at any time not met and if the Trustee does not have or is unable to exercise a statutory power of appointing a new or additional Trustee as outlined in 6.3(a) the Trustee may by writing appoint a new or additional Trustee.

# Trustee’s powers

## Powers

The Trustee must invest money of the Trust Fund only in a way in which Trustees are permitted to invest under the laws of Australia or of any State or Territory of Australia and may, to the extent consistent with the Private ancillary fund guidelines and, where relevant, consistent with the Trust’s investment strategy:

### change an investment for any others or vary the terms and conditions on which an investment is held;

### sell or otherwise dispose of the whole or any part of the investments or property of the Trust Fund;

### borrow or raise or secure the payment of money and secure the repayment of any debt, liability, contract, guarantee or other engagement in any way and, in particular, by mortgage, charge, lien, encumbrance, debenture or other security, fixed or floating, over any present or future asset of any kind and wherever situated;

### take and act on the opinion of a barrister practising in Australia in relation to the interpretation or effect of this deed or any of the trusts or powers of this deed without responsibility for any loss or error resulting from doing so, but this provision does not stop the Trustee from applying to a court of competent jurisdiction;

### take any action for the adequate protection or insurance of any part of the Trust Fund;

### purchase, draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, and other negotiable or transferable instruments of any kind;

### subject to the trusts of this deed, generally:

#### perform any administrative act; and

#### whether or not the Trustee is under any legal obligation to make the payment, pay or deduct all costs, charges, commissions, stamp duties, imposts, outgoings and expenses:

* + - * 1. of or incidental to the Trust Fund or its management, winding up, ceasing to be a Private ancillary fund, or revocation of endorsement as a deductible gift recipient under Subdivision 30BA of the ITAA 97, or
        2. in connection with the preparation, execution, stamping and amending of this deed;

other than a payment of, or reimbursement for, any penalties under section 426-120 of Schedule 1 to the TAA 53.

### employ and pay or provide any benefit for any employee without being responsible for the default of the employee or for any loss occasioned by the employment;

### engage and pay any agent, contractor or professional person without being responsible for the default of the agent, contractor or employee or for any loss occasioned by the engagement;

### accept as part of the Trust Fund any gifts (by will or otherwise), donations, settlements or other dispositions in money, moneys worth or property to or in favour of the Trust Fund and either retain them in their original form without selling or converting them into money, or invest, apply or deal with them in any way that the Trustee may invest, apply or deal with the Trust Fund under this deed;

### decline or otherwise refuse to accept as part of the Trust Fund any gift (by will or otherwise), donation, settlement or other disposition in money, moneys worth or property;

### manage any real property it holds with all the powers of an absolute owner including, but not limited to, power to allow any Eligible Entity to occupy the property on the terms and conditions the Trustee thinks fit; and

### do all other things incidental to the exercise of the Trustee’s powers under this deed.

## Powers are supplementary

The powers and discretions in clause 7.1 are to be treated as supplementary or additional to the powers vested in Trustees by law.

# Compliance

### Before exercising a discretion or power vested in the Trustee under any provision of this deed or by law, the Trustee must ensure that the proposed exercise is in accordance with the Private ancillary fund guidelines.

### The Trustee must comply with all relevant Australian laws, all legally binding directions given to the Trustee by the Commissioner and all requirements contained in the Private ancillary fund guidelines.

### The fund must not solicit donations from the public.

# Indemnity for breaches of trust

## Indemnity

### Subject to clause 9.2, the Trustee and any Officer, agent or employee of the Trustee, where purporting to act in the exercise of the trusts of this deed or in the exercise of powers or discretions under this deed is entitled to be indemnified from the Trust Fund in respect of any loss, liability, costs and expenses relating to:

#### entering into this deed or any deed amending this deed;

#### establishing, operating, administering, amending, terminating and winding up the Trust; or

#### all matters incidental to the Trust; and

all liability incurred (including liability for income tax and any other taxes and all fines and penalties payable in relation to those taxes) and acts and things done in connection with or resulting from the matters referred to above including, but not limited to, the Trustee performing its duties and exercising its powers and discretions under this deed.

## Limitations

Notwithstanding clause 9.1, the Trustee and any Officer, agent or employee of the Trustee is prohibited from being indemnified from the Trust Fund if the loss, liability, cost or expense is attributable to:

### the dishonesty of that Trustee, Officer, agent or employee of the Trustee;

### gross negligence or recklessness of that Trustee, Officer, agent or employee of the Trustee;

### a deliberate act or omission known by that Trustee, Officer, agent or employee of the Trustee to be a breach of trust; or

### penalties under section 426-120 of Schedule 1 to the TAA 53.

# Returns, and giving material to the Commissioner in compliance with Australian law and the Relevant Law

## Returns

If required by law or the Commissioner to do so, the Trustee must give to the Commissioner a return for each financial year within the period required by the Commissioner.

