

# Uniting Church in Australia – Queensland Congregations

Supplementary GST Manual – August 2025



# Contents

Contents	2
1. Introduction	3
1.1. Disclaimer	3
1.2. Purpose	3
1.3. Version Control	3
1.4. External Escalation	3
2. Overview of Uniting Church	4
2.1 Background and Operational Structure	4
2.2 Registration Status	4
3. GST Legislation	5
3.1 Overview of GST	5
3.2 Types of supplies for GST purposes	5
3.3 GST Religious Groups and Non-Profit Sub-Entities	7
4. GST on Revenue	9
4.1 Timing of Recognition of GST on Income	10
4.2 Tax Invoice Requirements	10
5. Accounting for GST on Expenses / Purchases	12
5.1 Entitlement to Recover Input Tax Credits	12
5.2 GST Codes for Purchases	13
5.3 Timing of Recognition of GST on Expenses	13
5.4 Reimbursements and Disbursements	13
5.5 Entertainment Expenses	14
5.6 Employee Reimbursements	14
6. Compliance and Lodgement	15
6.1 Verifying Registration Details	15
6.2 Documentation and Record Keeping	16
6.3 BAS Lodgement Due Dates	16
6.4 Common GST Reporting Errors	16
6.5 Correcting GST Errors	17
7. Glossary	18
Appendix A – Decision Trees (Supplies / Income)	19
Appendix B – Decision Tree (Purchases / Expenses)	24
Appendix C – Congregation Treasurer’s Frequently Asked Questions about GST	25

# 1. Introduction

## 1.1. Disclaimer

This manual has been prepared for Uniting Church in Australia Property Trust (Q.) (ABN: 25 548 385 225) ("**UCA Property Trust**") and various related entities (together, "**UCA Group**") specifically in respect of the operations of the congregations of UCA Property Trust ("**UCA Congregations**"). It provides an overview of the Goods and Services Tax ("**GST**") legislation and documents the UCA Congregations' policies and practices on specific issues relating to GST.

This manual should only be used as a guide and is not formal advice. It has been prepared based on information provided by UCA Group. Subsequent events and circumstances, such as amendments to legislation and changes in the business may affect the accuracy of the manual. Accordingly, please contact Grant Thornton Australia Limited ("**Grant Thornton**") for additional advice to understand the impact of revised circumstances on UCA Group's GST compliance.

This manual is confidential and has been prepared exclusively for UCA Group. It should not be used, reproduced, or circulated for any other purpose, in whole or in part, without Grant Thornton's prior written consent.

## 1.2. Purpose

This manual is intended to be used as a high-level, practical guide covering the majority of circumstances faced by the UCA Congregations, and is a supplementary manual to the GST Manual for the Uniting Church in Australia – Queensland Synod ("**Main GST Manual**"). If situations are encountered by the UCA Congregations which are not covered in this manual, or there is otherwise uncertainty in respect of a GST position, the UCA Congregations should escalate the matter to the Synod Office to ensure that the correct GST outcome is reached.

## 1.3. Version Control

This document should be reviewed and revised (as required) on an annual basis to ensure it is up to date with any changes in legislation, as well as in response to significant changes to processes and systems or to correct errors or omissions.

Version	Status	Date	Prepared by	Comments
1.0	Final	August 2025	Grant Thornton Australia Limited	

## 1.4. External Escalation

For further information and guidance, please contact UCA Group's Grant Thornton GST representatives:

Name	Position	Direct Telephone	E-mail
<b>Anika Reside</b>	Partner – Indirect Tax	(08) 9480 2070	Anika.Reside@au.gt.com
<b>Mark Foster</b>	Director – Indirect Tax	(07) 3222 0243	Mark.Foster@au.gt.com
<b>Bianca Michelbach</b>	Manager – Indirect Tax	(08) 9480 2166	Bianca.Michelbach@au.gt.com

## 2. Overview of Uniting Church

### 2.1 Background and Operational Structure

UCA Property Trust is an incorporated body constituted by statute (*The Uniting Church in Australia (Queensland) Act 1977*) and carries out the Uniting Church in Australia's mission in Queensland, committed to a flourishing future for church and community.

A number of unincorporated associations exist and operate within UCA Property Trust. This includes the UCA Congregations (acting as the local church), of which there are approximately 200.

Each of the UCA Congregations are charities registered with the Australian Charities and Not-for-profits Commission ("**ACNC**") and are endorsed to access the GST concessions. Each of the UCA Group entities are also endorsed as Deductible Gift Recipient ("**DGR**") entities.

### 2.2 Registration Status

Each of the UCA Congregations has an ABN and most are registered for GST. All GST-registered UCA Congregations are part of the GST religious group.

## 3. GST Legislation

### 3.1 Overview of GST

The Goods and Services Tax (“**GST**”) is a transaction-based tax that was implemented in Australia on 1 July 2000. It is governed principally by the *A New Tax System (Goods and Services Tax) Act 1999* (“**GST Act**”) as well as the *A New Tax System (Goods and Services Tax) Regulations 2019* (“**GST Regulations**”). GST is levied at a rate of 10% on the value of goods and services supplied (referred to as a “taxable supply”), rather than directly on income, and is therefore considered an indirect tax on the consumption of transactions.

The GST system was designed with the intention that the ultimate cost of the GST is borne by end consumers, non-GST registered entities and certain input taxed supply providers (such as entities that make financial supplies or supply residential accommodation). Consequently, GST-registered businesses do not typically bear the cost of GST given they are entitled to recover GST included in the cost of business-related purchases, to the extent they are for a creditable purpose. A key requirement to recover GST included in the cost of business-related purchases is that the recipient hold a valid tax invoice for the purchase.

### 3.2 Types of supplies for GST purposes

Section 9-5 of the GST Act provides that a taxable supply (a supply subject to GST) is made where all of the following requirements are met:

- (a) *The supply is made for consideration;*
- (b) *The supply is made in the course or furtherance of an enterprise that the supplier carries on;*
- (c) *The supply is connected with the indirect tax zone<sup>1</sup>; and*
- (d) *The supplier is registered or required to be registered for GST.*

*However, the supply is not a taxable supply to the extent that it is GST-free or input taxed.*

Each of paragraphs (a), (b), (c) or (d) above are explained in further detail below.

#### **(a) The supply is made for consideration**

A supply is very broadly defined as “any form of supply whatsoever” and is anything provided by the congregation, including:

- Goods
- Services
- Advice or information
- Use of property
- Rights or obligations

Consideration means something is given in return. It can be money or something else of value. A payment is considered to be consideration if it is made in connection with, in response to, or to encourage the supply.

**Importantly, the GST Act specifically excludes genuine gifts made to non-profit bodies from being treated as consideration.** For help determining whether a payment is a gift, refer to the table in section 4.1 and Decision Tree 2 in Appendix A of this GST Manual for further detail.

#### **(b) The supply is made in the course or furtherance of an enterprise that the supplier carries on**

For UCA Congregations, this condition is usually met. An enterprise includes activities of charities. This means that any supply made by a congregation as part of its regular charitable activities will meet this requirement.

---

<sup>1</sup> Note that for practical purposes the term “indirect tax zone” means Australia and will be referred to as such in this GST Manual.

### (c) The supply is connected with the indirect tax zone

The indirect tax zone refers to Australia. Broadly, a supply is connected with Australia if:

- Goods are delivered or made available in Australia
- It relates to real property<sup>2</sup> (such as a lease of premises) that is located in Australia
- Services are provided in Australia or the supplier operates in Australia

Since UCA Congregations carry out their activities in Australia, this condition will generally be met for all supplies they make.

**Caution should be taken when supplies are made outside of Australia, or involve non-residents. To ensure correct GST treatment such supplies should be escalated to the Synod office.**

### (d) The supplier is registered or required to be registered for GST

A congregation must register for GST if:

- it carries on an enterprise; and
- its GST turnover is \$150,000 or more in a rolling 12 month period.

GST turnover means total business income (excluding GST). Certain types of supplies are excluded from GST turnover, including:

- input taxed supplies (such as residential rent);
- supplies that are not for consideration (such as genuine gifts);
- supplies that are not made in connection with the congregation's enterprise; and
- supplies that are not connected with Australia.

Where any of the conditions listed in paragraphs (a), (b), (c) or (d) above are not met, the supply will generally be outside the scope of GST (i.e. an out of scope supply) and will not be subject to GST.

In addition, the GST Act specifically provides that certain supplies are not subject to GST, even when they meet the general conditions for a taxable supply. These include

- GST-free supplies; and
- input taxed supplies.

