

Record keeping for charities

Legal information for charities

This fact sheet covers:

- ▶ record-keeping requirements that apply to charities registered with the Australian Charities and Not-for-profits Commission, and
- ▶ record-keeping requirements under the Corporations Act
- ▶ who can inspect these records

This fact sheet is for organisations registered with the ACNC under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and covers record-keeping requirements for charities, including under the *Corporations Act 2001 (Cth)*.

This fact sheet does not summarise record-keeping requirements under other legislation.

For example, there are separate record-keeping requirements imposed by state and territory regulators and there is legislation which regulates keeping health records and documents which may be relevant to potential litigation. Your charity should get legal advice if it's not sure what other legislation may apply.



Disclaimer

This fact sheet provides general information about record-keeping for charities. This information is intended as a guide only and is not legal advice. If you or your organisation has a specific legal issue, you should seek legal advice before deciding what to do.

Please refer to [the full disclaimer](#) that applies to this fact sheet.

Record keeping under the ACNC Act

Charities registered with the Australian Charities and Not-for-profits Commission (**ACNC**) must comply with the record-keeping requirements under Division 55 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (**ACNC Act**). These requirements are in addition to any other record-keeping requirements your charity may have under other laws.

For companies registered as charities, the ACNC requirements replace certain record-keeping requirements that apply to non-charitable companies under the *Corporations Act 2001 (Cth)* (**Corporations Act**).

For incorporated associations registered as charities, the ACNC requirements apply in addition to the requirements of state-based regulators such as Consumer Affairs Victoria.



Tip

You can check if your charity is registered with the ACNC by searching the [ACNC Register](#).

What types of records must a charity keep?

Registered charities must keep records including:

- **financial records** (discussed further below), and
- **operational records** (discussed further below)

These records must be sufficient to enable the ACNC (or others) to assess how your charity:

- is entitled to be registered as a charity and as its subtype
- complies with the ACNC Act and [Australian Charities and Not-for-profits Commission Regulation 2013 \(Cth\) \(ACNC Regulation\)](#), and
- complies with taxation laws (this is assessed by the Australian Taxation Office)

There is no prescribed format or method for how records should be kept. Both physical and electronic records can be kept. The records must be in English or easily convertible into English.

The records must be kept for at least seven years after the transactions, operations or acts covered by the records are completed. Other laws may require records be retained for a longer period (for example, health records and documents relevant to potential litigation).

Failing to keep required records may result in your charity committing an offence with a penalty of \$2,260 (as at October 2024).

Financial records

Your charity must keep financial records to:

- correctly record and explain your charity's financial transactions, position and performances, and
- allow true and fair financial statements to be prepared and audited



See our fact sheet on [financial reporting for charities](#) for information about whether your charity is required to have its financial statements audited.



What are financial records?

The ACNC Act doesn't define this, but the [ACNC provides \(on its website\)](#):

'A financial record explains your charity's financial activities (transactions) and financial position and performance.'



Examples of financial records

Examples of financial records include:

- receipts
- invoices
- banking records
- cheques
- details of any contracts
- details of any grant payments
- employee salary records
- accounting records
- working papers to produce financial reports
- stock records
- lists of assets
- tax documents including information about 'pay as you go' withholding tax, superannuation obligations and fringe benefits provided
- correspondence about financial matters with the ATO, and
- emails, letters or other correspondence about finance



Note

Even if your charity is not required to submit financial reports to the ACNC (because it's a small or basic religious charity), you must still keep adequate financial records that correctly record and explain your charity's financial transactions, position and performance and allow financial statements to be prepared and audited.

The ACNC Act or the ACNC Commissioner could require your charity to prepare financial reports in special circumstances.

Operational records

The ACNC Act requires that a charity keep written records to correctly record the charity's operations.



What are operational records?

The ACNC Act doesn't define this, but the [ACNC provides \(on its website\)](#):

'An operational record is any information about your charity's activities that shows it complies with the ACNC Act and tax law, and that it continues to be a charity or continues to be entitled to be registered as a particular subtype, for example, as a public benevolent institution (PBI).'



Examples of operational records

Examples of operational records include:

- governing documents
- meeting minutes
- reports
- written details of a charity's activities, programs or services
- contracts and agreements
- strategic plans, policies and procedures
- project proposals
- media releases
- charity promotional material, and
- project documentation

Record keeping under the Corporations Act

Broadly, the Corporations Act requires an organisation to:

- correctly record and explain transactions, its financial position and performance, and
- keep records so that true and fair financial statements can be prepared and audited

A company registered under the Corporations Act must comply with record-keeping requirements under the Corporations Act if it:

- is not yet a registered charity, or
- stops being a registered charity



Note

A company registered under the Corporations Act that is also a registered charity, is exempt from the requirement to maintain financial records under the Corporations Act.

For these companies, the record-keeping requirements of the Corporations Act no longer apply and the record-keeping provisions of the ACNC Act apply instead.

Organisations formed under a state or territory regime (such as incorporated associations) are not subject to record-keeping provisions under the Corporations Act. Instead, they must meet record-keeping requirements under the relevant state or territory legislation. If these organisations are also registered charities, they must also comply with ACNC requirements.



Who can inspect these records?

Directors and members	Your directors and members may have rights to access or inspect records under: <ul style="list-style-type: none"> • your charity's rules or constitution, or • the corporations or association legislation under which your organisation is established
ATO	The Australian Tax Office (ATO) can inspect records to determine your organisation's compliance with taxation laws.
ACNC	The ACNC can inspect records to determine your organisation's compliance with charity laws.
ASIC	The Australian Securities & Investments Commission (ASIC) can inspect financial records of companies registered under the Corporations Act that are not yet registered as charities, or stop being registered as charities, under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).



Tip – requests for information

A request for information from a regulatory body should be in writing and outline what information is required and how the information should be provided to the regulatory body.

The regulatory body may inspect, copy or retain original documents.

Good record-keeping practices

Record-keeping policy

The ACNC encourages organisations to develop and maintain a record-keeping policy which includes information about:

- what records are kept
- who is responsible for managing records
- training on record-keeping practices
- handling sensitive and secure records, and
- electronic records and back-up procedures

Hard copy or electronic records?

Most records can be kept in hard or electronic copy. If you make electronic copies of documents, you will generally not be required to keep the hard copy original unless the original document has some value that will be lost in the electronic copy (for example, if the original document has evidentiary value).

If you choose to keep electronic records, you should make sure:

- the electronic copies are true and clear (legible) reproductions of the original
- a back-up of electronic records is kept
- the documents are easy to find, and
- the documents can be converted to hard copy (for example, by printing the records)



Tips

- If you choose to keep your records electronically, make sure they are stored securely.
- If your records contain personal information or health information, make sure you are storing your records in accordance with relevant privacy laws.
- If you choose to keep records in hard copy, also make sure your records are readily accessible and are stored securely in accordance with any applicable privacy laws.
- If your organisation is an incorporated association, check the requirements under the applicable state or territory laws.



For more information on:

- keeping and accessing documents, records and registers in your state or territory, see our [webpage on record keeping](#) , and
- privacy laws, see our webpage on [privacy](#)

Destruction of records

After seven years (and if your charity has no record-keeping obligations to other regulators), your charity may destroy its records for ACNC and ASIC purposes.

Before you destroy any records, check your charity's record-keeping policy and other legal obligations (for example, privacy requirements) to make sure you are doing so appropriately.



The ACNC has published helpful guidance on record-keeping practices for registered charities. For further information see the following pages on the ACNC website:

- [Keeping charity records](#),
- [Examples of financial and other records](#), and
- [Record-keeping checklist](#)