## Requirements about giving material to the Commissioner

The Trustee must comply with the requirements about giving material to the Commissioner required by Subdivision 388 of Schedule 1 to the TAA 53 and the Private ancillary fund guidelines.

## Valuation

The market value of the assets of the Trust Fund must be estimated as required by the Private ancillary fund guidelines.

## Trustee to keep accounts

The Trustee must keep or cause to be kept proper accounts in respect of all receipts and payments on account of the Trust Fund and of all dealings connected with the Trust Fund and must comply with the record keeping obligations of deductible gift recipients required by Subdivision 382-B of Schedule 1 to the TAA 53 and the Private ancillary fund guidelines.

## Financial statements

As soon as practicable after the end of each financial year the Trustee must prepare or cause to be prepared a financial statement showing the financial position of the Trust Fund at the end of that financial year in accordance with the accounting standards.

## Audit or Review

* + 1. Each financial year, the Trustee must arrange for an audit of the financial statements and compliance with the Private ancillary fund guidelines by the Trust and the Trustee by a person registered as a company auditor in accordance with the Private ancillary fund guidelines*.*
    2. Notwithstanding subclause 10.6(a), if permitted by the Private ancillary fund guidelines for a particular financial year, the Trustee may instead of an audit arrange for a review of the financial statements and compliance with the Private ancillary fund guidelines by the Trust and the Trustee by a registered company auditor or an individual who is taken to be a registered company auditor for the purposes of section 324BE of the *Corporations Act 2001*.
    3. The audit or review must be finalisedbefore the date on which the Trustee is required to give a return to the Commissioner for the relevant financial year.

## Receipts

### The Trustee may receive capital and other money and give valid receipts for all purposes (even if the Trustee is a sole Trustee) including:

#### those of any statute; and

#### the receipt of any capital money which may or may not be deemed to be capital money for the purposes of any law relating to settled land.

### The Trustee must issue receipts for all Gifts and Deductible Contributions.

### Receipts must state the information required by section 30-228 of the ITAA 97 and the Private Ancillary Fund guidelines.

## Investment strategy

### The Trustee must prepare and maintain an investment strategy in a written form which enables the Trustee, an auditor or the Commissioner to determine whether the Trustee has complied with and is complying with the Private ancillary fund guidelines and other Australian laws.

### The Trustee must implement the investment strategy and make investment decisions in accordance with the investment strategy.

# Advisory Committees

### The Trustee may establish Advisory Committees and appoint and remove, or make provision for the appointment and removal of, members of Advisory Committees.

### Each Advisory Committee may consist of a single individual or the number of individuals that the Trustee decides.

### The functions of each Advisory Committee will be decided by the Trustee and, subject to the Trustee’s decision, will be to advise the Trustee on how payments or applications of income and capital should be made under clause 4.

### The Trustee may specify:

#### the manner in which proceedings of each Advisory Committee are to be conducted;

#### the matters which the Advisory Committee must have regard to in carrying out its functions; and

#### any other matters concerning the Advisory Committee or its functions that the Trustee decides.

# Patrons

The Trustee may appoint one or more patrons of the Trust.

# Amending this deed

## General

The Trustee may by deed revoke, add to or vary any of the provisions of this deed, so long as:

### no part of the Trust Fund becomes subject to any trusts other than trusts for the provision of money, property or benefits to or for Eligible Entities; and

### unless the Commissioner consents to the revocation, addition or variation:

#### no amendment is made to clause 1, or is made materially affecting clauses 4, 5, or 7.1 or the definition of Trust Fund in clause 2.1;

#### no amendment is made that is contrary to the requirements of, or would result in the Trust not complying with, the Private ancillary fund guidelines; and

#### no amendment is made to this clause 13 so as to permit this deed to be amended in a manner prohibited by subclauses 13.1(b)(1) to13.1(b)(2); and

### the Trustee notifies the Commissioner of the ACNC or the Commissioner of the amendment within 21 days in accordance with the Private ancillary fund guidelines.

## Conversion to Public ancillary fund

Only with the agreement of the Commissioner and provided no part of the Trust Fund becomes subject to any trusts other than trusts for the provision of money, property or benefits to or for Eligible Entities, or the establishment of Eligible Entities, the Trustee may by deed revoke, add to or vary any of the provisions of this deed to enable the Trust to be a Public ancillary fund.

# Trustee’s remuneration and expenses

### The Trustee may apply the Trust Fund to:

### pay fair and reasonable remuneration for the services of the Trustee in administering the Trust at a rate not exceeding 1.056% annually (GST inclusive) of the gross value of the Trust Fund; and

### pay, or reimburse the Trustee for, reasonable expenses incurred as Trustee of the Trust.

### but may not apply the Trust Fund for a payment of, or reimbursement for any penalties under section 426-120 of Schedule 1 to the TAA 53.

# General

## Receipts by others

The receipt of the person purporting to be the treasurer, secretary or other proper officer of any recipient of a payment or application of income or capital from the Trust Fund is a sufficient discharge to the Trustee and the Trustee need not see to the application of the payment or application.

## Trustee’s discretions and powers

Except where there is an express contrary provision in this deed, every discretion given to the Trustee is absolute and uncontrolled and every power given to it is exercisable at its absolute and uncontrolled discretion.

## Personal interest of Trustee

Subject to the requirements of clause 5 and the Relevant Law, the Trustee and any Officer of the Trustee may exercise or concur in exercising all powers and discretions given by this deed or by law even though the Trustee or that person:

### has or may have a direct or personal interest or a conflict of fiduciary duty in the method or result of exercising the power or discretion; or

### may benefit either directly or indirectly from the exercise of any power or discretion,

and even though the Trustee is a sole Trustee.

## Delegation of powers

Subject to the requirements of clause 6 and the Relevant Law the Trustee may by power of attorney or otherwise delegate to any person any of the discretions or powers given to it under this deed. The exercise of any of the discretions or powers of this deed by an attorney or delegate is valid and effectual and binds all persons interested under this deed.

## Trustee’s decisions

The Trustee may decide:

### whether any money is to be considered as capital or income;

### whether any expense, outgoing or other payment ought to be paid out of capital or income; and

### all questions and matters of doubt arising in the execution of the trusts of this deed.

Every decision on these matters, whether made on a question actually raised or implied in the acts or proceedings of the Trustee, is conclusive and binds all persons interested under this deed.

# Winding up

### Upon whichever is the earliest of the winding up of the Trust, it ceasing to be a Private ancillary fund, or the revocation of the Trust’s endorsement as a deductible gift recipient under Subdivision 30-BA of the ITAA 97 the Trustee must pay or apply any assets of the Trust Fund remaining after the satisfaction of all its debts and liabilities to or for Eligible Entities, as the Trustee decides.

### Where gifts to an Eligible Entity are deductible only if, among other things, the conditions set out in the relevant table item in Subdivision 30-B of the ITAA 97 are satisfied, a payment or application under this clause must be made in accordance with those conditions.

# Governing law

This deed is governed by the laws of Victoria.

Signing page

Executed as a deed

|  |  |  |
| --- | --- | --- |
|  | Founder | |
|  | Signed sealed and delivered by  [Name of Founder] | |
| sign here ► |  |  |
|  |  |  |
| print name |  |  |
|  | in the presence of |  |
| sign here ► |  |  |
|  | Witness |  |
| print name |  |  |
|  | | |

|  |  |  |
| --- | --- | --- |
|  | Trustee | |
|  | Signed sealed and delivered by  [Name of Corporate Trustee]  by | |
| sign here ► |  |  |
|  | Company Secretary/Director |  |
| print name |  |  |
| sign here ► |  |  |
|  | Director |  |
| print name |  |  |
|  | | |

Annexure A is a suggested declaration for execution by a Private ancillary fund governed by the law of Victoria that wishes to be able to provide money, property or benefits to item 1 DGRs that but for their connection with government, would be charities under the governing law of Victoria, but limited as outlined in clause 4.1(c).

The Annexure is provided for convenience only and should be omitted from the trust deed.

**ANNEXURE A**

**[NAME OF FOUNDATION]**

**DECLARATION BY TRUSTEE**

**(SECTION 7K OF THE *CHARITIES ACT 1978* (VIC))**

The Trustee of [name of foundation] namely, [name of trustee] (ACN ), after having regard to the effect of this declaration on the liability of the trust to income tax, declares that the power conferred by section 7K of the ***Charities Act 1978*****(Vic)** to provide money, property or benefits to or for an eligible entity, or for the establishment of an eligible entity, within the meaning of that section, is approved as a power that the Trustee for the time being of [name of foundation] is authorised to exercise.

Dated:

**Executed as a deed:**

|  |  |  |
| --- | --- | --- |
|  | Signed sealed and delivered by  **[name of trustee]**  by: | |
| sign here ► |  |  |
|  | Company Secretary/Director |  |
| print name |  |  |
| sign here ► |  |  |
|  | Director |  |
| print name |  |  |
|  | | |