

just redemptive outcomes®



CORNEY & LIND
LAWYERS

Lutheran Education Queensland Webinar Series PART 1: Trading Entities

Andrew Lind, Director
Kathleen Watt, Senior Lawyer

Wednesday, 20 July 2016 –
1:00pm (Brisbane time)

just redemptive outcomes®



CORNEY & LIND
LAWYERS

Introduction

Corney & Lind Lawyers Pty Ltd

- Mid size law firm – 18 lawyers + 30 staff
- Our focus areas

Schools & Education

Not for Profit & Charity

Commercial

Employment & Discrimination

Personal Injury

Commercial & Construction Litigation

Migration & Visas

Family Law

Criminal & Traffic

Estate & Elder Law

- Our lawyers travel to you if needed
- Specialist lawyers committed to delivering “*just redemptive outcomes®*” with care and integrity
- Based right next to the CBD opposite the RBWH transport hub



Webinar Series Outline

Part 1 – Trading Entities (this webinar)

- Typical Lutheran School structure
- What entities / activities may not be under the governance oversight of the College Council? (Early Childhood, After School Care, Sporting Clubs, Parents & Friends, Foundation, DGRs)
- What needs to be housed under separate ABNs?
- Separate ABNs – separate Charity registrations, reporting and Tax concessions
- Problems of moving surplus from one to another?
- Are there restructuring options – for common governance oversight and empowering delegated autonomy?
- How to deal with Common employees, i.e. are there employees, being used in more than one entity?



Webinar Series Outline

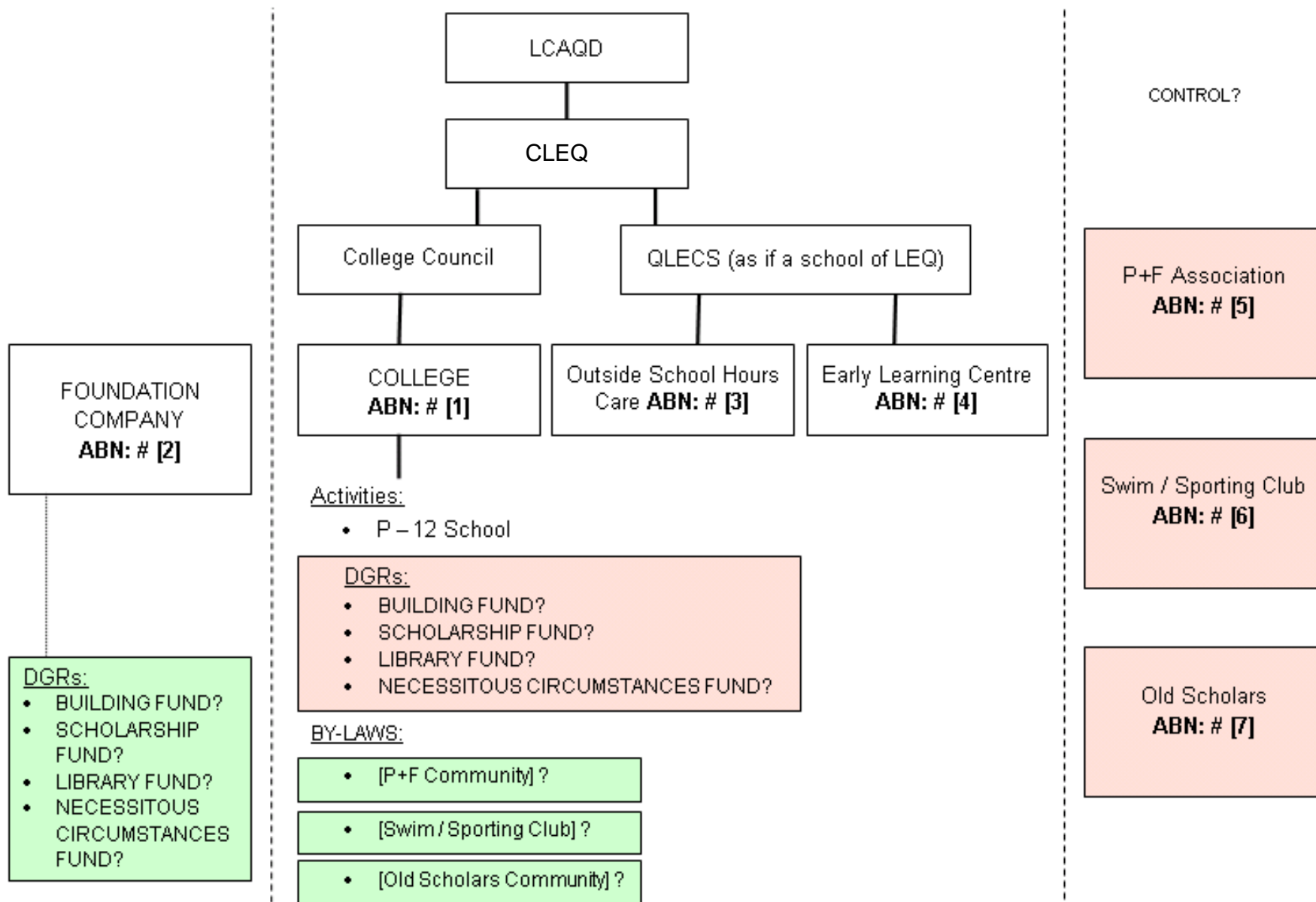
Part 2 - Foundation Entities (next webinar)

