

CLAIMING YOUR REFUND

If Sawden is your tax agent:

- Send us all your receipts for donations and we will complete your Tax Credit Claim Form (IR526)
- We will then obtain your authority to file your claim form and electronically send it to Inland Revenue
- If required we will complete an Income Tax Return
- When we receive your refund it will be checked and sent to you by cheque or transferred to your nominated bank account

If Sawden is not your tax agent:

- Complete a Tax Credit Claim Form (IR526), and
- Attach all your receipts for donations, and
- Send the IR526 and receipts to the IRD

Please note the following:

- If you are required to file an income tax return you will need to calculate if you owe income tax as your donation refund may be less than your income tax liability.
- if you claimed a refund for donations last year the IRD will automatically send you an IR526.
- if the IRD request that you file an income tax return please ensure the IR526 and your income tax return are filed together.
- If you owe any type of tax to Inland Revenue, such as GST, Income Tax, Working for Families or Child Support, your donation refund may be used to pay this first
- Ensure Inland Revenue has your correct bank details
- A Tax Credit Claim Form (IR526) can be obtained from the IRD's web page under "forms and guides".



OTHER SERVICES WE OFFER

Accounting

- Small Business - Retail, Services, Manufacturing
- Sole Traders - Tradies, Builders, Contractors
- Companies - Formations, Look Through Companies
- Partnerships & Trusts
- Rental Properties
- Accounts - Balance Sheet & Profit or Loss

Taxation

- Income Tax Returns
- GST, PAYE, FBT

Day to Day Bookkeeping

- GST, Payroll, Transaction Processing
- Bank Reconciliation
- Invoicing, Debtors & Creditors Management,

Business Advisory

- Management Accounts
- New Business Appraisals
- Cash Flow & Budgets
- Business Valuations
- Trusts & Asset Protection
- Software Advice - Xero & MYOB

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

DONATE



Donation Refunds



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Donation Refunds for Individuals

DONATION REFUNDS

Your donation makes a difference for others and for your taxes

If you made a donation, you can probably claim part of it back as a refund or tax credit as reward for your generosity. To claim a refund you must meet the following criteria:

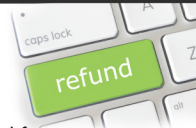
- You earned taxable income during the year you're claiming for, and
- You were a New Zealand resident for tax purposes at any time during that tax year, and
- You are an individual, and
- You made gifts of money that total \$5 or more in the year, voluntarily to an organisation, where there is no direct benefit to you or your family, and
- You have valid donation receipts to support your claim.

VALID DONATION RECEIPT

The IRD requires the following information to be on the receipt:

- The date the receipt is issued.
- Your and/or your spouse/partner's full name and amount donated.
- A clear statement showing that the payment was a donation and the signature of an authorised person.
- Official stamp of the organisation unless the receipt is printed on the organisation's official letterhead.
- The organisation's IRD number and/or their Charities Commission registration number.

For donations under \$1,200 (per receipt) going to approved organisations supporting the **Christchurch earthquake relief effort** the receipt must be on the letterhead of the organisation issuing it, specify it is for the earthquake relief effort and show the donation date and amount of donation.



Sawden inform

ORGANISATIONS

A donation must be made to one of the following organisations:

- Approved organisations including societies, institutions, associations, religious organisations, trusts & funds whose funds are applied to charitable, benevolent, philanthropic or cultural purposes within New Zealand.
- Approved overseas aid funds.
- Medical research schools and universities.
- Kindergarten associations (excludes private kindergartens or other early childcare fees).
- State and state integrated schools, or their board of trustees. The payments can either be specified "donations" or payment of "school fees" if they go to the school's general fund.
- Other schools who are approved organisations (the payments must specify "donations").
- Parent-teacher associations (the payments must specify "donations").
- Subscriptions paid to a society, institution, association, organisation, trust or fund that do not confer any benefits arising from membership.

A list of Donee Organisations can be found on the IRD's web site by typing "Donee Organisation" in the search box.

However **you cannot claim** for:

- Payroll giving donations you made through your salary and wages as the tax credits are received at the time of your donation.
- Payments where there is a direct benefit to you or your family including tuition fees, exam fees, tertiary educational institution fees, payments for specific activities such as school trips, classes where there is a take-home component (e.g.woodwork) and where attendance is voluntary.



Sawden advice

MAXIMUM REFUND YOU CAN CLAIM

The total donations you can claim cannot exceed your taxable income.

For donations made after 31 March 2009 your refund is the lesser of either 33.3333% of the total donations you have made, or 33.3333% of your taxable income.

SHARING RECEIPTS

If your spouse or partner has taxable income they can claim the balance of your donation payments. This applies whether the receipt is in one person's name or in joint names. If you do share receipts please advise the IRD when you make your claim.

The maximum donation refund is based on individual claims. If one partner has donated more than the maximum amount, their partner can claim the balance.

For Example:

Mary & John donated \$50,000. Mary's taxable income is \$40,000 so she can only claim a maximum of \$40,000. As John's taxable income exceeds \$10,000 he can claim the remainder. The refund is 33.33% of the donation.

UPDATING YOUR CLAIM

If your claim is sent to Inland Revenue and you later want to make another donation claim in the same year please send us your missed donation receipts and we will make a claim in the next financial year. This is the most cost effective way to amend your claim.

MAKE YOUR CLAIM ON TIME

You can only claim a donation refund within a period of four years following the year in which the donation was made.

