



NFP self-review return

The new reporting requirements for self-assessing income tax exempt non-charitable not-for-profits (NFPs) with an active Australian business number (ABN) may appear complex. However, this isn't the case.

The key facts below will assist NFPs to understand their obligations.

Key facts

The new reporting requirement

From 1 July, ABN registered non-charitable NFPs need to lodge an annual NFP self-review return confirming income tax exemption status.

- The law hasn't changed, but reporting of eligibility has.
- NFPs that self-assess as income tax exempt have always been required to review their entitlement to the exemption and maintain governing/constituent documents to satisfy their operation as an NFP.

The new reporting requirement will not apply to:

- registered charities endorsed by the ATO as income tax exempt
- certain types of government entities
- taxable not-for-profits.

The return takes about 10 minutes to complete

The return asks for information NFPs have always needed to substantiate eligibility to income tax exemption based on purpose and activities. The return has 3 sections:

- Organisational details, including one question about estimating the gross revenue range as small, medium or large.
- Five questions to test eligibility.
- Summary and declaration.

It's a requirement for all organisations to maintain ABN details

It's an Australian Business Register requirement that all organisations, including NFPs, maintain and update their ABN details within 28 days of becoming aware of changes.

- Where prior associates are unknown or uncontactable, newly appointed associates must notify the ATO of their appointment by completing the *Change of registration details* form (NAT 2943) and posting it to the ATO, with evidence as required.
- The form is downloadable in a fillable format for NFPs, at ato.gov.au/NFPnotifyofchanges.
- Although the form states that only an authorised contact can complete it, **we will accept the form from a newly appointed contact** if you provide evidence of your approved nomination.
- If an organisation's current or prior associate is known and listed on ATO records, the organisation can notify a change to an associate immediately using *Online services for business*.

Lodging the return

NFPs can lodge the NFP self-review return using *Online services for business*, or a registered tax agent can lodge using Online services for agents.

An interim telephone lodgment service will be available for NFPs that can't use Online Services. This service won't be available to larger NFPs that already report for GST and PAYGW.

ATO correspondence

The ATO is writing to NFPs to let them know about the new reporting requirement through March, April, and May. Retain this letter for future reference.

In July, the ATO will issue a second letter confirming the return is available for lodgment.

ATO correspondence is also being sent to tax agents, peak bodies, associations, and other stakeholders advising of the new reporting obligations.

Common questions

What is the ATO's approach to compliance?

The ATO is taking a practical compliance approach to help NFPs meet the new reporting requirement and will focus resources on lodgment of the 2023–24 income year onwards.

- Don't panic if you think you've made a mistake or need more time.
- Transitional support arrangements for NFPs who may need more time to meet obligations include:
 - engagement and education, rather than failure to lodge penalties for the 2023–24 income year
 - payment plans for organisations that identify they're a taxable NFP for the 2023–24 income year
 - remission of general interest charges and other penalties.

Do I need an ABN? Should I cancel my ABN?

Before you rush to cancel your organisation's ABN to avoid the new reporting, consider any implications.

- You will need an ABN if required to register for other tax obligations, such as GST or PAYG withholding.
- You may also need an ABN to interact with other businesses or receive grant funding.
- Many banks also require an ABN when you set up a business account.

What do I do if I'm a charity?

If your NFP organisation is a charity you can't self-assess as income tax exempt. You must be registered with the Australian Charities and Not-for-profits Commission (ACNC) and endorsed by the ATO to access income tax exemption. The ACNC website explains the [legal meaning of charity](#) at [acnc.gov.au](#).

Can I do an early review before lodging?

You can complete an early self-review at [ato.gov.au/NFPselfreviewguide](#). It will help you to prepare your answers before Tax Time.

ATO support

Phone the ATO Not-for-profit Advice Service on **1300 130 248** between 8.00am and 6.00pm, Monday to Friday for help about getting started, tax concessions, getting endorsed, and gifts and fundraising.

Webinars

Watch our 45-minute webinar [New reporting requirements for not-for-profits](#) that outlines everything you need to know to get ready to lodge your NFP self-review return from 1 July.

Additional webinars are scheduled with tailored support for NFPs who may be charitable, taxable or Indigenous.

Public advice and guidance

The ATO provides public advice and guidance, which is continually updated.

Go to [ato.gov.au/NFPtaxexempt](#) as a good source of information.

Help for sporting clubs

[A reminder to all sporting organisations](#)

Direct any not-for-profit enquiries to the ATO. For more information, refer to our updated guidance at [Changes in reporting requirements for sporting clubs](#)

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