- Do we really need a Foundation entity?
- How does a Foundation entity relate to the College Council?
- Who are the controlling minds to a Foundation entity?
- The problem of unmaintained Foundation entities and how to fix them
- DGRs under the Foundation entity – how this works and how to move money back to the College?
- When and why consider a “Public Ancillary Fund”?

This webinar is scheduled for: **Wednesday, 24 August 2016**. Register by 5:00pm on Tuesday, 23 August 2016



Structure Diagram – Typical Queensland Lutheran School



What needs to be housed under separate ABNs?

- No limit to the number of activities under a single ABN
- Difficulties with too many disparate activities/business units under one ABN
 - Single Business Activity Statement per ABN
 - Business identity for orders and invoices
 - GST remittance and Claiming input tax credits
 - Accounting audits and records
- Separate ABNs:
 - Business unit centred input tax credit claims
 - BAS reporting in smaller chunks
 - Tax Invoices between business units (GST group)



What needs to be housed under separate ABNs?

- Different profit centres for different purposes + separate ABNs:
 - Early Learning Centre not a profit centre for the College, but for itself and other ELCs in QLECS
 - Has its own GST reporting, claims its own input tax credits to be shared with its own stakeholders



What needs to be housed under separate ABNs? (continued)

- Separate charitable purpose requiring separate registration
 - Church entity = Basic Religious Charity
 - must exist for advancement of religion only to be entitled to its registration
 - Different enterprises should therefore be registered due to different reporting requirements and governance compliance obligations



Separate ABNs – separate Charity registrations, reporting and Tax concessions

- More ABNs = More compliance
- All in the one stable (one ABN) – surplus can be easily transferred

Separate ABNs = Separate ENTERPRISES

- **Not** separate entities (except for the Foundation company)