The table below summarises each of these supplies for GST purposes. It is recommended that this table is printed out and kept handy as a reference point.

Type of supply	GST Code	Example	Report on BAS?	Charge GST?	Claim input tax credits on related purchases?
Out of scope supply	BAS Excluded	<ul style="list-style-type: none"><li>• Intra-GST religious group transactions</li><li>• Salary and wages</li><li>• Genuine gifts</li></ul>	No	No	Yes
Taxable supply	GST on Income	<ul style="list-style-type: none"><li>• Retail sales at market value</li><li>• Hall hire at market value</li></ul>	Yes	Yes	Yes
GST-free supply	GST Free Income	<ul style="list-style-type: none"><li>• Supplies of religious services (where rules for GST-free treatment are met)</li><li>• Supplies of residential accommodation below market value</li><li>• Hall hire below market value</li></ul>	Yes	No	Yes

---

<sup>2</sup> Real property includes land, land and buildings, an interest in land, rights over land and a licence to occupy land.

Input taxed supply	Input Taxed Income	<ul style="list-style-type: none"> <li>Supplies of residential accommodation at market value</li> <li>Bank Interest (however, note that interest between GST religious group members, e.g. the Uniting Church Investment Service, would be BAS excluded)</li> </ul>	Yes	No	No (subject to certain exceptions <sup>3</sup> )
--------------------	--------------------	---	-----	----	--

Some supplies may contain a mixture of the above GST treatments. Where a supply contains (or appears to contain) more than one part, careful consideration of its character is required for the purposes of determining GST treatment. This involves determining whether the supply is a “mixed” or “composite” supply. Details on “mixed” or “Composite” supplies can be found in section 3.2.5 of the Main GST Manual.

**Where a congregation considers there may be more than one part for a supply it makes, this query should be escalated to the Synod Office.**

## 3.3 GST Religious Groups and Non-Profit Sub-Entities

### 3.3.1 GST Religious Groups

Under Division 49 of the GST Act, two or more charitable bodies belonging to the same religious organisation can form a GST religious group if they meet the eligibility requirements as set out in section 3.3.1 of the Main GST Manual.

A GST religious group is effectively treated as a single entity for certain GST purposes and transactions between group members are not subject to GST, simplifying accounting and improving cash flow. As there are no GST consequences for intra-group transactions, there is also no requirement to issue tax invoices.

However, members of a GST religious group must still account for GST on all transactions with parties outside the GST religious group by lodging individual GST returns (Business Activity Statements or “BAS”).

**Transactions between members of the GST religious group are not included in the BAS.**

### 3.3.2 Non-Profit Sub-Entities

Under Division 63 of the GST Act, certain non-profit entities can choose to treat some or all of their separately identifiable branches or units treated as separate entities. These are called non-profit sub-entities.

For the detailed requirements and technical guidance, refer to Section 3.3.2 of the Main GST Manual.

Broadly, a branch or unit can only be treated as a non-profit sub-entity if:

- It is separately identifiable by its activities or location.
- It maintains its own accounting system.
- It is formally recorded by the parent entity as a non-profit sub-entity.

When a congregation registers a branch as a non-profit sub-entity for GST purposes:

- The congregation then ceases to be responsible for GST on the activities of the branch / non-profit sub-entity.
- The branch / non-profit sub-entity is treated as a separate entity for GST purposes only.
- The branch / non-profit sub-entity can:
  - Apply for its own ABN and GST registration.
  - Access the same GST concessions as the congregation.

For BAS reporting:

- If the branch / non-profit sub-entity has its own ABN and GST registration:

<sup>3</sup> Refer to the Main GST Manual for details, including in respect of the Financial Acquisitions Threshold at section 5.1.1.

- It must lodge its own BAS.
  - Its transactions must not be included in the congregation's BAS.
- If the branch / non-profit sub-entity does not have its own ABN and GST registration:
  - It is not a GST-recognised sub-entity.
  - Its activities must continue to be reported in the congregation's BAS.

## 4. GST on Revenue

The table below summarises the key types of revenue made by the UCA Congregations, and the relevant GST treatment to be applied. It is recommended that this table is printed out and kept handy as a reference point.

Refer to Appendix A for decision trees which provide an overview of the GST treatment of supplies / income (other than supplies of real property) that may be made by the UCA Congregations, as well as specific types of supplies in more detail.

**Should the transaction not fall into one of the below revenue streams or where there is otherwise uncertainty in respect of a GST position, the UCA Congregation should escalate the matter to the Synod Office to ensure that the correct GST outcome is reached.**

Revenue stream	GST treatment	Example	GST manual reference
Intra-GST religious group transactions	<ul style="list-style-type: none"> <li>Out of scope supply (<i>BAS Excluded</i>)</li> </ul>	Costs on-charged by one UCA Group entity to another UCA Group entity	Section 3.3 Appendix A - Decision Tree 1
Donations and bequests Grant funding Sponsorships	<ul style="list-style-type: none"> <li>Out of scope supply (<i>BAS Excluded</i>) – if the receipt is a 'gift' for GST purposes</li> <li>Taxable supply (<i>GST on Income</i>) – if the payment has contractual conditions attached or the donor receives a material benefit in return, it is a payment for a supply</li> </ul>	Retiring offerings, appeals Government grants, non-government grants	Appendix A - Decision Tree 2
Proceeds from fundraising events	<ul style="list-style-type: none"> <li>GST-free supply (<i>GST Free Income</i>) – if raffles or bingo; or if GST-free nominal consideration rules are met</li> <li>Input taxed supply (<i>Input Taxed Income</i>) – if input taxed election has been made and the relevant conditions are met</li> <li>Taxable supply (<i>GST on Income</i>) – all other cases</li> </ul>	Fete, ball, raffles, bingo	Appendix A - Decision Tree 3 Appendix A - Decision Tree 4
Sale of retail goods (including new goods and second hand goods)	<ul style="list-style-type: none"> <li>GST-free supply (<i>GST Free Income</i>) – if GST-free second-hand goods rules are met; or if GST-free nominal consideration rules are met</li> <li>Taxable supply (<i>GST on Income</i>) – all other cases</li> </ul>	Op shop sales, bookshop sales	Appendix A - Decision Tree 4 Appendix A - Decision Tree 5
Religious services	<ul style="list-style-type: none"> <li>GST-free supply (<i>GST Free Income</i>) – if GST-free religious services rules are met; or if GST-free nominal consideration rules are met</li> <li>Taxable supply (<i>GST on Income</i>) – all other cases</li> </ul>	Worship services, wedding, funeral or baptism services	Appendix A - Decision Tree 4 Appendix A - Decision Tree 6
Property transactions	<ul style="list-style-type: none"> <li>Input taxed supply (<i>Input Taxed Income</i>)</li> <li>GST-free supply (<i>GST Free Income</i>)</li> <li>Taxable supply (<i>GST on Income</i>)</li> </ul>	Input taxed: rental income from manse (at or above 75% of market value)  GST-free: rental income from manse (below 75% of market value), church rental income or hall hire (below 50% of market value)	N/A – see Main GST Manual for details or contact the Synod office for guidance

		Taxable: church rental income or hall hire (at or above 50% of market value)	
<b>Investment income and interest income</b>	<ul style="list-style-type: none"> <li>Input taxed supply (<i>Input Taxed Income</i>)</li> </ul>	Interest earned on a bank account, term deposit, or income received from holding an interest in an investment portfolio outside of the GST religious group	<p>N/A – see Main GST Manual for details</p> <p>Contact the Synod office for guidance in respect of the treatment of claims on MDF and MDP funds.</p>

## 4.1 Timing of Recognition of GST on Income

On the basis that the congregations use the cash basis for accounting for GST, GST is reported in the BAS for the period when payment is received.

## 4.2 Tax Invoice Requirements

### 4.2.1 General

Where a UCA Congregation makes a taxable supply of more than \$82.50 (including GST), it should issue a tax invoice to allow the recipient to claim GST credits (if eligible).

Equally, for a UCA Congregation to claim GST credits on purchases over \$82.50 (including GST), it must hold a valid tax invoice issued by the supplier.

If a recipient requests a tax invoice, the UCA Congregation must provide one within 28 days of the request being made.

A valid tax invoice includes enough information to clearly determine all of the following details:

- 1 That the document is intended to be a tax invoice;
- 2 The seller's identity;
- 3 The seller's ABN;
- 4 The date the invoice was issued;
- 5 A brief description of the services provided and the price;
- 6 The GST amount (if any) payable – this can be shown separately or, if the GST amount is exactly 1/11<sup>th</sup> of the total price, as a statement such as 'Total price includes GST';
- 7 The extent to which each sale on the invoice includes GST; and
- 8 If the invoice is for a purchase of \$1,000 or more, the buyer's identity or ABN.

