

Financial reporting for charities

Legal information for charities

This fact sheet covers:

- ▶ financial reporting requirements that apply to charities registered with the ACNC
- ▶ annual information statement requirements
- ▶ annual financial report requirements
- ▶ requirements to review or audit annual financial reports



Disclaimer

This fact sheet doesn't summarise financial reporting requirements under other legislation such as legislation for incorporated associations, or companies limited by guarantee that are not charities.

There may be additional financial reporting requirements imposed by state and territory-based regulators. Your charity should get legal advice if it's not sure what other legislation may apply.

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

ACNC financial reporting framework

Charities registered with the Australian Charities and Not-for-profits Commission (**ACNC**) must comply with the financial reporting requirements under:

- the [Australian Charities and Not-for-profits Commission Act 2012 \(Cth\)](#) (**ACNC Act**), and
- the [Australian Charities and Not-for-profits Commission Regulation 2022 \(Cth\)](#) (**ACNC Regulations**)

These reporting obligations aim to promote the transparency and accountability of charities, as well as reducing the reporting obligations for charities under other Australian laws.



Tip

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

Charity financial reporting requirements based on size

A charity's financial reporting requirements are based on the charity's size.

All registered charities must lodge an Annual Information Statement (**AIS**) with the ACNC (discussed below). Medium and large registered charities must **also** lodge an annual financial report with the ACNC (discussed below)

Size	Annual revenue	End of financial year reporting requirements
Small	Less than \$500,000	<ul style="list-style-type: none"> Annual information statement
Medium	\$500,000 to \$2,999,999	<ul style="list-style-type: none"> Annual information statement Annual financial report that is reviewed or audited
Large	\$3 million or more	<ul style="list-style-type: none"> Annual information statement Annual financial report that is audited



Note

The ACNC may place additional reporting obligations on registered charities in special circumstances. This is not covered in this fact sheet.



Note

Companies limited by guarantee that are registered charities are **not** required to provide financial reports to the Australian Securities and Investments Commission (**ASIC**).

Instead, they must submit their financial information (Annual Information Statement, and, if the charity is medium or large, a financial report) to the ACNC.



See the [ASIC website](#) for a table summarising whether charitable companies should contact the ACNC or ASIC for different kinds of reporting obligations.

For information about other types of financial reporting, see our [financial reporting to government webpage](#).

What period does the AIS need to cover?

The standard ACNC reporting period is the financial year – from 1 July until 30 June of the following year.



Note

A charity can apply to the ACNC through the ACNC Charity Portal for approval to use a different reporting period for the charity's financial information.

If your charity's reporting period ends 30 June, your charity must provide its AIS (and financial report if needed – see below) to the ACNC no later than 31 December in that same year. This means you will have six months to submit your statement after the reporting period ends.

If your charity's reporting period ends on a different date (following approval by the ACNC to use a different reporting period for the charity's financial information), your charity must provide its AIS (and financial report if needed – see below) to the ACNC within six months after the reporting period ends.

If you register your charity within three months of the end of your reporting period (for example, between 1 April and 30 June and your reporting period ends on 30 June), you may choose to either:

- submit an AIS which reports on your activity during the time you have been registered, which would be three months or less, or
- wait until the following year's AIS report to report on your activity for that 12-month reporting period and your activity during the previous reporting period of three months or less for the previous year



Tip

You can check the due date for your charity's AIS on [the ACNC Charity Register](#).

What if your charity has only recently registered with the ACNC?

Charities are only required to submit Annual Information Statements from the date of the charity's registration. This means that a newly registered charity is required to provide an Annual Information Statement for the period of the date of its registration to the end of the reporting period (the financial year or the charity's approved substituted accounting period).

However, if your charity was registered within the last three months of the reporting period, the ACNC does not require an Annual Information Statement for that period.



For more information, see the ACNC's webpages on:

- [reporting annually to the ACNC](#), and
- [annual information statement due dates](#)

Can the charity's ACNC registration date be backdated?

It's common for organisations to incorporate and then become registered as a charity. In these circumstances, the charity may request that the ACNC backdate the date of its registration to reflect the time when the organisation began its charitable activities more accurately.

An advantage of backdating the ACNC registration date is to allow an organisation to make use of certain tax concessions.



Caution

The option to backdate a charity registration:

- will not be available to all organisations, and
- may depend on when an organisation conducted activities consistent with the basis of the charity registration

The backdated registration date will determine your charity's reporting period. However, your charity is only required to report to the ACNC from the date of the ACNC's decision to register your charity.



For more information, see the [ACNC's Commissioner's Policy Statement: Annual Information Statements](#), which says:

'The ACNC only requires AISs from the date that a 'new' charity is registered by the ACNC (that is the date of the registration decision)'.

The Annual Information Statement

The AIS must be in the **approved form**, which you can access through [the ACNC Charity Portal](#).

The AIS includes questions (both optional and mandatory) about your charity, its activities, any related party transactions and basic financial information to help the ACNC understand the charity sector and reduce the overall reporting burden of charities.



For more information, see the [ACNC's AIS checklist](#) on its website



Note – Basic Religious Charity

If your charity is a **Basic Religious Charity** (essentially, an unincorporated charity which advances religion and does not pursue other charitable purposes – for example, education or relief of poverty), it does not have to:

- provide financial information in its AIS
- submit annual financial reports (regardless of its size), or
- comply with the ACNC Governance Standards

A Basic Religious Charity must still submit its AIS (without the financial information questions answered) and comply with other ongoing ACNC obligations.

Check the ACNC's website to see if your charity meets the criteria to be a Basic Religious Charity. Your charity may also wish to seek legal advice.

How to submit your Annual Information Statement

You can complete your AIS through the [ACNC Charity Portal](#).

If you identify a material error in an AIS after you have lodged it, you must submit a corrected AIS through the ACNC Charity Portal:

- if you are a medium or large charity, within 28 days of identifying the error, or
- if you are a small charity, within 60 days of identifying the error

The ACNC considers that an error is 'material' if:

- the charity has not submitted the required financial information in the AIS
- the error will impact the ACNC's ability to maintain a full and accurate ACNC Charity Register
- the error significantly affects public trust or confidence in the charity, or
- the error will mislead members of the public



Note

The ACNC will revoke the registration of charities that don't submit either their AIS or corrected AIS for two reporting periods (from the 2016 reporting period), unless exceptional circumstances apply. **These periods do not need to be consecutive.**

This policy, including the revocation process, is set out in the [Commissioner's Policy Statement: Revocation by the ACNC](#).

Under the revocation process, the ACNC will advise the charity of the intention to revoke registration and provide the charity with an opportunity to provide reasons why the revocation shouldn't occur and bring lodgements up to date. Whether the charity is able to resist revocation will depend on the particular circumstances.

Annual financial report

Small charities are encouraged by the ACNC to submit an annual financial report, but this is **optional**.

Medium and large registered charities **must** lodge an annual financial report with the ACNC (as well as their AIS).

An annual financial report gives the ACNC and the public additional information and a level of assurance about a charity's financial affairs. The requirements vary depending on a charity's individual circumstances. Annual financial reports must also comply with the [Australian Accounting Standards](#) set by the Australian Accounting Standards Board (**AASB**).



For more information, see the [ACNC's annual financial report checklist](#) on its website

What kind of financial statement must be included with an annual financial report?

The kind of financial statement that your registered charity must include with an annual financial report depends on whether your registered charity is a '**reporting entity**'.

If your charity is a reporting entity, it must submit **General Purpose Financial Statements** that comply with all applicable Australian Accounting Standards.

If your charity is not a reporting entity, it can submit either **General Purpose Financial Statements** or **Special Purpose Financial Statements**.



Does your registered charity fall into the 'reporting entity' category

Generally, if people use and rely on your registered charity's financial statements to help them make decisions (for example, decisions about how to spend money), your charity is most likely a reporting entity.

Ultimately, whether your charity is a reporting entity will depend on a number of factors, including its particular circumstances.

You can speak to an auditor, reviewer or financial adviser if you are not sure whether your registered charity falls into the reporting entity category.



For more information about , factors to consider to determine if your charity is a 'reporting entity' and the different financial statements, see the [ACNC's webpage 'General and Special Purpose Financial Statements'](#).



Note – key management personnel remuneration reporting

From the 2022 AIS reporting period:

- medium charities that prepare General Purpose Financial Statements and large charities (unless an exemption applies) must report key management personnel remuneration, and
- medium charities that prepare Special Purpose Financial Statements may choose to report key management personnel remuneration

Examples of key management personnel include Responsible People (such as board member, committee members, trustees) and senior staff (such as the CEO, chief financial



For more information and an example case study, see the [ACNC's webpage on key management personnel remuneration](#).



Note – related party reporting

From the start of the 2023 reporting period (which, for many charities, is the period beginning on 1 July 2022), all charities (except for Basic Religious Charities) must report their related party transactions to the ACNC:

- small charities are required to disclose reportable related party transactions
- medium and large charities are required to disclose material related party transactions

If a Basic Religious Charity chooses to submit a financial report, it must comply with the same requirements as other medium or large charities, including in relation to related party reporting.



For more information, including information about what constitutes a reportable related party transaction or a material related party transaction, and tips for charities who manage related party transactions, see the [ACNC's webpage on related party transactions](#).

Requirements to review or audit annual financial reports

Medium registered charities

Medium registered charities must submit financial reports that have either been reviewed or audited. The reviewer or auditor's report must be submitted to the ACNC along with the financial report.

There are positive and negative aspects to a review or an audit – these will depend on your charity's specific circumstances.

Generally, a review is a lower level of assurance than an audit. A reviewer states they don't know of anything to suggest your charity's financial report is non-compliant, while an auditor states they believe your financial report meets the requirements of the ACNC Act. You should make a decision whether to review or audit based on your particular situation. Get professional advice if you are not sure.



For more information, see the [ACNC's webpage on reviewing and auditing financial reports](#) and the [ACNC's audit and review report template](#).



Note

If a charity is also an incorporated association, it may be required by its state or territory regulator to audit its financial report - even if classed as a medium size charity.



Read more about [reporting requirements to state and territory regulators](#) on our website.

Large registered charities

Large registered charities must submit financial reports that have been audited. The auditor's report must be submitted to the ACNC along with the financial report.

The audit must be conducted by a registered company auditor, an audit firm, or an authorised audit company.

The auditor's report must address whether the financial report meets the requirements of the ACNC Act. The auditor must be independent and must sign a written declaration.



For more information, see the [ACNC's webpage on reviewing and auditing financial reports](#) and the [ACNC's audit and review report template](#).