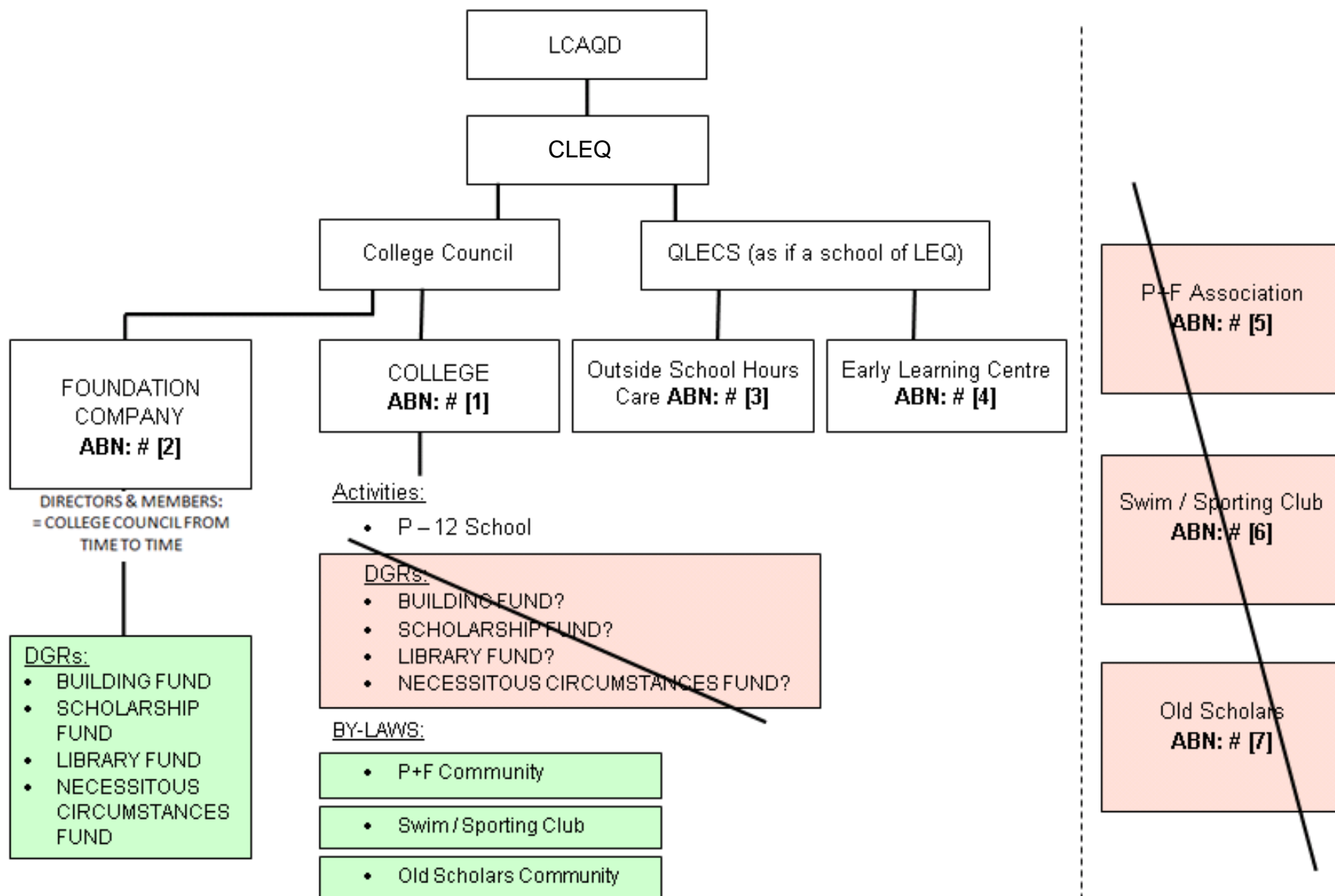
Restructuring options?

Governance, Control + Surplus movement

- For common governance oversight (one controlling mind) and empowering delegated autonomy (consistency of delegation, autonomy + reporting)
- Restructure Foundation entity (Directors and Members = College Council)
- Move P&F and clubs (etc) into the stable as activities of the College to be operated by by-laws by persons with a degree of delegated authority
- Move under one ABN/one entity – easier to move surplus back to everyday needs of the College



Structure Diagram – Possible preferred Queensland Lutheran Structure





Charities

Register with the ACNC

- Obtain Tax relief from the ATO
- Two types of ATO tax concessions in your context:
 - TCC – Tax Concession Charity including income tax exemption
 - DGR – able to give tax deductible receipts



ATO Records
First – the College

Current details for ABN #

Current details | Historical details

Print | Email

ABN details help

Entity name:	LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT
ABN status:	Active from 01 Nov 1999
Entity type:	Other Incorporated Entity
Goods & Services Tax (GST):	Registered from 01 Jul 2000
Main business location:	QLD 4123

Australian Charities and Not-for-profits Commission (ACNC) help

LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT is registered with the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) as follows:

ACNC registration	From
Registered as a charity view ACNC registration	#

Trading name(s) help



ATO Records First – the College – continued

[-] Australian Charities and Not-for-profits Commission (ACNC) help

LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT is registered with the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) as follows:

ACNC registration	From
Registered as a charity view ACNC registration	#

[-] Trading name(s) help

Trading name	From
[NAME OF COLLEGE]	#

[-] Charity tax concession status help

LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT is a [Charitable Institution](#) endorsed to access the following tax concessions:

Tax concession	From
GST Concession	#
FBT Rebate	#
Income Tax Exemption	#

[-] Deductible gift recipient status help

LUTHERAN CHURCH OF AUSTRALIA QUEENSLAND DISTRICT operates the following funds, authorities or institutions. Gifts to these funds, authorities or institutions may be deductible.

