



## DONATIONS AND GIFTING POLICY

Responsible Person	CEO
Version	1
Approved On	Monday, 5 December 2022

### INTRODUCTION

Many men's sheds do not have Deductible Gift Reciprocity (DGR) status. Men's Sheds of WA has DGR status and as such can facilitate grants to be distributed to sheds. This ensures that the men's shed movement does not miss out on potential funding from independent donors.

### PURPOSE

The purpose of this document is to outline the conditions under which Men's Sheds of WA will accept donations on behalf of sheds.

### POLICY

It is important to understand what is and what is not an acceptable deductible gift. The following illustrations are based on the advice provided on the ATO website:

#### *Example 1 – Not a deductible gift*

*Mr P is a supporter of his local shed. He sends a cheque for \$5000 to Men's Shed of WA with a letter stating the amount be given to his local shed.*

*Men's Sheds of WA does not have discretion to apply the amount in accordance with Mr P's wishes. As the wishes were specific, Men's Sheds of WA (the DGR) has no right to apply the amount where it sees fit, and therefore the \$5000 gift cannot be considered tax deductible.*

#### *Example 2 – Deductible gift*

*Mrs Q is a great supporter of men's sheds in her area. She sends a cheque for \$5000 to Men's Sheds of WA with a letter stating she would prefer the funds be given to a men's shed in her region.*

*Men's Shed has the discretion whether to apply the amount in accordance with her wishes. The \$5000 is a deductible gift and Men's Sheds of WA (the DGR) has the ability to abide by her wishes.*

#### *Example 3 – Deductible gift*

*Mr R is keen to support the men's shed movement and his local shed. He nominates his local shed to be the preferred recipient of his \$5000 donation, via the Men's Sheds of WA website.*

*Although Mr R has indicated a preference for his donation, Men's Sheds of WA has the discretion whether to apply the amount in accordance with his preference. The \$5000 is a deductible gift.*

Men's Sheds of WA will facilitate donations from the public to the men's sheds movement in WA where they align with examples 2 and 3 in this policy (where Men's Sheds of WA has the discretion to apply the amount).

Men's Sheds of WA has a duty to ensure that all funding donations are managed effectively and responsibly. Diligence checks will be performed on all donations and recorded accordingly to ensure the highest level of transparency and accountability possible in the process.

Men's Sheds of WA will apply an administration fee to cover the cost of managing the process. Men's Sheds of WA is a health promotion charity. Any funds received by the organisation are in accordance with the organisation's objects and will be used to support the men's shed movement in WA.

<b>DONATION SIZE \$</b>	<b>MEN'S SHEDS OF WA FEE</b>	<b>DUE DILIGENCE INFORMATION REQUESTED FROM THE PREFERRED SHED RECIPIENT</b>
\$1,000 – \$50,000	4.5% (up to a max \$1,250)	Correct bank details Cosignatory details on the bank account Proof of Not-for-Profit status (Rules/ Constitution) Proof of appropriate wind-up clause (Rules/ Constitution)  Approval: CEO
\$\$50,001 - \$500,000	2.5% Fee. (up to a max \$10,000)	As above + Donation is promoted through Men's Sheds of WA website and social media channels (if requested by the donor).  Approval: Finance Sub-Committee
\$500,001 - \$1M	2% (up to a max \$15,000)	As above + Evidence of governance structure and process Evidence of appropriate accounting procedures  Approval: Board
\$1M+	1.5%	As above + Donor meeting/ discussion with the CEO of Men's Sheds of WA.  Approval: Board

## **DONATION PROCEDURE**

1. Prospective men's shed donation recipient to contact Men's Sheds of WA and discuss the details of the donation with representative.
2. Men's Sheds of WA representative to discuss the donation with the donor, explaining the process.
3. Men's Sheds of WA will ensure that the preferred recipient shed is ready to properly receive a donation
4. Donor makes payment to the Men's Sheds of WA gift fund, with a specification that it will be used for promoting men's health in the specific geographical area the intended recipient operates
5. Upon receiving the funds, Men's Sheds of WA will provide an appropriate tax receipt to the donor.
6. Men's Sheds of WA then has discretion over the allocation of the funds.
7. Men's Sheds of WA will forward the donation, minus the above fees, to the appropriate men's shed(s).
8. Men's Sheds of WA will follow up to ensure that the donation fund have been properly accounted for.

## **RESOURCES**

[ATO Guidelines regarding Gifts and Donations](#)

[Deductible Gift Reciprocity Eligibility](#)