



**POLICY on
SERVICE FEES charged from donations to
ROTARY AUSTRALIA OVERSEAS AID
FUND
ROTARY AUSTRALIA BENEVOLENT
SOCIETY**

SEPTEMBER 2013

At the AGM held in November 2011, the District Governors of 2010-2011 (being the Members of RAWCS Ltd) resolved to accept a proposal that a Service Charge be levied on donations.

Since that time, many hours have been spent, drafting documents to ensure the final decision will result in a system that offers the best outcomes at the lowest possible cost to those who plan and operate the projects of RAWCS – Rotarians and their Rotary Clubs and Districts.

Over the past few years, RAWCS has witnessed an unsurpassed growth in the number of projects registered through the Rotary Australia Overseas Aid Fund (RAOAF).

The workload on the Regional and National volunteer committees has increased many times.

More recently, with the start-up of Rotary Australia Benevolent Society (RABS), a very exciting new innovation from your RAWCS and National Committee, Rotarians now can register and run projects directly in our Australian communities. RAWCS does not donate money to other Charities and NGOs.

In partnership with Rotary Clubs, Philanthropic donors will be able to perform projects within Australia and receive an appropriate tax benefit.

Donations towards the costs of projects are Tax Deductible by authority of either the "Rotary Australia Overseas Aid Fund" (ABN 21 388 376 554) or the "Rotary Australia Benevolent Society" (ABN 54 563 288 318). Both are endorsed as a Deductible Gift Recipient by the Australian Tax Office.

With all this happening Rotary's presence in the wider community is becoming more prominent than in the past history of Rotary in Australia.

Consequently, it is expected that projects will continue to increase during each year. The future of Rotary in Australia is truly exciting.

This expansion and the increase in organisation and management comes at a cost.

At National and Regional levels, secretarial services are required to ensure a smooth flow of documentation processes.

Therefore it has become necessary for National and Regional committees to employ a secretariat.

How do we fund this?

After much deliberation, it was determined a Service Fee of three percent (3%) will be necessary, to be collected by the RAWCS National Board. Regional funds will be allocated from the Service Fee following the submission and adoption of annual budgets to the National Treasurer.

The RAWCS Board has resolved that all projects registered with RAWCS, after 1 July 2012, are charged the Service Fee, subject to the exceptions listed below.

Equitable implementation of the Service Fee has been the more difficult process. The Board has resolved that the following **exceptions** will apply to donations made directly to the RAOAF and/or the RABS :

- a) Donations by Rotarians in relation to their activities.
- b) Donations from Rotary Clubs and Districts in support of registered RAWCS projects and activities.
- c) Donations deemed by the National Board to be strategic and where it is not in the best interest of RAWCS to deduct the full service fee. In accordance with this clause a smaller fee may be negotiated with donors and Government related entities offering grants for major projects.
- d) Donations and arrangements which have been entered into prior to the commencement of this policy where a lower fee has been agreed between the RAWCS representative and the donors.
- e) All projects registered before 30th June 2012 will be exempt until 1st July 2015. This includes projects with name changes.
- f) Non-taxable donations for personal and direct expenses by members of Project Volunteer Teams.
- g) Donations to a RABS project registered to respond to a declared disaster.

Adopted August 2013