

A practical guide

To Key Australian Charities and Not-for-profits Commission (ACNC) and Incorporated Associations

The summary tables below are for **guidance only** to suggest major areas of compliance risk for the specified categories of ACNC registered entities, Incorporated Associations and PAFs.¹

FINANCIAL REPORTING OBLIGATIONS FOR CHARITIES

	SMALL	MEDIUM	LARGE
Charity size thresholds	Annual revenue < \$500,000	Annual revenue between \$500,000 - \$2,999,999	Annual revenue > \$3 million
Annual Information Statement	YES	YES	YES
Annual financial report	Optional	YES	YES
Basis of accounting	Cash or accrual	Accrual	Accrual
Review or audit for annual financial report ²	No requirement	Reviewed or Audited²	Audited
Lodgement deadline	No requirement	6 months (31 December)	6 months (31 December)

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¹ Summary tables are not a comprehensive statement of all applicable requirements. Requirements for ACNC registered entities are defined in the Australian Charities and Not-for-profits Commission Act 2012 ("The Act"). Requirements for PAFs are defined in the Public Ancillary Fund Guidelines 2011 and the Taxation Administration (Private Ancillary Fund) Guidelines 2019 ("The Guidelines"). Requirements for Incorporated Associations are defined in Associations Incorporations Act 1981 ("The Act").

² A charity's constitution or grant funding agreements may state whether its financial report needs to be reviewed or audited.

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FINANCIAL REPORTING OBLIGATIONS FOR INCORPORATED ASSOCIATIONS

	SMALL	MEDIUM	LARGE
Thresholds	Current assets < \$300,000 AND Total revenue < \$150,000	Current assets between \$300,000 - \$1m OR Total revenue between \$150,000 - \$500,000	Current assets > \$1m OR Total revenue > \$500,000
Annual return	YES	YES	YES
Annual financial report	YES	YES	YES
Basis of accounting	Cash or accrual	Cash or accrual	Cash or accrual
Verify or audit for annual financial report	No requirement – unless required under another law.	Must appoint a suitable person to audit ³ or verify your financial statements. This must be: <ul style="list-style-type: none"> • A registered accountant • A registered auditor • An approved person 	Audited
Lodgement deadline	Within 1 month of holding an AGM ⁴	Within 1 month of holding an AGM ⁴	Within 1 month of holding an AGM ⁴

FINANCIAL STATEMENT REQUIREMENTS FOR ACNC ENTITIES AND INCORPORATED ASSOCIATIONS

	SMALL	MEDIUM		LARGE	
		Non-Reporting Entity	Reporting Entity ⁵	Non-Reporting Entity	Reporting Entity ⁵
Comply with all Australian Accounting Standards	Optional	Yes	Yes	Yes	Yes
Special purpose financial statements	Optional	Yes, as a minimum	Not allowed	Yes, as a minimum	Not allowed
General purpose– Simplified disclosure requirements (Tier 2)⁶	Optional	Optional	Yes, as a minimum	Optional	Yes, as a minimum

³A full audit is required if your association must do so under another law. In all other cases, verification is sufficient unless members specifically request an audit.

⁴The association's AGM must be held within 6 months after the end date of the financial year.

⁵A reporting entity is defined as an entity in respect of which it is reasonable to expect the existence of users to be dependent on general purpose financial reports for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources (AASB 1053 Application of Tiers of Australian Accounting Standards, defined terms).

⁶Full general purpose (Tier 1) financial statements may apply to entities that are Australian Government, State and Territory and Local Governments.

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Information correct at 28 February 2024.

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