


# ***TR 2000/12A - Addendum - Income tax: deductible gift recipients - the gift fund requirement***

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## Addendum

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### **Taxation Ruling**

### **Income tax: deductible gift recipients – the gift fund requirement**

This Addendum amends Taxation Ruling TR 2000/12 as follows:

#### **Paragraph 43**

After the paragraph, insert two new paragraphs:

“43A. Gifts should be added to the gift fund in a timely manner. If money or property is incorrectly added to the gift fund, it is to be removed as soon as practicable, with the accounts adjusted, where necessary, and noted accordingly. Where an entity receives a non-cash payment, for example by cheque, which is only partly a gift, only the gift part is to be added to the gift fund. This could involve having the cheque cleared through the entity’s general bank account. Such an arrangement is acceptable where it is merely a mechanism for adding the gift to the gift fund.”

#### ***“Alternative view***

43B. An alternative view has been expressed that a gift fund need be no more than an accounting entry evidencing the receipt, maintenance and use of the fund and that actual separation of the gift fund from other property of the entity is unnecessary. This is not a view that is agreed with. Section 30-125, and in particular subsections (4) and (5), gives effect to a policy that the gift fund should comprise only the gifts received (and any money received because of such gifts), and should only be used for the principal purpose of the fund, authority or institution. It is considered that it would be contrary to the apparent statutory intention for the underlying money or property of the fund to be intermingled with other money and property of the entity.”

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**Commissioner of Taxation**

6 September 2000

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ATO references:  
NO T2000/4313  
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ISSN: 1039 - 0731