Where a tax invoice issued by a UCA Congregation includes both taxable and non-taxable supplies (e.g. items that are GST-free), the invoice must show which items are taxable.

### 4.2.2 Adjustment Notes

If the amount of GST payable or claimable changes after a sale or purchase has been reported in a BAS, an adjustment may be required. This could happen if:

- A sale or purchase is cancelled
- The thing or part of the thing supplied is returned
- The price changes (e.g. due to a discount)

- A supply or purchase becomes, or ceases to be, a taxable supply or a creditable purchase.

If the GST payable amount increases (i.e. GST is owed to the ATO), it is an increasing adjustment. If the GST payable amount decreases (i.e. a GST refund is due), it is a decreasing adjustment.

The adjustment must generally be reported in the reporting period in which the UCA Congregation becomes aware of the need for an adjustment.

Generally, a valid adjustment note must be issued before a decreasing adjustment can be made, unless the adjustment is for a GST-inclusive amount of \$82.50 or less.

Similarly to a tax invoice, a valid adjustment note must include enough information to clearly determine all of the following details:

- 1 That the document is intended to be an adjustment note and the effect of the adjustment;
- 2 The seller's identity;
- 3 The seller's ABN;
- 4 The date the adjustment note was issued;
- 5 A brief explanation of the reason for the adjustment;
- 6 The amount of the adjustment to the GST payable;
- 7 The difference between the price of the supply before the adjustment and the price of the supply after the adjustment; and
- 8 If the adjustment note relates to a tax invoice for a supply of \$1,000 or more (or if the adjustment note arises out of an adjustment event where a supply that was not taxable becomes taxable and the price of the supply is \$1,000 or more), the buyer's identity or ABN.

Adjustment notes must be issued within 28 days of any request by the recipient or when becoming aware of the adjustment.

**If you are unsure whether an adjustment applies, please refer to the Main GST Manual or contact the Synod office.**

# 5. Accounting for GST on Expenses / Purchases

## 5.1 Entitlement to Recover Input Tax Credits

Input tax credits (GST credits) are available where “creditable acquisitions” (or creditable purchases) are made by an entity. Section 11-5 of the GST Act provides that a creditable purchase is made where:

- (a) *You acquire anything solely or partly for a creditable purpose;*
- (b) *The supply of the thing to you is a taxable supply;*
- (c) *You provide, or are liable to provide, consideration for the supply; and*
- (d) *You are registered or required to be registered.*

The “creditable purpose” requirement under (a) above essentially means that a UCA Congregation will not be entitled to claim input tax credits to the extent that the purchase relates to making input taxed supplies or if the purchase relates to private or non-business purposes.

Where a UCA Congregation makes purchases that relate solely to making taxable or GST-free supplies, the UCA Congregation is entitled to claim input tax credits in full, provided that valid tax invoices are held at the time of BAS lodgement.

Note that a GST religious group is treated as a single entity for certain GST purposes. As such, each member of the GST religious group must look at the purpose of the group as a whole in making the purchase to determine the extent to which that member's purchases are for a creditable purpose.

### 5.1.1 General input tax credit entitlement

The following checklist can be used as a guide to determine whether the requirements to claim an input tax credit are satisfied:

Condition	Condition satisfied?
1	The purchase is intended to be used solely or partly for business purposes (i.e. not for private purposes), and the purchase does not relate to making input taxed supplies (i.e. supplies of residential rent). <b><u>Where the purchase relates to making input taxed supplies you may contact the Synod Office for guidance.</u></b>
2	The purchase price included GST.
3	The UCA Congregation provided, or was liable to provide, payment for the purchase.
4	The UCA Congregation holds a valid tax invoice for the purchase (if it was more than \$82.50 including GST) at the time of lodging its BAS. See section 4.5.1 for valid tax invoice requirements.
5	The input tax credit claim is within four years from the due date of the earliest BAS in which the input tax credit could have been claimed, setting aside any requirement to hold a valid tax invoice.
6	The vendor has a valid ABN and was registered for GST as at the date the supply was made. <b><u>Where the ABN on a supplier invoice is invalid, contact the Synod office for guidance.</u></b>

While there is no requirement under the GST law to hold a tax invoice for GST claims relating to purchases less than \$82.50, the ATO does recommend that some form of documentation is maintained to substantiate such purchases regardless, for example a cash register docket, a receipt or an invoice. If such documentation is not available, a record of the purchase should be maintained, such as a diary entry with:

- The name and ABN of the supplier;
- The date of purchase;
- A description of the items purchased; and
- The amount paid.

## 5.2 GST Codes for Purchases

It is generally the supplier's responsibility to determine the appropriate GST treatment for a supply. As such, a UCA Congregation should code the expense as either subject to GST (i.e. GST on Expenses) or not subject to GST depending on whether GST has been included on the supplier invoice.

Note that GST-free concessions (such as in relation to religious services) are not applicable for expenses; they only relate to the GST treatment of the UCA Congregations' supplies.

Where GST is included on the expense, it will not be recoverable where it relates to making input taxed supplies, such as renting residential premises at 75% or greater of the market rate. Such purchases should be clearly distinguished to ensure they are not erroneously claimed.

The Guidelines set out a summary of what purchases will be creditable, however, for accounting purposes, it is recommended all non-creditable expense items are coded by congregations as GST on Expenses (non-creditable) to ensure the GST is not captured and claimed in preparing the BAS. Currently, these are coded as GST-Free Expenses.

Refer to Appendix B for a decision tree outlining the GST treatment of expenses.

**Please refer to the Guidelines or the Synod office for confirmation of the correct GST coding for congregation expense items.**

## 5.3 Timing of Recognition of GST on Expenses

On the basis that the congregations use the cash basis for accounting for GST, GST is claimed in the BAS for the period when payment is made.

You must have a valid tax invoice at the time of lodging the BAS to claim GST on purchases over \$82.50. GST must be claimed within 4 years from when it could first have been claimed.

## 5.4 Reimbursements and Disbursements

The GST treatment of on-charged costs depends on whether they are reimbursements or disbursements and on the nature of the main supply under the lease. For detailed technical guidance, refer to Section 5.5 of the Main GST Manual.

A reimbursement occurs when an entity incurs a cost in its own capacity and then on-charges that cost to another entity. In most lease arrangements, outgoings such as water, council rates, insurance, and repairs are reimbursements because the landlord incurs these costs and recovers them from the tenant.

The GST treatment of the reimbursement follows the GST treatment of the main supply under the lease. If the lease is a taxable supply (for example, a commercial lease), GST applies to the rent and to on-charged outgoings, even if the original expense did not include GST (such as council rates). If the lease is not a taxable supply (for example, the lease of residential premises either at or below market rate), no GST applies to the rent or to on-charged outgoings.

For example, a congregation rents out a manse to a minister for residential accommodation. The lease requires the tenant to reimburse water charges and council rates. Because the supply of residential accommodation is not a taxable supply, the congregation does not charge GST on the rent or on the reimbursed water and council rates.

A disbursement occurs when an entity pays a cost on behalf of another entity as their agent and then recovers the exact amount. Disbursements are not subject to GST because they are not consideration for a supply. This is uncommon in standard lease arrangements.

**Given the complexity that can be associated with such transactions, it is recommended that the UCA Congregations consult with the Synod Office to ensure the correct GST treatment is applied.**

## 5.5 Entertainment Expenses

The general rules around claiming input tax credits for employee and client entertainment is summarised below:

*Entertainment expenditure incurred in relation to employees:*

- subject to FBT;
- income tax deductible; and
- input tax credit available for GST purposes.

*Entertainment expenditure incurred in relation to non-employees (e.g. clients):*

- not subject to FBT;
- no income tax deduction; and
- no input tax credit available for GST purposes.

Input tax credits are only available on entertainment expenditure that is subject to FBT. As such, a UCA Congregation will only be entitled to claim input tax credits on entertainment expenditure to the extent that it pays FBT on that expenditure.

**If you are unsure whether GST can be claimed on entertainment expenses, or whether GST applies, please contact the Synod Office.**

## 5.6 Employee Reimbursements

If the congregation reimburses an employee for a work-related purchase that included GST, it can usually claim the GST as long as the purchase meets the usual rules (see section 5.1.1).

