



GST

The Queensland Blue Light Association Incorporated is registered for gst. A Business Activity Statement (BAS) is submitted from State Office before the 21st of every month.

QBLAI Branches are NOT registered for gst. Branches are not required to submit a BAS, and therefore have no way of remitting or claiming gst. Branches can NOT issue tax invoices.

GST is calculated by grossing up the net amount by 10%. If an item costs \$15.00 excluding gst, it will cost \$16.50 including gst. (15×1.1)

To work out the gst exclusive portion of an invoice that includes gst, divide by 1.1. If an item costs \$16.50 including gst, the gst exclusive portion is \$15.00. ($16.5 \div 1.1$)

To work out how much gst is on an invoice, divide by 11. If an item costs \$16.50 including gst, you are paying \$1.50 in gst. ($16.50 \div 11$)

Donations

A donation is the voluntary transfer of money or property without receiving, or expecting to receive and material benefit or advantage in return.

The QBLAI is a registered charity and Deductible Gift Recipient (DGR) with the ATO, and any donations made to the Association over \$2.00 are tax deductible. Individual Branches do not have this status.

A Branch can issue it's own receipt for a donation if the donor does NOT want to use it as a tax deduction. Donations are gst free.

Grants & Incorporation

QBLAI is an Incorporated Association and registered charity with the ACNC (Australian Charities and Not for Profits Commission). Executive officers and authorised persons from State Office can sign off on grant applications and other official documents.

Branches are NOT incorporated in their own right. Grants that require applicants to be an Incorporated Association need to be signed off and eventually acquitted by State Office. Any funds received from these grants need to be banked into the Association account, and items purchased on behalf of the Branch from the Association account. This allows for the gst component to be included in State Office's monthly BAS.

Tax invoices

From time to time local councils and other groups will allocate funds to QBLAI Branches without the need of a formal application process. Many contributors will request a tax invoice to initiate payment. Branches can NOT issue these tax invoices. State Office can issue a tax invoice on the Branches behalf. The money will have to be banked in to the Association account, and then goods/services purchased with it paid for from State Office. If the



Branch wants the money to be available from their own bank account for multiple small purchases then State Office will only be able to transfer the gst exclusive amount.

Some contributors may request a tax invoice even if there is NO gst on the amount they are giving. If they require anything more than a simple receipt, it must be issued by State Office. GST exclusive funds can be transferred to the Branch account as soon as they are received by State Office.

When requesting a tax invoice from State Office, it is important to know the following:

- If there is gst to be included, is it included in the amount or to be added on top? For example a sponsor wants to give you \$500.00 and wants a tax invoice.
 - Is the gst included in the \$500 (so \$454.55 plus \$45.45 in gst). State Office will remit 45.45 to the ATO and your Branch will receive \$454.55.
 - Is the gst to be added (so \$500.00 plus \$50 in gst). State Office will remit \$50 to the ATO and your Branch will receive \$500.00.

Example 1: Council offers \$2200.00 including gst to a Branch for general event expenses. Council requires a tax invoice to make the payment. The Branch wants to have the money in their own account to make multiple payments as required.

State Office issued GST inclusive invoice	Portion remitted to ATO in next BAS	Portion transferred to Branch bank account	Amount that Branch gets to spend
\$ 2,200.00	\$ 200.00	\$ 2,000.00	\$ 2,000.00

Example 2: Council offers \$2,200.00 including gst to a Branch to buy a new fridge. Council requires a tax invoice to make the payment. State Office pays for the fridge from the money received into the Association account.

State Office issued gst inclusive invoice	Portion remitted to ATO in next BAS	Value of tax invoice paid from the Association account	Portion claimed back from ATO in next BAS	Amount that Branch gets to spend
\$2,200.00	\$200.00	\$2,200.00	\$200.00	\$2,200.00

You will see in the tables above that by allowing State Office to pay for grant items from the Association account, Branches get to spend the whole amount including the gst portion.

State Office cannot pay for Branch purchases made with funds raised by the Branch through events or other fundraising activities. No gst has been remitted on the income, so it cannot be legally claimed on the expenditure. This would be seen as tax avoidance.

Any questions please contact State Office admin@bluelightqld.org