Fund, authority or institution name	DGR Item	From
[NAME OF DGR FUND]	Item 1	#



ATO Records

The College - observations

- The Trading Name should now be a registered “Business Name”. Apply to register with ASIC.
- Where are the “DGR Funds”? Under the College ABN or Foundation ABN (or both)?



ATO Records
Second – the Foundation

Current details for ABN #

Current details | Historical details Print Email

ABN details help

Replaces:

Entity name:	[NAME OF FOUNDATION COMPANY]
ABN status:	Active from 01 Nov 1999
Entity type:	Australian Public Company
Goods & Services Tax (GST):	Registered from 01 Jul 2000
Main business location:	QLD 4123

Australian Charities and Not-for-profits Commission (ACNC) help

[NAME OF FOUNDATION COMPANY] is registered with the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) as follows:

ACNC registration	From
Registered as a charity view ACNC registration	#



ATO Records Second – the Foundation continued

[-] Australian Charities and Not-for-profits Commission (ACNC) help

[NAME OF FOUNDATION COMPANY] is registered with the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) as follows:

ACNC registration	From
Registered as a charity view ACNC registration	#

[-] Trading name(s) help

Trading name	From
[NAME OF FOUNDATION COMPANY]	#

[-] ASIC registration - ACN or ARBN

[ACN #] [View record on the ASIC website](#)

[-] Charity tax concession status help

[NAME OF FOUNDATION COMPANY] is a [Charity](#) endorsed to access the following tax concessions:

Tax concession	From
GST Concession	#
Income Tax Exemption	#
FBT Rebate	#

[-] Deductible gift recipient status help

[NAME OF FOUNDATION COMPANY] operates the following funds, authorities or institutions. Gifts to these funds, authorities or institutions may be deductible.

Fund, authority or institution name	DGR Item	From
[NAME OF DGR FUND]	Item 1	#



ATO Records

The Foundation – observations

- Usually trades under its own name of incorporation, so no separate business name needed.
- Any DGRs? Check:
- Has rules
- “Responsible Person” Trustees (majority of Foundation Board)
- Separate Accounts



P & F observations

- Is there a separate association?
- Resolutions passed for transfer of assets (by way of gift), cessation of membership and windup of the old association?
- Transfer of assets “stamped” exempt (stamp duty)?

just redemptive outcomes®



CORNEY & LIND
LAWYERS

Library

- There is a set of Accounts?
- Is there a DGR endorsement, rules etc?



How to deal with Common employees

- Are there employees being used in more than one **entity**?
- Employer entity = LCAQD
 - Trading as LEQ (generally), pursuant to an Enterprise Agreement
 - Trading as QLECS, pursuant to a separate Enterprise Agreement
- Foundation Company not likely to have its own employees (raising funds and acting as trustee for DGRs)
- Are employees being used in more than one **enterprise**?
 - No dual employees
 - Contact Lisa Walker (LEQ Industrial Relations Research & Projects Officer) at lisa.walker@leq.lutheran.edu.au or Gina Sharp for advice



Webinar Series Outline

Part 2 - Foundation Entities (next webinar)

- Do we really need a Foundation entity?
- How does a Foundation entity relate to the College Council?
- Who are the controlling minds to a Foundation entity?
- The problem of unmaintained Foundation entities and how to fix them
- DGRs under the Foundation entity – how this works and how to move money back to the College?
- When and why consider a “Public Ancillary Fund”?

This webinar is scheduled for: **Wednesday, 24 August 2016**. Register by 5:00pm on Tuesday, 23 August 2016

just redemptive outcomes®



Contact



Name: Andrew Lind

Position: Director

Email: andrew.lind@corneyandlind.com.au



Name: Kathleen Watt

Position: Senior Lawyer

Email: kathleen.watt@corneyandlind.com.au

07 32520011

www.corneyandlind.com.au