**If the reimbursement relates to entertainment or input taxed activities, or you are unsure, please contact the Synod office.**

## 6. Compliance and Lodgement

### 6.1 Verifying Registration Details

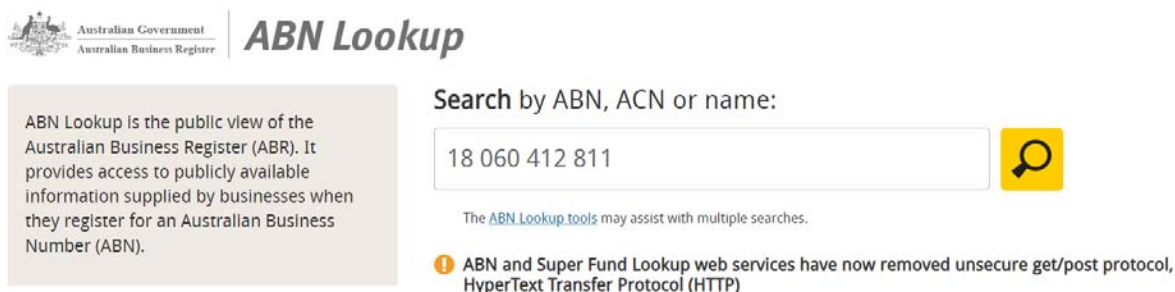
The UCA Congregations use the ABN Lookup Tool to check the ABN and GST registration status of suppliers on vendor set up and periodically thereafter.

If the ABN of a supplier is invalid, ABN withholding is triggered at the rate of 47% (representing the current top rate of tax) of the invoice amount. The relevant UCA Congregation is required to withhold and pay this amount directly to the ATO.

Furthermore, where an ABN provided by a supplier is invalid, any GST included in the purchase price should not be claimed by the UCA Congregation as an input tax credit.

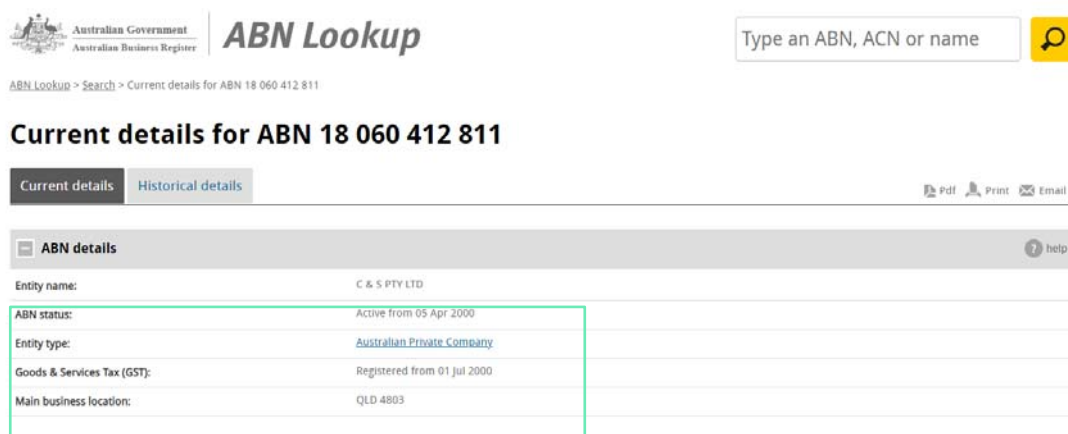
**Please contact the Synod office should you identify a vendor without a valid ABN.**

1. Go to the ABN Lookup website (<https://abr.business.gov.au/>) and input the entity's ABN, ACN or company name and click on the search button.



The screenshot shows the ABN Lookup website. On the left, there is a text box explaining that ABN Lookup is the public view of the Australian Business Register (ABR) and provides access to publicly available information. On the right, there is a search bar with the text "Search by ABN, ACN or name:". Below the search bar, the number "18 060 412 811" is entered. To the right of the search bar is a yellow magnifying glass icon. Below the search bar, there is a message: "The ABN Lookup tools may assist with multiple searches." and a warning icon with the text: "ABN and Super Fund Lookup web services have now removed unsecure get/post protocol, HyperText Transfer Protocol (HTTP)".

2. Review the registration details under the “Current details” tab.



The screenshot shows the ABN Lookup website current details page for ABN 18 060 412 811. The page has a header with the Australian Government logo and the text "ABN Lookup". Below the header, there is a search bar with the text "Type an ABN, ACN or name" and a yellow magnifying glass icon. Below the search bar, there is a breadcrumb trail: "ABN Lookup > Search > Current details for ABN 18 060 412 811". The main heading is "Current details for ABN 18 060 412 811". Below the heading, there are two tabs: "Current details" (selected) and "Historical details". To the right of the tabs are icons for PDF, Print, and Email. Below the tabs, there is a section titled "ABN details" with a help icon. The section contains a table with the following information:

Entity name:	C & S PTY LTD
ABN status:	Active from 05 Apr 2000
Entity type:	<a href="#">Australian Private Company</a>
Goods & Services Tax (GST):	Registered from 01 Jul 2000
Main business location:	QLD 4803

As demonstrated, the ABN status for the example entity above, C & S Pty Ltd, is active from 5 April 2000, and the GST registration is effective from 1 July 2000. The entity is registered as an Australian Private Company.

#### Bulk Verifications

For bulk verification of ABNs or names, UCA Group may use the ATO's bulk ABN lookup tool, available via the ABN Lookup website or through the ATO's data services. This can assist with reviewing multiple suppliers efficiently. Refer to:

<https://abr.business.gov.au/BulkSearch.aspx>.

## 6.2 Documentation and Record Keeping

Written evidence of each UCA Congregation's income and expenses should be maintained so that it can substantiate transactions to the ATO if required.

Generally, businesses are required to keep a copy of their BAS along with the records used to prepare it until the latest of:

- five years after the transaction occurred or the estimate, determination or calculation was made;
- four years after the BAS was lodged; or
- four years after receiving a notice of amended assessment (if the BAS was amended).

Records must:

- be in English and readily accessible (including electronic records)
- include the date, amount, and type of transaction (e.g. sale, purchase, rent)
- include the purpose of the transaction and the relationship between the parties, if relevant
- be made at the time of the transaction, or as soon as possible afterwards
- be kept in a format that shows the essential details of the transaction, even if stored electronically (e.g. on a USB or cloud storage)

## 6.3 BAS Lodgement Due Dates

The due date for monthly BAS lodgements is the 21<sup>st</sup> day of the month following the end of the monthly period. If the 21<sup>st</sup> falls on a weekend or public holiday, the due date will be the next business day.

Having a monthly BAS lodgement cycle means it is essential that internal preparation and review timeframes are followed.

The due date for quarterly BAS lodgements is the 28<sup>th</sup> day of the month following the end of the quarterly period. If the 28<sup>th</sup> falls on a weekend or public holiday, the due date will be the next business day.

## 6.4 Common GST Reporting Errors

The following table provides a summary of common GST errors made by organisations such as the UCA Congregations.

Error	Description
<b>Incorrect record-keeping and invoicing</b>	<ul style="list-style-type: none"><li>• Issuing tax invoices that do not meet the requirements of the GST law (see section 4.2).</li><li>• Claiming input tax credits on 1/11<sup>th</sup> of all expenses instead of considering eligibility at the transaction level.</li><li>• Failing to keep appropriate records where a supplier does not quote an ABN (which triggers ABN withholding requirements).</li></ul>
<b>Failure to maintain tax invoice integrity</b>	<p>The UCA Congregation must have a valid tax invoice at the time of lodging its BAS to claim input tax credits if the purchase is over \$82.50 (including GST). The following should also be avoided:</p> <ul style="list-style-type: none"><li>• Claiming input tax credits on supplier invoices where an ABN is provided but no current GST registration exists.</li><li>• Paying an invoice or claiming input tax credits on an invoice where an ABN and GST registration is no longer valid.</li><li>• Claiming input tax credits against tax invoices that are not addressed to the entity making the claim.</li></ul>

<b>Incorrectly reporting sales at label G1 of the BAS</b>	All reportable payments and other consideration received during the period must be disclosed at label G1 of the BAS. This includes GST-free supplies (which should also be disclosed at label G3) and input taxed supplies. However, payments which are not consideration for a supply (such as gifts), and other out of scope supplies, should not be reported at label G1.
<b>Not performing reconciliations periodically</b>	GST figures should be periodically reconciled to sales reported in the financial statements and taxable income reported in the income tax return, where relevant. The ATO has placed increased focus on reconciling tax to accounting figures and expects significant variances to be documented and explained. This also provides a level of assurance that the correct amount of GST is being reported and paid.

## 6.5 Correcting GST Errors

Where an error is identified after a BAS is lodged, it is possible to correct that error within four years of the due date of the lodged BAS in certain circumstances. If the relevant conditions are satisfied, the correction may be made by either:

- 1 Revising the original BAS where the error occurred; or
- 2 Fix the error in a later BAS, if certain conditions are met.

