

Annual Reporting Requirements for SILC Homes

The House Operator Agreement states that:

“The House Operator is a co-operative or other corporate entity registered as a charity with ACNC or pursuing registration with ACNC.”

and

“must submit its annual budget to SILC and make all financial records including payroll available to SILC”.

Which corporate entities are required to report annually?

1. Most SILC House Operators are small co-operatives but some are associations/companies or incorporated associations.
2. Co-operatives and associations in NSW are regulated by NSW Fair Trading. Companies are regulated by the Australian Securities and Investments Commission (ASIC)
Charities are regulated nationally by The Australian Charities and Not-for-profits Commission (ACNC).

All corporate entities who are registered as a charity with ACNC (a requirement of all SILC House Operators) will be required to submit an [Annual Information Statement \(AIS\)](#) to ACNC by 31 December each year.

If you are a small co-operative you will also need to submit an [Annual Return \(C12 Form\)](#) to NSW Fair Trading within 5 months of the end of financial year.

Co-operatives:

Co-operatives who are registered charities must report to both NSW Fair Trading AND the ACNC.

Companies and Associations:

Companies and Associations that are registered charities are no longer required to report to Fair Work or ASIC as ACNC shares their information with Fair Work or ASIC.

Step-by-step reporting process to NSW Fair Trading

- 1) Each financial year, a small co-operative **must prepare an annual report** for its members containing:
 - a) an income and expenditure statement setting out the appropriately classified individual sources of income and individual expenses incurred in the operation of the co-operative
 - b) a balance sheet, including appropriately classified individual assets and liabilities of the co-operative
 - c) a statement of changes in equity
 - d) a cash flow statement is required if the co-operative and any of its controlled entities has consolidated revenue of \$750,000 or greater, or if the value of the consolidated gross assets is \$250,000 or greater
- 2) An **audit or review** of a small co-operative's financial statements and /or additional financial reports, may be required if it is:
 - specified in the co-operative's rules
 - requested by its members or the Registrar under the Co-operatives National Law.
- 3) The financial statements must present a true and fair view of the co-operative's financial position, performance and cash flows. **They must also include:**
 - a) comparative figures for the previous financial year
 - b) a statement of significant accounting policies.
- 4) Within 5 months of the end of financial year (normally by 30 November) small co-operatives need to
 - a) Circulate an annual report to members
 - b) Lodge an annual return [C12 form](#) together with the prescribed fee, with NSW Fair Trading

Late fee penalties apply when forms are not submitted on time.

Charities

Process for reporting to ACNC:

- ACNC requires charities to submit an [Annual Information Statement \(AIS\)](#). Small charities (annual revenue less than \$250,000) are only required to submit their AIS.
- Other charities are also required to submit an Annual Report which must include audited financial statements.

AIS and Financial Report

- A charity's AIS and financial report (if required) are due six months after the end of the charity's reporting period.
- Reporting period for most charities is same as financial year (please check your Rules to confirm)
- If the reporting period ends 30 June, AIS needs to be submitted by 31 December.

Annual Report

- 1) Annual Reports must be distributed to all members/shareholder and must be approved at an Annual General Meeting within 6 months of the end of the financial year.
- 2) Annual Reports are not required to include any additional information to the audited financial report but SILC provides a template with suggestions on material that may be included in the Annual Report.

For newly registered charities, if the date that the ACNC made the decision to register the charity is **within three months** of the end of the charity's reporting period, there are two options for submitting the AIS. You can either:

- 1) submit an Annual Information Statement that reports on the 3 months or less left in your charity's current reporting period, or
- 2) wait until the next reporting period and submit an Annual Information Statement that reports on the 12-15 months that your charity has been registered.

Charities registered for less than 12 months are not required by ACNC to report. However, if you choose to report for 3 months or less:

- 1) the financial information in the Annual Information Statement and the financial report (if required) you provide can be for the full year or for the period you have been operating;
- 2) your charity will be able to report for a standard reporting period (12 months from 1 July) in the following year.

Small charities:

- can submit a financial report, but it is optional
- can choose whether to use cash or accrual accounting, and
- do not need to have their financial statements reviewed or audited for ACNC purposes.

ACNC will send reminder letters to you prior to their due dates. If charities do not submit on time, ACNC will send warning letters after the due dates have passed.

If your charity does not submit its Annual Information Statement, ACNC will:

- c) issue penalty notices if it finds your charity is deliberately not meeting its obligation to report, and/or
- d) publish a statement that your charity’s Annual Information Statement is overdue on ACNC Register. This will appear on your charity’s entry on the Register if it fails to submit for more than six months after the due date.

If your charity does not submit an Annual Information Statement for two or more years, demonstrating persistent non-compliance, ACNC will progress towards revoking its registration. This will result in ATO removing your charity’s entitlement to charity tax concessions. Charities become liable for penalties from the first date their Annual Information Statement is overdue, with greater penalties applying the longer the period of time the statement remains overdue.

Charity size	Minimum penalty (Less than 28 days overdue)	Maximum penalty (More than 112 days overdue)
Small: Annual revenue is less than \$250,000	\$210	\$1,050
Medium: Annual revenue is \$250,000 or more, but less than \$1 million	\$420	\$2,100
Large: Annual revenue is \$1 million or more	\$1,050	\$5,250

Charity has wound up or is no longer operating

If your charity has wound up or is no longer operating, you must notify ACNC to have your charity’s registration revoked. Before applying to cancel your charity’s registration, you must submit your most recent Annual Information Statement.