

Guide to DGR Pack

This guide has been developed to assist your organisation in navigating DGR legislation in Australia.

For more information & resources head to communitydirectors.com.au.

Created by The Breakthrough Office in collaboration with The Institute of Community Directors.

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DGR Fact Sheet

Income Tax Assessment Act 1997, Division 30 (ss.30-15 to 30-130)

A Deductible Gift Recipient (DGR) is an organisation or fund entitled to receive gifts that are tax-deductible for the donor, under Division 30 of the Income Tax Assessment Act 1997.

Donations above \$2 allow donors to claim an income tax deduction, reducing their taxable income.

Why It Matters

DGR status makes giving more financially appealing, helping organisations attract donations. Many grant-makers and philanthropic funders prefer or require DGR status.



Note: Not every charity automatically receives DGR status.

Two Types of Endorsement

1. Whole Organisation

All donations to the organisation are potentially tax-deductible.

2. Specific Fund / Authority

Only gifts to a designated gift fund are deductible. Funds must be used solely for that fund's principal purpose.

Two Pathways to DGR Recognition

Pathway 1: ATO endorsement

The most common method. Apply to the ATO and demonstrate your organisation fits within one of the 13 prescribed DGR categories in law.

Pathway 2: Specific listing

In exceptional cases, an organisation that does not fit a general category may be listed by name directly in the Income Tax Assessment Act 1997.

Eligibility Requirements (s.30-125)

1. Have an Australian Business Number (ABN)
2. Be a registered charity with the ACNC
3. Meet the 'in Australia' condition
4. Have a winding-up clause in your Constitution
5. Maintain a gift fund (if required)

DGR Categories

Division 30

Health

Public hospitals, ambulance services, health research, and health promotion charities (prevention/control of disease).

Education

Public universities, TAFEs, residential colleges, school building funds, scholarships, and bursaries.

Research

Approved research institutes meeting cumulative conditions relating to the institution and the purpose of the gift.

Environment

Environmental organisations. Note: the gift must be received by the DGR's dedicated gift fund.

Welfare & Rights

Includes Public Benevolent Institutions (direct relief of poverty, sickness, or hardship) and Harm Prevention Charities.

The Family

Organisations supporting families, including marriage education and family counselling services.

International Affairs

Overseas aid and development or humanitarian assistance in developing countries.

Fire & Emergency Services

General categories of fire and emergency services organisations eligible to receive deductible gifts.

Defence

Commonwealth defence activities, welfare of armed forces members, and war memorial reconstruction funds.

Cultural Organisations

Institutions promoting literature, music, performing or visual arts, film, community arts, or Indigenous arts/ languages.

Sports & Recreation

Specific organisations related to sports and recreation as listed in the ITAA 1997.

Other Recipients

Community charities (trusts or corporations), often community foundations or public ancillary funds.

Ongoing Obligations

- Keep records of all DGR-relevant transactions
- Demonstrate donated funds are used only for the principal DGR purpose
- Issue receipts correctly in the name of the endorsed entity or fund
- Periodically review operations and governing documents for continued eligibility
- Notify the ATO in writing if the organisation ceases to be eligible

Winding up / Revocation

Governing documents must require that any surplus gift fund assets are transferred to another DGR-endorsed organisation with similar charitable purposes, if the fund is wound up or DGR endorsement is revoked.

Where the fund is a registered charity, assets must transfer to a charity with similar charitable purposes.

Ongoing Obligations Checklist

A companion checklist for organisations that hold, or are planning to obtain, Deductible Gift Recipient (DGR) status. Use this alongside your eligibility checklist to maintain endorsement and meet ATO obligations on an ongoing basis.

Source: Division 30, Income Tax Assessment Act 1997 (ss 30-15 to 30-130). For guidance, refer to ATO publications and the ACNC website.



Organisation:

Review Date:

Completed By:

Obligation	Status	Responsible Person	Review Frequency	Notes
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1. Record Keeping

Keep records explaining all transactions relevant to DGR status.				
Retain records demonstrating donated funds are used only for the principal DGR purpose.				
Where endorsed for a fund, authority or institution only: maintain gift fund records separately from general operating accounts.				

Obligation	Status	Responsible Person	Review Frequency	Notes
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2. Receipting

Issue receipts in the correct legal name of the endorsed entity or gift fund (not a trading name or parent body).				
Ensure receipts are issued for all eligible donations.				