### Conditions for correcting the error in a later BAS

To correct a GST error in a later BAS, it is first necessary to distinguish between a "credit error" and a "debit error".

A **credit error** occurs where a taxpayer has reported or paid too much GST, for example by reporting GST on a sale twice or failing to claim an available input tax credit.

- A credit error can be corrected by way of either method (1) or (2) above, within four years of the due date of the BAS in which the error was made.

A **debit error** occurs where a taxpayer has reported or paid too little GST, for example by failing to report GST on a sale or by claiming excess input tax credits.

- A debit error can only be corrected by way of method (1) above, unless all of the below conditions are satisfied, in which case method (2) is permitted:
  - The error was an honest mistake (not recklessness or intentional disregard);
  - The error corrected is within the debit error time limit (see table below); and
  - The total amount of under-reported GST is within the debit error value limit (see table below).

Current GST turnover	Debit error time limit	Debit error value limit
Less than \$20 million	Within 18 months of the due date of the BAS in which the error was made	Less than \$12,500
\$20 million to less than \$100 million		Less than \$25,000
\$100 million to less than \$500 million	Within 12 months of the due date of the BAS in which the error was made	Less than \$50,000
\$500 million to less than \$1 billion		Less than \$100,000
\$1 billion and over		Less than \$560,000

**If you are unsure how you should correct a GST Error, please contact the Synod office.**

## 7. Glossary

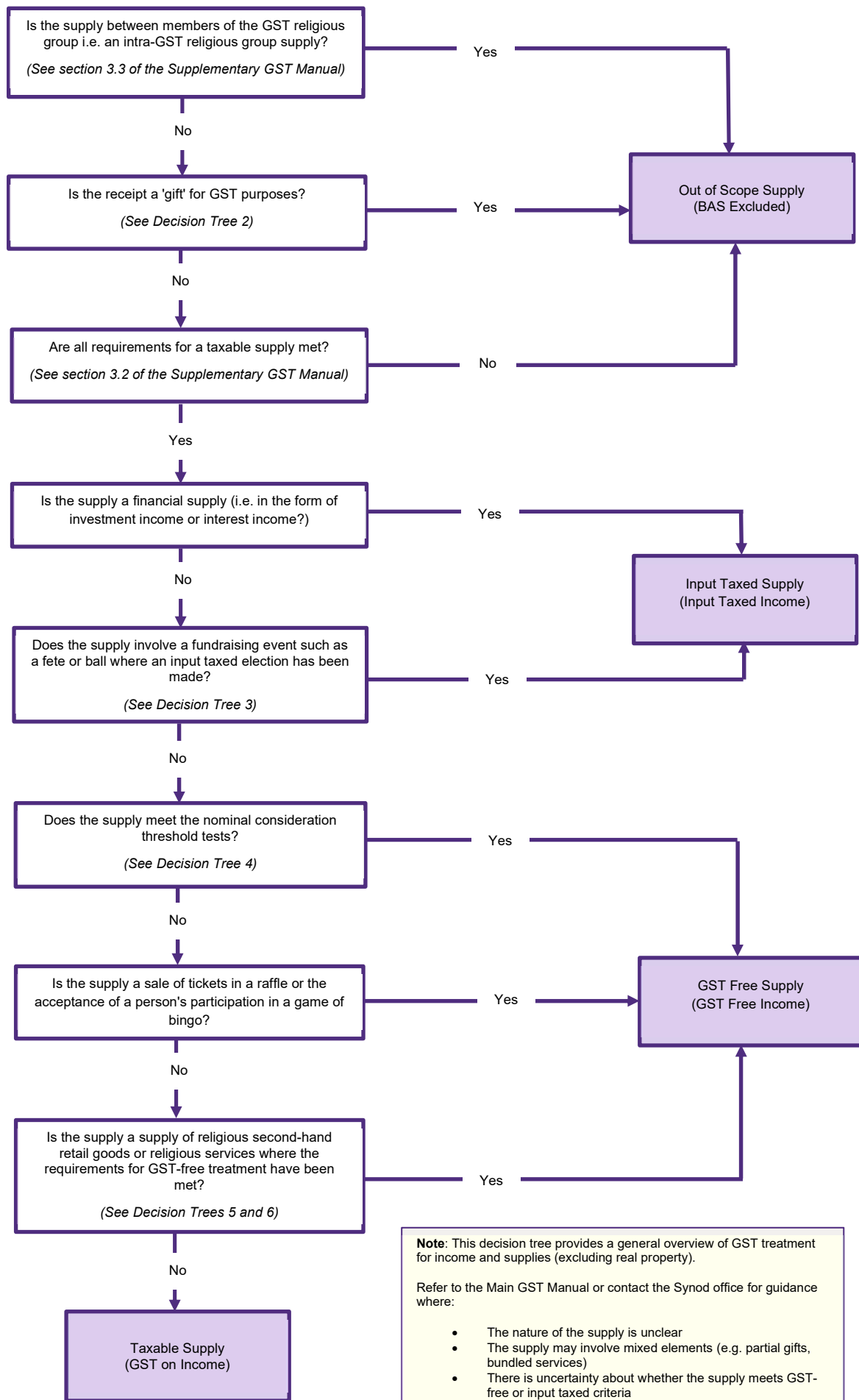
<b>ABN</b>	Australian Business Number
<b>ABR</b>	Australian Business Register
<b>Acquisition</b>	Any form of acquisition whatsoever, including an acquisition of goods, an acquisition of services, an acquisition of something the supply of which is a financial supply etc. For simplicity, the term 'acquisition' has been replaced with 'purchase' in this GST Manual.
<b>Adjustment note</b>	A document that complies with the requirements in section 29-75 of the GST Act (see section 4.5.3 of this GST Manual)
<b>ATO</b>	Australian Taxation Office
<b>BAS</b>	Business Activity Statement
<b>Grant Thornton</b>	Grant Thornton Australia Limited
<b>GST</b>	Goods and Services Tax
<b>GST Act</b>	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
<b>GST Regulations</b>	<i>A New Tax System (Goods and Services Tax) Regulations 2019</i>
<b>GST-free</b>	GST-free under Division 38 of the GST Act or under a provision of another Act
<b>Endorsed charity</b>	An entity that: <ul style="list-style-type: none"><li>• Is an ACNC-registered charity;</li><li>• Has an ABN; and</li><li>• Has applied for endorsement as a charity in accordance with Division 426 in Schedule 1 to the <i>Taxation Administration Act 1953</i> (i.e. has been endorsed for GST concessions by the ATO).</li></ul>
<b>Input tax credit</b>	An entitlement arising under section 11-20 or 15-15 of the GST Act – broadly speaking, GST recoverable on a creditable acquisition (creditable purchase) or importation
<b>Input taxed</b>	Input taxed under Division 40 of the GST Act or under a provision of another Act
<b>Supply</b>	Any form of supply whatsoever, including a supply of goods, a supply of services, a financial supply etc.
<b>TAA</b>	<i>Taxation Administration Act 1953 (Cth)</i>
<b>Tax invoice</b>	A document that complies with the requirements in section 29-70 of the GST Act (see section 4.5.1 of this GST Manual)

