# FINANCIAL POLICIES AND PROCEDURES

## SECTION 7: TAX

## POLICY 2: TAX (NON-CHARITABLE ENTITY)

### Policy Rationale

[organisation] will endeavour to file returns for any tax obligations and pay any tax liabilities on time in order to avoid any unnecessary penalties and interest. In doing so [organisation] shall be seen to be a tax compliant organisation by its stakeholders.

[organisation] is an Incorporated Society and will comply with the requirements set out in the appropriate Incorporated Societies Act to which it is registered.

### Policy Statement(s)

The [organisation] CFO / Finance Manager will:

1. Ensure if an income tax exemption is available to [organisation] (e.g. amateur sports exemption) that the applicable process has been undertaken with Inland Revenue to grant [organisation] the tax exemption. The tax exemption confirmation letter issued by Inland Revenue is retained on file permanently
2. Ensure all tax returns are completed accurately, filed and taxes are paid on time
3. Ensure all tax returns prepared by the Finance Team are reviewed and authorised by the Finance Manager
4. Ensure that the basis and taxable periods under which [organisation] GST activity is returned (if any) is the most appropriate for the organisation
5. Ensure all benefits provided to staff / members are taxed appropriately with reference to appropriate legislation
6. Ensure that the persons authorised with Inland Revenue to act on [organisation] behalf are regularly reviewed and updated, particularly with finance staff changes
7. Respond appropriately and within reasonable time to requests from Inland Revenue
8. Ensure that all transactions entered into by [organisation] are assessed for any possible tax obligations and that those obligations are appropriately recorded

If an Incorporated Society the [organisation]'s CFO / Finance Manager will also:

1. Ensure that [organisation] re-registers under the new Incorporated Society Act 2022 between October 2023 and April 2026 (or such new date that may be allowed)
2. Ensure compliance with filing an annual return to the Companies Office
3. Ensure all compliance with the relevant Act to which the Incorporated Society is registered

### Policy Implementation and Related Procedure Documents

The implementation and review of these Tax policies are the responsibility of [organisation] ’s Audit & Risk Committee.

[organisation] ’s Audit & Risk Committee may request that the External Auditors review tax compliance as part of the annual audit.

They will report regularly to the Audit & Risk Committee on the organisations tax compliance status.

The following [organisation] policies and frameworks should be referred to in this regard:

* + Finance Manual
  + Financial Reporting & Monitoring Policy
  + Financial Systems & Procedures Policy
  + Payroll Policy

### Legislative Compliance Considerations

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* + Constitution [if a Company]
  + Income Tax Act 2007
  + Tax Administration Act 1994
  + KiwiSaver Act 2006
  + Goods and Services Tax Act 1985
  + Incorporated Societies Act 1908 [if an Incorporated Society}
  + Incorporated Societies Act 2022 [applicable if an Incorporated Society registered under the new Act. Reregistration is available from 5 October 2023]
  + Incorporated Society Rules [if an Incorporated Society registered under the 1908 Act]
  + Incorporated Society Constitution [if an Incorporated Society registered under the 2022 Act]
  + Financial Reporting Act 2013
  + Financial Reporting Regulations 2015 [if appropriate]
  + XRB Standards

### Review Protocol

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| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |