

# Get in the Game

## Goods and Services Tax (GST)

### What is GST?

Goods and Services Tax (GST) is a broad-based tax of 10% on the sale of most goods, services and anything else consumed in Australia.

Not-for-profit organisations with a turnover of \$150,000 or more must register for GST. If your organisation has a turnover of less than \$150,000 you can choose whether or not you register for GST.

Generally an organisation that registers for GST must stay registered for at least 12 months.

Once your organisation's turnover reaches \$150,000 you must register for GST within 21 days.

### How to register

To register for GST your organisation needs to complete an application form available from the [Australian Tax Office](#).

Before your organisation registers for GST it must have an ABN. You can also register for GST when you [apply for an ABN](#).

### What registering for GST means

Being GST registered means that your organisation:

- must pay the GST it has collected from sales to the ATO
- can claim GST credits for any GST included in the price of business purchases
- must complete a business activity statement (BAS) to report its taxable sales and claim GST credits.

### GST registration and receiving grants

If your organisation receives a grant from the department you must be aware that this may affect your turnover amount and whether or not your organisation must register for GST.

Please be aware of this especially in the case of the *Female Facilities Program*, *Get Playing Places and Spaces* and *Get Playing Plus* grants.

For organisations that are registered for GST, the department will pay the GST amount on top of the approved funding. See Example 1.

Example 1	<i>Club XYZ is approved funding of \$100,000 GST exclusive. The Department will process payments totalling \$110,000 (\$100,000 GST exclusive funding + \$10,000 GST).</i>
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For organisations that are NOT registered for GST, the department will only pay the approved GST exclusive funding amount and will not pay any GST on top of the approved funding. See Example 2.

Example 2	<i>Club ABC is approved funding of \$100,000 GST exclusive. The Department will only process payments totalling \$100,000 GST exclusive.</i>
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## Not registered for GST and incurring costs

Organisations that are **not** registered for GST need to consider that when paying expenses for their funded project, most expenses will incur GST.

The approved funding cannot be used to pay the GST component of expenses and this can result in a potential project budget shortfall. As such all organisations not registered for GST will be required to incur the GST costs associated with the delivery of the project. See Example 3.

Example 3	<i>Club ABC is NOT registered for the GST and is approved funding of \$100,000 GST exclusive. When delivering the project, all expenses incur GST, so the total cost of the project comes to \$110,000 (\$100,000 GST exclusive of approved funding + \$10,000 GST incurred in project expenses). The club will need to pay and manage the \$10,000 GST themselves. If Club ABC has not accounted for the \$10,000 GST that they have to manage, there is a potential \$10,000 shortfall in the project budget.</i>
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## GST and acquitting grants

As approved grant amounts **exclude** GST then acquittals should be provided as GST exclusive amounts. Organisations registered for GST must then also calculate the GST component that has also been expended. If there are unspent funds (GST exclusive amount) then this will need to be returned to the department. See Examples 4 and 5.

Example 4	<i>Club ABC is approved a grant of \$5500 GST exclusive for equipment under Get Going Clubs.  Club ABC is not registered for GST. The equipment purchase is \$5500 including GST. However the club would only be able to acquit the \$5000 GST exclusive part of that equipment purchase as it cannot acquit the \$500 GST portion.</i>
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Example 5	<i>Club XYZ is approved a grant of \$5500 GST exclusive for equipment under Get Going Clubs.  Club XYZ is paid \$6050 (including GST). The club is registered for GST. The equipment purchase is \$5500 including GST. However the club would only be able to acquit the \$5000 GST exclusive part and the \$500 GST component. As Club XYZ is registered for GST they will need to add GST to the refund (\$500 plus 10% = \$550)  Note: Where a GST registered club purchases items that are GST free then the difference in GST paid/received should be calculated and returned as part of the normal BAS processes with the ATO.</i>
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## Need further information?

For further information on this and the department's funding programs, please go to the following webpage [www.qld.gov.au/recreation/sports/funding/getinthegame](http://www.qld.gov.au/recreation/sports/funding/getinthegame) or contact your local Sport and Recreation advisor on 13 QGOV (13 7468).

Please note this advice is general in nature and may not apply to your organisation's circumstances. Please [contact the Australian Tax Office](#) or your accountant for any specific advice.