# Appendix A – Decision Trees (Supplies / Income)

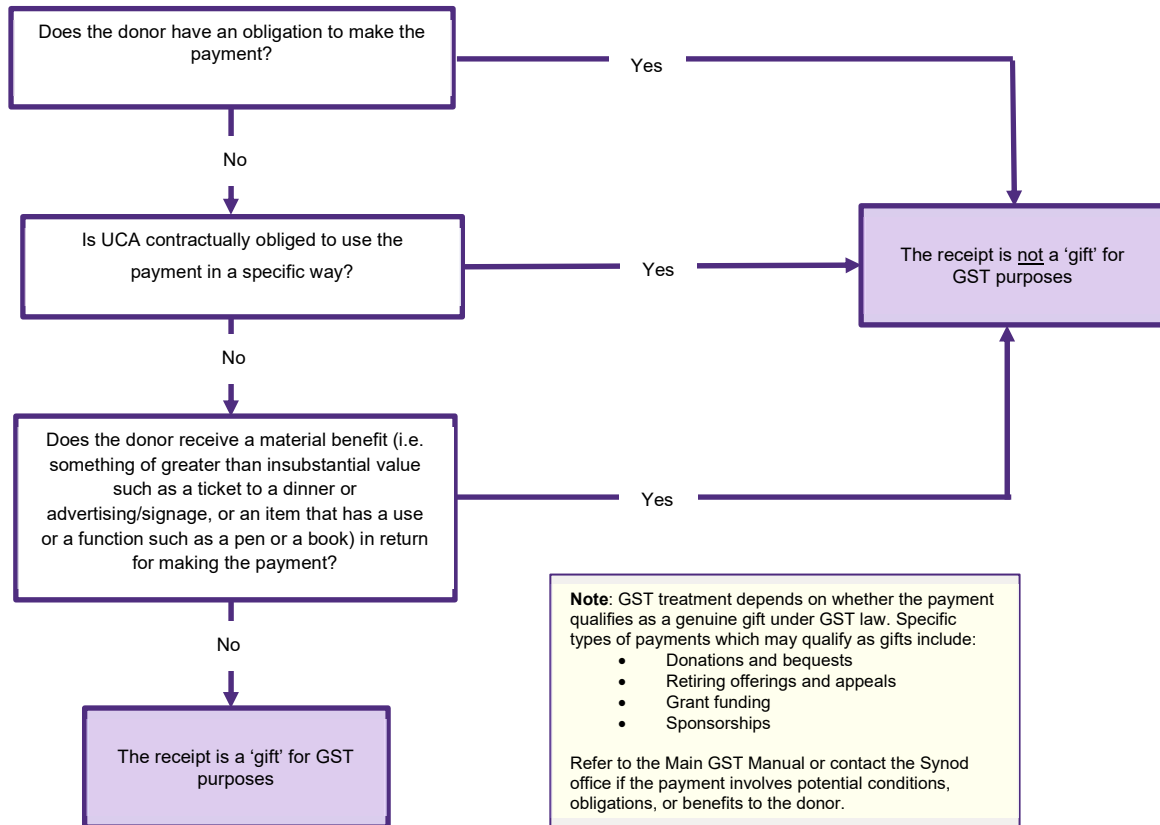
Please note the following:

- Decision Tree 1 below provides an overview of the GST treatment of supplies / income (other than supplies of real property) that may be made by the UCA Congregations.
- See the decision tree in Appendix E of the Main GST Manual for an overview of the GST treatment of supplies of / income from real property, including supplies of accommodation (i.e. residential or commercial rent). However, it is recommended that the Synod is contacted for guidance in respect of property transactions, to ensure the correct GST outcome is reached.
- Decision Trees 2 to 7 cover specific types of supplies outlined in Decision Tree 1 in more detail. Note that the Decision Trees highlight specific areas which should be escalated to the Synod Office.

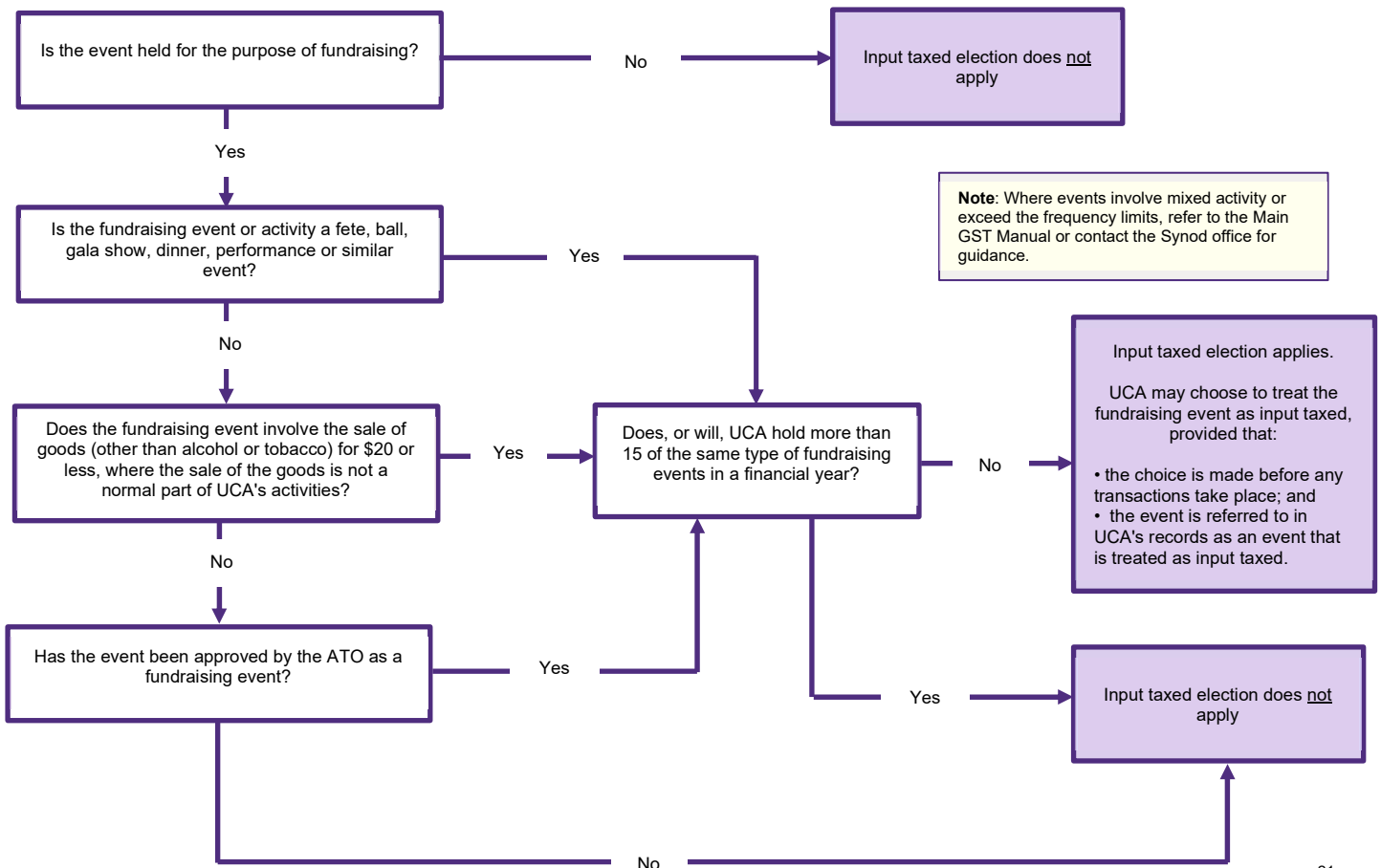
**Decision Tree 1 – Overview of GST Treatment of Income / Supplies**  
(excluding supplies of real property)



