

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: **NONE**

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 **NOT** holding an Australian Business Number.

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

This means that Nicolas Cage Appreciation Society is largely exempt from the Australian Taxation Office's reporting requirements, but will still require some small adjustments during your upcoming Annual General Meeting (AGM).

If You Require an ABN for Your Club's Activities

Clubs register for ABNs for a myriad of reasons such as the ability to receive sponsorship payments and grants from external organisations or to reduce individual legal risk.

However, as Nicolas Cage Appreciation Society does **NOT** meet the criteria to be **Income Tax Exempt**, if you obtain an ABN, it will result in your club being **taxed at a rate of 25-30%** on each transaction you make. As such, Arc Clubs would **recommend against it**.

Alternatively, if you feel you require an ABN, we recommend that you consider applying for charity status with the **Australian Charities and Not-For-Profits Commission (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 **fined, deregistered, or both**.

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

You will 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:

2.1 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.*

- 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.

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

If Nicolas Cage Appreciation Society decides to register for an Australian Business Number (ABN), Nicolas Cage Appreciation Society's Executive **must** provide Arc Clubs with notice of your intention to register for an ABN.

We recommend you [read Arc Clubs' website](#) for further information on what these changes mean for Clubs with an ABN or registered with the Australian Charities and Not-for-profits Commission (ACNC) before deciding to apply for an ABN.

Summary of Actions

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

- **Add a Not-For-Profit Status** clause to your constitution.
- **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 decides to apply for an Australian Business Number, **Arc Clubs must be notified** by email first.

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.