



Military Brotherhood MMC

SOP 35 – 31 August 17

Standard Operating Procedure (SOP) 35

CHARITY STATUS AND PROCEDURES

Ref:

- A. Club Constitution, and
- B. Australian Charities and Not-for-Profit Commission (ACNC)
- C. Australian Security and Investments Commission (ASIC)
- D. Australian Registered Body Number (ARBN)

Summary of Sub Branch actions to receive Donations

1. For a Sub Branch of the MBMMC to receive donations and issue receipts as a Charity it must do two things:
 - a. Complete the AUSPICES AGREEMENT (and Contract) with the Military Brotherhood Inc. (being NATHQ), being attached at Annex B, and send the signed contract to NATHQ;
 - b. Keep every donation documented in a separate books of account to your normal savings account; and
 - c. Comply with the necessary requirements of the ACNC, ASIC, and ARBN as detailed below.

Introduction

This SOP must be read and understood in two specific areas:

- a. The general requirements as a Charity as espoused by the ACNC; and
- b. The specific requirements of Club Sub Branches in each of the States to ensure they pursue the legal requirements when accepting donations, accounting for those donations and reporting all donations annually to the Club Directors.

General Requirements as a Charity

2. The MBMMC is a recognised Charity under the ACNC and its Club Charity Status (CCS) is the responsibility of the Club Directors. The Charity Registration Certificate as supplied by the ACNC is attached at Annex A.
3. To remain eligible to be registered, the CCS must continue to be not-for-profit and pursue its charitable purpose or purposes.

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4. The CCS must meet a set of governance standards to be registered and remain registered with the ACNC.
5. The CCS does not need to submit anything to the ACNC to show it meets the standards, but must have evidence of meeting the standards that it can provide if and when requested by the ACNC.
6. The standards require CCS to remain charitable, operate lawfully, and be run in an accountable and responsible way. They help charities remain trusted by the public and continue to do their charitable work. Because the governance standards are a set of high-level principles, not precise rules, CCS must decide how it will comply with them.

What the Standards require:

7. The following standards must be complied with:

Standard 1: Purposes and not-for-profit nature

Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.

Standard 2: Accountability to members

Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.

Standard 3: Compliance with Australian laws

Charities must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a penalty of 60 penalty units (currently \$10,200) or more.

Standard 4: Suitability of responsible persons

Charities must take reasonable steps to:

- be satisfied that its responsible persons (such as board or committee members or trustees) are not disqualified from managing a corporation under the *Corporations Act 2001 (Cth)* or disqualified from being a responsible person of a registered charity by the ACNC Commissioner, and
- remove any responsible person who does not meet these requirements.

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Standard 5: Duties of responsible persons

Charities must take reasonable steps to make sure that responsible persons are subject to, understand and carry out the [duties](#) set out in this standard.

Notify ACNC of changes

8. The Club Directors will notify the ACNC if any of the following details change:

- legal name
- address for service (where legal documents can be sent)
- 'responsible persons' (people who are members of your charity's governing body including directors or committee members, or its trustees) – you need to let us know if someone takes on or finishes the role of a responsible person, and
- governing documents (such as its constitution, rules or trust deed).

9. You must also let the Club Directors know if you think your Sub Branch procedures are not meeting its ongoing obligations to the ACNC in a significant way, and as a result, our Club may no longer be entitled to be registered.

What records to keep for the ACNC

10. Under the ACNC Act, CCS must keep two types of records:

- financial records, and
- operational records.

Financial records

11. The ACNC Act does not define what a financial record is. For guidance on what could be a financial record, see below for examples of financial records.

Operational records

12. These are any other documents about the Club's charity operations. The Club must keep operational records that show how our charity:

- is entitled to be registered as a charity and as its subtype
- meets its obligations under ACNC Act, and
- meets its obligations under tax law.

13. The ACNC Act does not define what an operational record is. For guidance on what could be an operational record, see below.

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Financial records

14. A financial record explains our charity's financial activities (transactions), position and performance. Examples include:

- **General account books** – including general journal and general and subsidiary ledgers
- **Cash book records** – including receipts and payments
- **Banking records** – including bank and credit card statements, deposit books, cheque butts and bank reconciliations
- **Creditors' records** – including creditors ledger, invoices and paid bills)
- **Debtors' records** – including debtors ledger, invoices and receipts
- **Details of any contracts** – including service agreements, office equipment leases, property rental agreements
- **Details of any grant payments and acquittals**
- **Tax invoices and other relevant tax records**
- **Stock records**
- **Records of expenses** – for example, motor vehicle expenses
- **Records of payments relating to employees** – including 'pay as you go' (PAYG) withholding, superannuation and fringe benefits provided
- **Assets list or register**
- **Emails, letters and other communication about finance** – for example, an email about repaying unspent grant funds

Operational records

15. An operational record is any information about our charity's activities that shows it complies with the ACNC Act and tax law, and that it continues to be a charity or continues to be entitled to be registered as a particular subtype.

