

Hi John Smith,

This is a long email as we will endeavour to provide you with as much information on the situation and how it will affect Nicolas Cage Appreciation Society.

Before you read on, please take a moment to review the following details.

Your Club's Information

Club Name: **Nicolas Cage Appreciation Society**

Australian Business Number: **12 346 789 123**

If any of the above details are incorrect, you must inform Arc Clubs immediately.

Background

On 11 May 2021, the Australian Government announced changes to the administration of Not-For-Profit entities that self-assess as income tax exempt. This was announced as part of the 2021–22 Federal Budget.

This means that from the 2023-24 income year, non-charitable not-for-profits (NFP) with an active ABN need to lodge an annual return.

What this Means for Nicolas Cage Appreciation Society

Nicolas Cage Appreciation Society has been identified as **HOLDING** an Australian Business Number.

Nicolas Cage Appreciation Society has been identified as **NOT REGISTERED** with the **AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (ACNC)**.

It has been identified that Nicolas Cage Appreciation Society **CANNOT CLAIM** the **INCOME TAX EXEMPTION**.

Income Tax Exemption Criteria

Arc Clubs has received advice that Nicolas Cage Appreciation Society **does not match the exemption criteria** for paying income tax. As a result, **with no change** your Club will be taxed at a rate of **25-30% on each transaction you make.**

Your Clubs Options

We understand that this situation may be confronting. However, we have outlined **3 potential options** your Club may take moving forward. We recommend booking in a consult session with us if you have any questions, concerns or are seeking advice for pursuing an option. You can book-in with us here:

<https://www.arc.unsw.edu.au/clubs/club-forms/consultation-sessions>

Cancel Your ABN

The ATO is not concerned with unincorporated, non-ABN entities for this new reporting requirement. By cancelling your ABN, Arc Clubs believes **you will not have to complete the annual Self-Assessment** for the ATO and therefore, **you will not be liable for income tax.**

To cancel your ABN, you will need access to **myGovID** and be linked to the Club's **Relationship Authorisation Manager (RAM)**. Or you can call the Australian Business Register on 13 92 26.

If your Club has not updated your Executives to be registered to your ABN, and the prior Executives who are registered are **unknown** or **uncontactable**, you can **only** notify the ATO of your appointment by completing the downloadable *Change of registration details* (NAT 2943) paper form.

The ATO states they “try to process applications in 28 days, allow up to 12 weeks for [them] to confirm that [they] have updated your details.”

Register as a Charity with the Australian Charities & Not-For-Profits Commission (ACNC)

Alternatively, if you feel you require an ABN, we recommend that you consider applying for charity status with the ACNC. As a charity, you would not be taxed, however, you would have **strict reporting obligations**, and failure to meet these could result in Nicolas Cage Appreciation Society being **finned, deregistered, or both.**

The ACNC has 14 Sub-Types, **your Club may not be eligible for any.** You can find further information on the ACNC website: <https://www.acnc.gov.au/for-charities/start-charity/you-start-charity>

If you would like to choose ACNC registration, please contact us at clubs@arc.unsw.edu.au so that we can go through the steps involved.

Keeping Your ABN WITHOUT the ACNC

Should you choose to keep your ABN, without Charity Status, Arc Clubs has received advice that Nicolas Cage Appreciation Society will be **taxed at a rate of 25-30%** on **each** transaction you make.

This will mean a substantial administrative workload, immaculate financial records and treasury management.

We highly recommend that you book a consult with us first if you decide to choose this option.

You will also need to take the following actions during your Clubs upcoming AGM:

- You will need to make the following **addition to your Club's Constitution**

ADD New Section Titled Not-For-Profit Status, in-between Definitions & Membership:

1 The assets and income of the organisation shall be applied solely in furtherance of its above-mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation

***Please note that this will not be the only change to Arc Club Constitutions in 2024. Details about further changes will be sent to Clubs before the end of Term 2 2024.**

Depending on what you decide to do with your ABN:

- You will need to **pass a motion** at your AGM confirming that your Club **does not** have an ABN.

This is to ensure that Arc Clubs is able to provide your Club with up-to-date information and confirm your Clubs reporting requirements with the ATO.

OR

- **Write in your handover notes** to future executive teams that:

Nicolas Cage Appreciation Society is registered for an Australian Business Number under ABN: 12 346 789 123. Nicolas Cage Appreciation Society is taxed at 25-35% on each transaction the Club makes.

The Executive team **must** lodge a tax return with the ATO **EVERY YEAR** to ensure tax compliance.

Summary of Actions

To ensure compliance with the changes made by the Australian Government, Nicolas Cage Appreciation Society must:

- **Decide on whether to:**
 - Cancel your ABN
 - Register as a Charity
 - Or keep your ABN and be taxed 25-35%
- **Depending on your choice:**
 - **Pass a motion** at your Annual General Meeting confirming you do not have an Australian Business Number.
 - **Write in your Handover Notes** that if your Club must report to the ATO and will be taxed at a rate of 25-35%.

Failure to action the above may result in your Club losing its affiliation to Arc.

As the 2025 Reaffiliation Season draws closer, Arc Clubs is expected to experience a high volume of questions and concerns from our Clubs Community. We ask that during this time you are patient with us as we seek to ensure you receive the most accurate and up to date information.

We may not have the answers right away, but **we will support you every step of the way.**

The Arc Clubs Department is not tax professionals nor accountants. This email is our understanding of the advice provided by our accountants and should not be understood as a tax/financial advice. We ask that you seek the advice of Arc Legal or professional accounting services where necessary.

Arc Clubs will be making a suite of additional changes to our Policy in 2024 and look forward to announcing those changes before the end of Term 2 2024.

If you have any questions or concerns, please contact us at clubs@arc.unsw.edu.au

All the best,



Arc Clubs Team

clubs@arc.unsw.edu.au

[Book in a Consult!](#)

www.arc.unsw.edu.au



Arc @ UNSW is proud to acknowledge the Bedegal, Gadigal and Ngunnawal people as the Traditional Custodians of the lands where we operate and we pay our respects to Elders past and present.