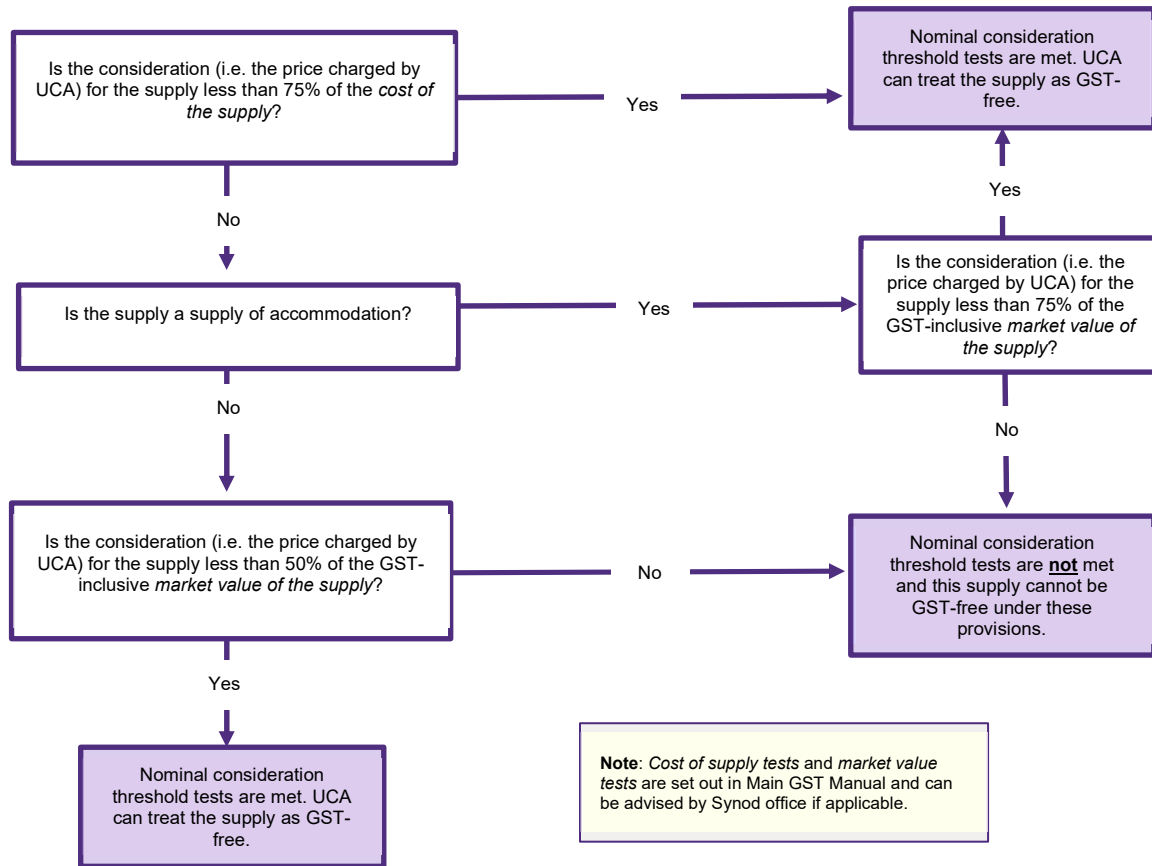
## Decision Tree 2 – Gifts



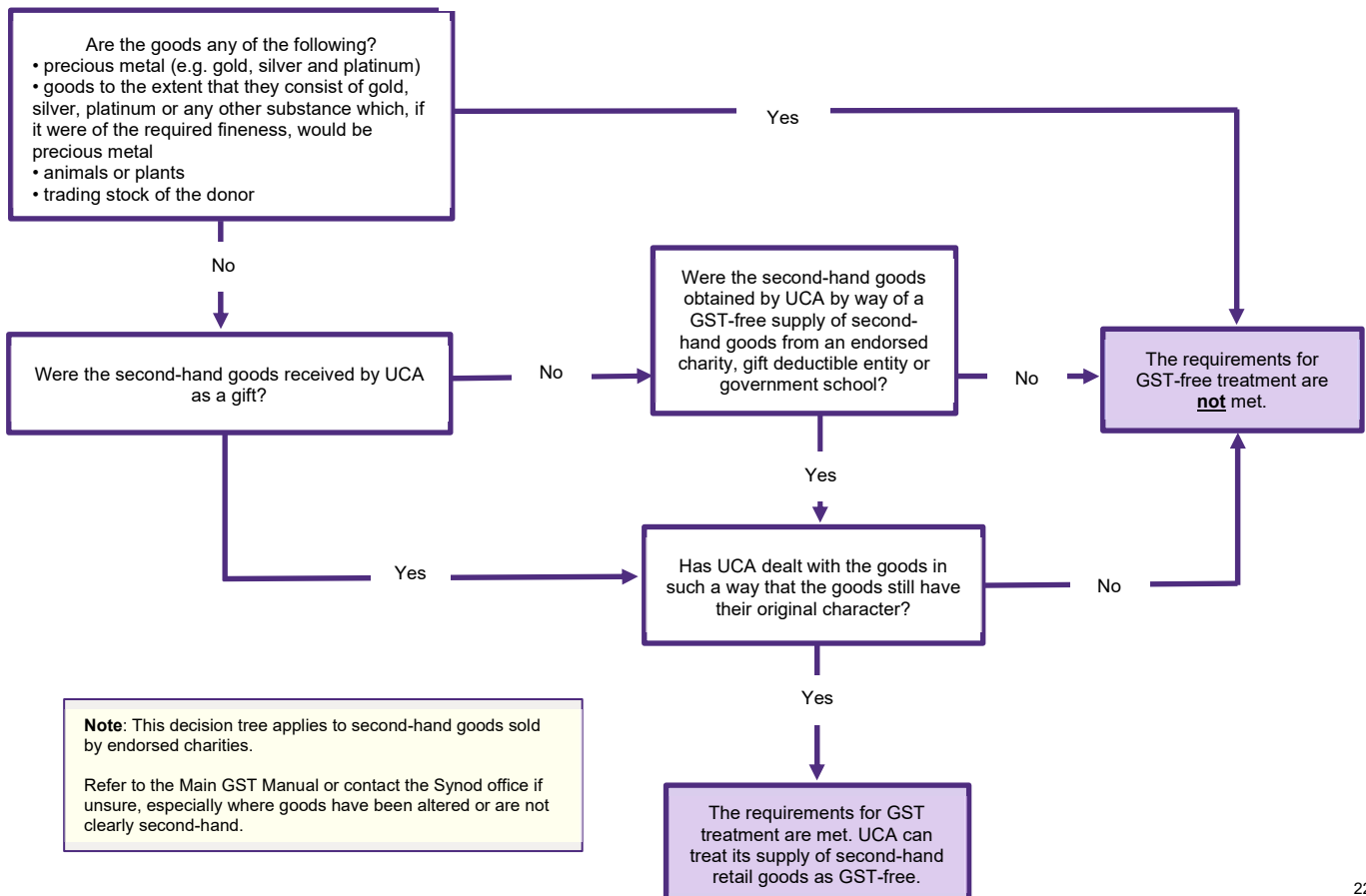
## Decision Tree 3 – Input taxed election for fundraising events



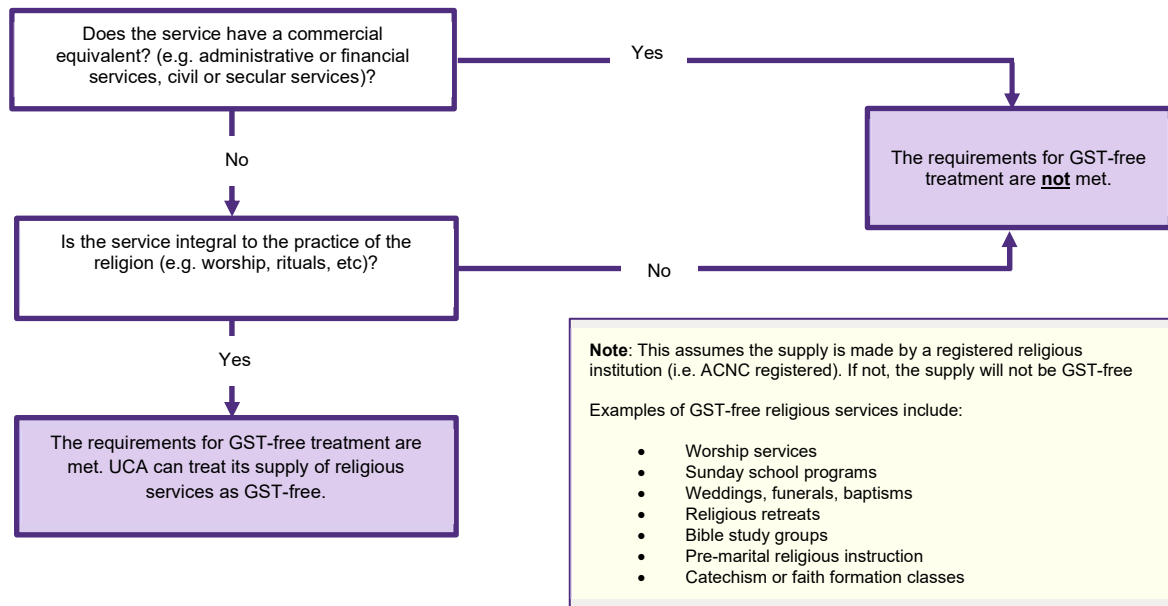
#### Decision Tree 4 – Nominal consideration threshold tests



#### Decision Tree 5 – Second-hand retail goods

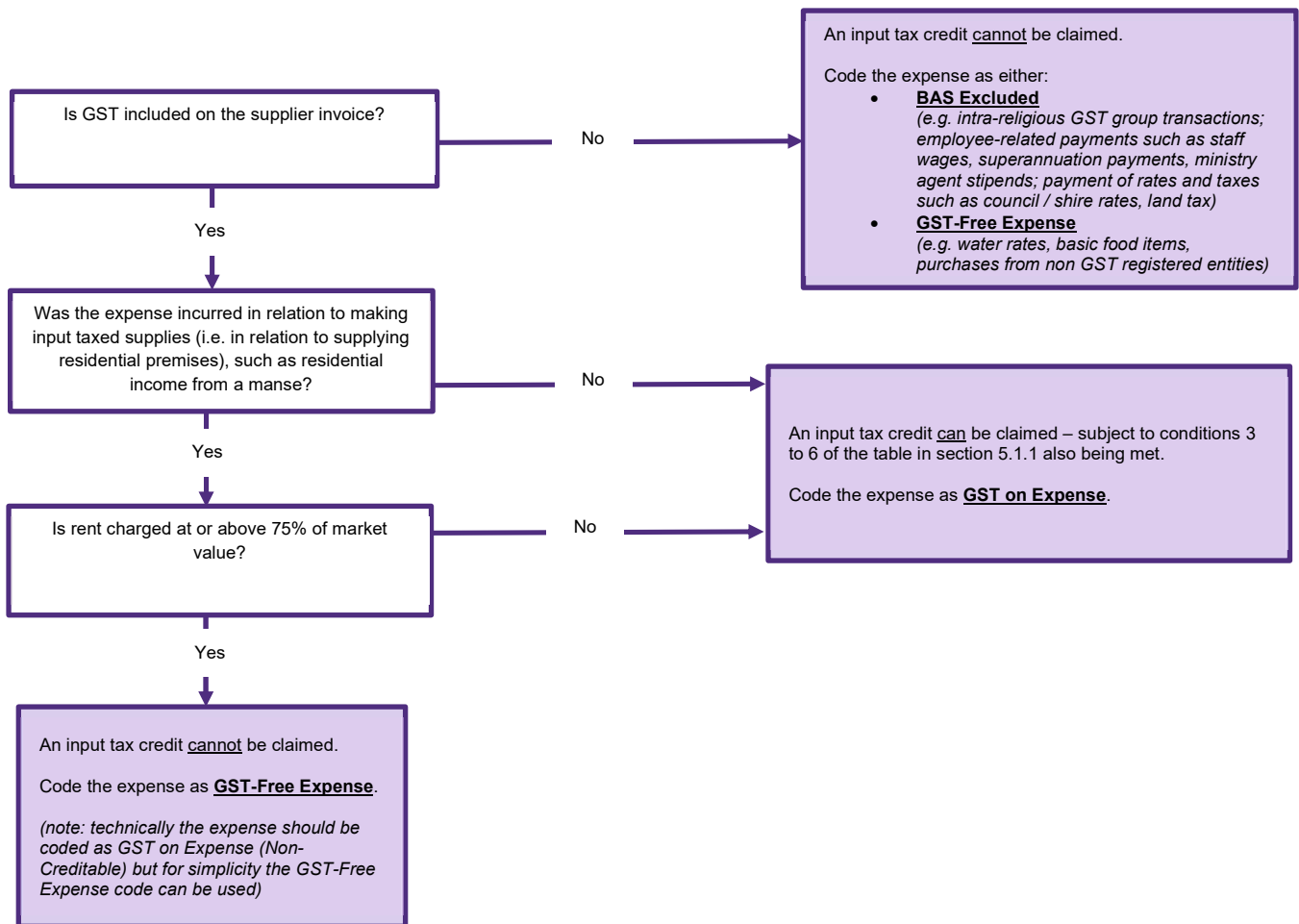


## Decision Tree 6 – Religious services



# Appendix B – Decision Tree (Purchases / Expenses)

## Decision Tree 7 – Purchases / Expenses



# Appendix C – Congregation Treasurer's Frequently Asked Questions about GST

# **Congregation Treasurer's Frequently Asked Questions about GST**

- 1. I have a Manse, and I rent it out (either to a minister or an individual) at market value**
  - Income is coded Input Taxed.
  - Expenses cannot claim GST credits, so they are coded GST Free in our system.
- 2. I have a Manse, and I rent it out (either to a minister or an individual) at less than 75% of market value**
  - Income is coded GST Free.
  - Expenses can claim GST credits (where GST is on the invoice), so they are coded GST on Expenses.
- 3. I have a Commercial Property that I lease at market rate to a client for a commercial activity**
  - Income is coded GST on Income (unless the tenant is part of the GST Religious Group – then it would be BAS Excluded).
  - Expenses relating to this property can claim GST credits, so they are coded GST on Expenses.
- 4. I have a Commercial Property that I lease at less than 50% of market value**
  - Income is coded GST Free (unless this client is part of the GST Religious Group – then it would be BAS Excluded).
  - Expenses can claim GST credits, so they are coded GST on Expenses.
- 5. The outgoings that I charge for the Commercial Property like electricity, rates and water**
  - These are charged to the client with GST added because the main supply (commercial lease) is taxable.
  - Example:
    - Water bill \$1,000 (no GST on supplier invoice) → on-charge \$1,100 (includes \$100 GST).
    - Electricity bill \$1,100 (includes GST) → on-charge \$1,100 (includes \$100 GST).
- 6. I hire out my hall at market value**
  - Income is coded GST on Income (unless it is to a person within the GST Religious Group – then it is BAS Excluded).
  - Expenses relating to the hall are coded GST on Expenses.

**7. I hire out my hall at less than 50% of GST-inclusive market value or less than 75% of cost**

- Income is coded GST Free (unless it is to a person within the GST Religious Group – then it is BAS Excluded).
- Expenses relating to the hall are coded GST on Expenses.

**8. When dealing with the expenses for the church and hall**

- Electricity: GST on Expenses.
- Water: GST Free (usually no GST on supplier invoice).
- Rates and Land Tax: BAS Excluded.

**9. I run a religious activity (e.g., a retreat) and charge for the experience**

- The activity is GST Free only if it qualifies as a GST-free religious service (i.e., the congregation is ACNC-registered and the activity is integral to the practice of the religion, such as worship or spiritual instruction).
- If the retreat includes accommodation and meals, these are not GST-free under the religious services rule, and the code is GST on Income<sup>1</sup>.
- If the activity is primarily recreational or social, it is taxable and the code is GST on Income<sup>2</sup>.
- Expenses relating to this will be GST on Expenses (if GST is on the invoice).

**10. If congregation members pay for a ticket to a congregation talk**

- The income is GST Free only if the talk qualifies as a GST-free religious service (i.e., the congregation is ACNC-registered and the talk is integral to the practice of the religion, such as a sermon or bible study).
- If the event is not integral to religious practice (e.g., a concert, social event, or general-interest talk), it is taxable, and the code is GST on Income<sup>3</sup>.
- Expenses relating to this will be GST on Expenses (if GST is on the invoice).

**11. Expenses associated with an event**

- Expenses are coded GST on Expenses if GST is on the supplier's invoice.
- Whether GST applies depends on the supplier's invoice.

---

<sup>1</sup> Also note the 'nominal consideration' rule outlined in Decision Tree 4 of the Supplementary GST Manual, which may apply in the relevant circumstances.

<sup>2</sup> Also note the 'nominal consideration' rule outlined in Decision Tree 4 of the Supplementary GST Manual, which may apply in the relevant circumstances.

<sup>3</sup> Also note the 'fundraising events' rule outlined in Decision Tree 3 of the Supplementary GST Manual, which may apply in the relevant circumstances. However, if the 'fundraising events' rule is applied, then GST credits cannot be claimed for expenses relating to the talk.

**12. If I run a stall and sell anything at less than 50% of market value**

- Income is coded GST Free.
- Expenses for purchasing items are coded GST on Expenses (if GST is on the invoice).

**13. If I run a stall and sell items at market value**

- Income is coded GST on Income<sup>4</sup>.
- Expenses for purchasing items are coded GST on Expenses (if GST is on the invoice).

**14. Where funds are collected by the congregation on behalf of someone else (e.g., Flood Appeal)**

- Income is coded BAS Excluded because the congregation is acting as an agent and the funds do not belong to the congregation.

**15. Where you are collecting funds from Containers for Change for the benefit of the congregation**

- If it is a genuine donation, code as BAS Excluded.
- If there are conditions or benefits, GST may apply – check with Synod.

**16. Any funds coming from or to Synod**

- All transactions within the GST Religious Group are coded BAS Excluded (even if the invoice says GST 0).

**17. There are two types of Sub-entities**

- **Committees or groups run by the congregation:**
  - Income: GST Free (if GST-free religious service) or GST on Income (if taxable).
  - Expenses: GST on Expenses (if GST on invoice).
- **Separate organisations with their own ABN:**
  - All ins and outs are coded BAS Excluded and recorded in a liability account (not income/expense).

**18. General offerings and donations (where they are gifts under GST law)**

- Income is coded BAS Excluded.

**19. All staff wages and stipends**

- Expenses are coded BAS Excluded.

---

<sup>4</sup> Also note the 'fundraising events' rule outlined in Decision Tree 3 of the Supplementary GST Manual, which may apply in the relevant circumstances. However, if the 'fundraising events' rule is applied, then GST credits cannot be claimed for expenses relating to the stall / event.

**20. Any financial income such as bank interest**

- Income is coded Input Taxed.
- However, if the income is from a GST religious group member (such as UCIS interest), it will be BAS Excluded.