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Sailability and Appropriate use of Donations

Introduction

This paper is intended for Sailability Clubs affiliated with Sailability Queensland Inc. It relies on information for charities published by the ACNC and is informed by various club objects and activities.

The paper is general in nature and is intended to help clubs think through the issue below. It is not legal advice. If you are unsure about your own situation, or you have a particular concern, it would be sensible to get your own advice before acting.

Issue

What guidance is there for a charity wishing to recognise volunteer contributions or to conduct community activities, specifically in areas of volunteer welfare and acknowledgment, and community connection?

At the outset it should be noted that ACNC does not recognise the wishes of the donor if the desired activity does not satisfy charitable purposes. A donee is obliged to return any donation that cannot be ethically applied to its governing objectives.

Discussion

Two key considerations:

1. The ACNC view flowing out of its six Governance Standards (aligned with ATO thinking), and
2. Sailability club rules

ACNC Governance Standard 1 says:

Purposes and not-for-profit nature

A charity must be not-for-profit and work towards its charitable purpose. It must be able to demonstrate this and provide information about its purposes to the public.

The purposes are found in a club's objects (which should be read with rules about financial matters). Typical objects and financial rules state:

3 Objects

The objects of the association are to —

(1) Provide people with disability the opportunity to participate in the sport of sailing and other on-water activities, in a safe and supportive environment

(2) Liaise with Sailability Queensland Inc., other sporting bodies, charitable institutions, service clubs, businesses and government agencies to further the aims of the association, and

(3) Implement fundraising and sponsorship activities to maintain the viability of the association.

46 General financial matters

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(2) The income and property of the association must be used solely in promoting the association's objects and exercising the association's powers.

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Summary of the ACNC view

A charity can use donations for volunteer welfare and community connection when the spending is a genuine way of carrying out, supporting or protecting the charity's charitable purpose. The key point is that the benefit to volunteers or members of the community must be incidental or ancillary to the charity's work, not the main purpose of the spending.

For Sailability clubs, the charitable purpose is about giving people with disability the opportunity to participate in sailing and other on-water activities in a safe and supportive environment. Donations can be used for volunteer welfare where that spending helps the association deliver those activities safely, consistently and sustainably.

Examples

Examples of appropriate uses include:

- reimbursing volunteers for reasonable out-of-pocket expenses such as fuel, parking, and providing meals during sailing days
- safety equipment, first-aid, radio licence and boat training, uniforms, sun protection or other items needed to support volunteers' safety.

These expenses help remove barriers to volunteering and help ensure that the charity has enough trained and supported volunteers to deliver its program.

Donations may also be used for modest welfare and recognition activities if they are reasonable, proportionate and linked to the charity's ability to deliver its services. For example:

- a low-cost volunteer appreciation morning or afternoon tea
- a simple end-of-season thank-you event, or
- light refreshments after a sailing day

These may be appropriate if their purpose is to retain volunteers, strengthen teamwork and maintain a reliable volunteer base for participants.

Community connection activities can also be consistent with the charity's purpose where they help participants, families, volunteers, supporters and local organisations work together to advance the charity's objects. Examples include:

- an open day to introduce people with disability to accessible sailing
- a volunteer recruitment session
- a safety briefing and community barbecue after sailing, and
- a small event with service clubs and local businesses to build partnerships that support your program

Purpose of the activity

The spending should not become a private benefit or a social purpose itself. A donation should not be used for lavish meals, expensive gifts, alcohol-focused events, unrelated entertainment, or activities mainly for the personal enjoyment of members or volunteers.

The test is to be able to explain how the expenditure supports the objects (charitable purpose) and why it is reasonable and relevant.

Before approving expenditure, committees should ask:

- Does the spending help our objects, is the cost reasonable, is any personal benefit only incidental?
- Is the decision recorded (say in committee minutes)? And,
- Can we demonstrate a link between the expenditure and our objects.

In practical terms, a charity can use donations for volunteer welfare and community connections when those activities help the charity do its charitable work better.

To elaborate on the above examples

- supporting volunteers with training, safety equipment and modest recognition helps keep the sailing program safe and sustainable, or
- building community connections with families, disability organisations, service clubs and local supporters can expand participation, attract volunteers and strengthen the support network needed to advance the charity's purpose.

Conclusions

- A wise approach is to treat volunteer welfare and community connection spending as support for your program, not as an end in itself.
- If you show that spending is reasonable, transparent and directed to help achieve your objects, donations can be used consistently in line with your club's purpose.
- We recommend that you document your spending decisions. Minutes of committee decisions (with reasons) are an excellent form of documentation.

Sailability Queensland