16. Some examples of basic operational records include:

- **Governing documents** – such as a constitution, rules or trust deed
- **Meeting minutes**
- **Operating policies and procedures**
- **Annual reports, donor reports or other reports** – for example on results of programs, projects or services
- **Strategic plans and program plans**
- **Monitoring and evaluation reports**
- **Contracts and agreements** – including funding and other agreements
- **Memoranda of Understanding**
- **Media releases** – such as those released by your charity, and discussing its activities
- **Charity promotional materials** – including pamphlets, posters
- **Any other records to show your charity is working towards its charitable purpose – this includes** electronic, written or multimedia records, for example a short film about your charity's project

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Report annually

17. Our Club as a Charity has an ongoing obligation to report each reporting period. Charities report by submitting an Annual Information Statement and an annual financial report (if medium or large in size).

Specific Requirements of Club Sub Branches

18. Sub Branches must carry out the following actions to be eligible to take donations under the Charities Act:

1. Each Sub Branch must complete a formal contract with Military Brotherhood Inc. (the Charity) that being the AUSPICES AGREEMENT which includes a completed AUSPICES CONTRACT, attached as Annex B.
2. Each Sub Branch must – if requested by the donor - provide a receipt for each donation over \$2, example receipt attached as Annex C.
3. Each Sub Branch must maintain financial records as mentioned under General Requirements as a Charity.
4. Each Sub Branch must report to the Club Directors by 30 July each year after their respective AGM (being end of financial year 30 June) as per the proforma attached at Annex D. Information will include but is not limited to the following:
 - a. the number of Service and Sierra Squad members,
 - b. the number of Advocates at all levels.
 - c. sum of all donations.

19. Deviations from ACNC requirements can mean that the CCS can be under investigation and its Charity Status being withdrawn.

20. Any Sub Branch which needs assistance must contact the Club Directors at nathq@militarybrotherhood.com.au.

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ANNEX A
TO SOP 35
DATED 31 AUGUST 17



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ANNEX B
TO SOP 35
DATED 31 AUGUST 17

AUSPICES AGREEMENT

Introduction

The **Military Brotherhood MMC** (MBMMC) is a military motorcycle club with Sub Branches being raised around Australia. It is a Club for serving and ex-serving members of the Australian Defence Forces, Commonwealth and Allied forces, their families, friends and their supporter base.

The MBMMC is a approved **Ex-Service Organization** (ESO) and provides qualified welfare, pension and advocacy support to ex-service members and Veterans through a working relationship with the **Department of Veterans Affairs (DVA)** and other **Ex Services Organisations (ESO)**.

The MBMMC is a **Registered Charity** and **Deductible Gift Recipient**. The MBMMC is also a dedicated supporter of **Legacy Australia** and actively raises funds at every opportunity for Legacy families.

Charitable Fundraising and Donations

The Parties agree to work co-operatively on the submission of grant applications to raise funding required for completion of projects.

The parties agree, where appropriate, to secure donations from the corporate sector and the public to provide additional funding for any projects. The parties agree that the Auspicing Body (Club Directors), as a Deductible Gift Recipient (DGR), holds the Auspiced Party (relevant Sub Branch) responsible for all administrative and regulatory requirements of such charitable fundraising.

All grant funding and donations made for the benefit of projects will be accepted by the Auspicing Body and managed in accordance with this agreement and regulatory requirements.

The Auspicing Party agrees to receive and hold funds in a separate bank account established specifically for the financial accountability and administration of any project and to distribute and apply funds in accordance with this agreement for its Sub Branch use and ultimately for the benefit of Veteran and Ex-Defence member welfare.

By executing this Auspice Agreement (Agreement attached at Annex A), each signatory accepts all its terms and conditions and represents that he or she is duly authorised to sign on behalf of their entity. The date of this agreement will be the date it has been executed by both parties.

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Club President
(mobile)

Date

Attachment A – Auspice Contract

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ATTACHMENT A TO
ANNEX B

AUSPICE CONTRACT

AUSPICING BODY (CLUB DIRECTORS)

Signed by:

(Club Secretary)

Signature:

and

(Club President)

Signature:

as authorised representatives for and on behalf of:

MILITARY BROTHERHOOD INC.

Witnessed by:

(Print name)

Signature:

Date:

AUSPICED PARTY (SUB BRANCH)

Signed by:

(Print name)

Signature:

(Print name)

Signature:

For the membership of:

(Specify) **SUB BRANCH**, an incorporated association

Witnessed by:

(Print name).....

Signature:

Date:,,,,

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ANNEX C TO SOP 35
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EXAMPLE OF MBMMC RECEIPT



MILITARY BROTHERHOOD INC.

(SUB BRANCH NAME)
ABN: 19 083 439 619



Tax Receipt #: _____

Date: _____

Received by cash/cheque from:

Donations of \$2 or over are tax deductible

The sum of: _____ dollars

and _____ cents

being a gift to (Sub Branch name)

_____	\$	_____	C
(Sub Branch to sign)			

MBMMC



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ANNEX D TO SOP 35
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ANNUAL RETURN OF CHARITIES ACTIVITIES

(This report must be sent to the Club Directors by 30 July each year)

SUB BRANCH: _____

Reporting between: (date) _____ and (date) _____

Number of Service Members:	
Number of Sierra Squad Members:	

Number of Welfare Officers:	
Number of Pension Officers:	
Number of Advocates:	

Total of Donations received:	\$
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Executive member preparing:	Position:	Signed:
Executive member releasing:	Position:	Signed:
Date:		

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