3. Gift Fund Obligations (where applicable)

Maintain a gift fund at all times (if DGR endorsement depends on it).				
Ensure all funds received into the gift fund are used only for the fund's principal purpose.				
Notify the ATO in writing immediately if the gift fund is no longer being maintained				

4. Governing Document Reviews

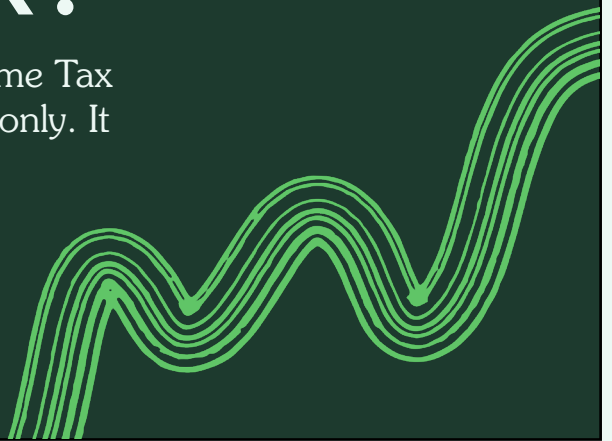
Periodically review governing documents to confirm continued eligibility for your DGR category.				
Confirm the winding-up / surplus assets clause remains in place and correctly drafted.				
Review operations against DGR category requirements if activities or organisational purposes change.				

5. Notifying the ATO

Notify the ATO in writing if the organisation ceases to be eligible for its DGR category.				
Notify the ATO if the gift fund is wound up or is no longer being maintained				
Notify the ATO if DGR endorsement should be revoked for any other reason				

Checklist: Is My Organisation Eligible for DGR?

This checklist is based on Division 30 of the Income Tax Assessment Act 1997 and is intended as a guide only. It does not constitute legal or tax advice.



Stage One

Basic Prerequisites

All five must apply to your organisation.

☐	We have an Australian Business Number (ABN).
☐	We are a registered charity (or applying concurrently). Registered with the Australian Charities and Not-for-profits Commission (ACNC).
☐	Our constitution includes a winding-up clause. Requires surplus gift fund assets to transfer to another DGR on wind-up or revocation.
☐	We maintain (or can establish) a gift fund, if required. Only applicable where endorsement is sought for a fund, authority or institution.

If all five prerequisites are met, move to stage 2.

Stage Two

DGR Category Fit

Select the category that best describes your organisation's principal purpose.

Category	Description	
Health s.30-20	Principal activity is promoting prevention or control of diseases in humans, or operating as a public hospital, ambulance service, or public health research authority. Includes Health Promotion Charities.	☐
Education s.30-35-37	Universities, TAFEs, residential colleges, or public funds for school buildings, scholarships, bursaries, or religious/ethics instruction in government schools.	☐
Research s.30-40	Approved research institutes meeting cumulative eligibility conditions; gifts must be for research purposes.	☐
Welfare & Rights s.30-45-46	Public Benevolent Institutions (direct relief of poverty, sickness, suffering, distress) or Harm Prevention Charities (preventing harmful or abusive behaviour).	☐
Defence s.30-50	Funds for the comfort, recreation or welfare of armed forces members, or for reconstruction of a specific Australian war memorial.	☐
Environment s.30-55	Principal purpose is environmental conservation or protection. Gifts must be directed to a dedicated gift fund.	☐
Industry, Trade & Design s.30-65	Specific listing only, three named organisations. No general open category.	☐
The Family s.30-70	Marriage education or family counselling services.	☐
International Affairs s.30-80	Principal purpose is delivering development or humanitarian assistance in developing countries.	☐
Sports & Recreation s.30-90	Specific listing only, no general open category.	☐
Philanthropic Trusts s.30-95	Specific listing only, named philanthropic trusts.	☐
Cultural Organisations s.30-100	Main purpose is promoting literature, music, performing or visual arts, craft, design, film, community arts, Indigenous arts or languages, or movable cultural heritage.	☐
Fire & Emergency Services s.30-100	Fire or emergency services organisations meeting general category requirements.	☐
Other Recipients s.30-105	Community foundations, public ancillary funds, or community charities structured as trusts or corporations.	☐

If you identify a DGR category match, you may be eligible for DGR registration with Australian Taxation Office.