NTSA GST CHEAT SHEET

Quick Xero Tax Code Reference for Branch Treasurers & Bookkeepers

NTSA is registered for GST • Based on ATO guidance only • Full detail on page 2

Step 1 — Ask 3 Questions About the Money You've Received

Work through these in order. The first one that applies to your transaction tells you the code to use.

#	Question to ask	If YES →	Xero Tax Code
1	Did the giver receive nothing of value back — no ticket, no item, no service? *(A genuine, unconditional gift)*	Genuine donation	**BAS Excluded**
2	Did the payer get something back of real value — a dinner ticket, raffle entry, merchandise, or a paid tour/entry?	Material benefit	**GST on Income**
3	Is it a grant/sponsorship, and NTSA has no binding obligation to deliver anything specific in return (just eligibility criteria)?	Grant — no supply	**GST Free Income**
3b	Is it a grant with a binding agreement to deliver specific services/outputs (e.g. a funded restoration project with deliverables)?	Grant — is a supply	**GST on Income**

Step 2 — Ask 3 Questions About Money You're Spending (Suppliers)

Before coding a supplier bill with a GST credit in Xero, check:

#	Check	Result
1	Is the supplier registered for GST and did they actually charge it on the invoice?	**No → no GST to claim**
2	Is the purchase over $82.50 (inc. GST) AND do you hold a valid tax invoice?	**No invoice → can't claim yet**
3	Is it client/staff entertainment, food, coffee, or a private expense?	**Yes → BAS Excluded, no credit**
✓	Passes all checks: registered supplier, GST charged, valid invoice held, not entertainment/private	**GST on Expenses**

Summary — Xero Tax Codes at a Glance

Transaction type	Xero Code	Why
Genuine donation / gift	**BAS Excluded**	Outside GST system entirely
Donation w/ material benefit (ticket, raffle, merch)	**GST on Income**	Treated as a taxable sale
Input-taxed fundraising event (elected in advance, ≤15/yr)	**BAS Excluded***	Kept out of GST turnover by election
Grant/sponsorship — no supply made	**GST Free Income**	No exchange of value, but still reported
Grant — binding deliverables/services	**GST on Income**	A supply is being made for payment
Eligible supplier purchase (GST charged, invoice held)	**GST on Expenses**	Credit claimable on BAS
Entertainment, food/coffee, private expenses	**BAS Excluded**	Not deductible, GST not claimable
Purchase from unregistered supplier	**BAS Excluded / No GST**	No GST was ever charged

** Must be elected in advance and documented (e.g. in meeting minutes) before the event takes place.*

⚠ When in Doubt — Don't Guess

- Mixed events (entry fee + genuine donation component) — split and code separately.
- Large or unusual grants with reporting/service obligations — check the funding agreement wording before coding.
- Anything you're not sure about — **code BAS Excluded as a placeholder and flag it for review** rather than guessing GST on Income/Expenses.
- See full explanation overleaf, or contact NTSA's tax agent/BAS agent for anything ambiguous.

Detailed Reference: GST Treatment of Donations and Supplier Purchases

The National Trust of South Australia (NTSA) is registered with the ACNC as a charity and is registered for GST. This means it must remit GST on its taxable sales and can claim GST credits on eligible supplier purchases. Genuine donations received are entirely outside the scope of the GST system and should be coded as BAS Excluded in Xero, while the correct code for other income — and the ability to claim GST credits on supplier expenses — depends on whether there is an exchange of value.

1. Genuine Donations (Gifts) to NTSA

- **Xero Tax Code:** BAS Excluded
- **Why:** A gift made to NTSA is not considered payment for a sale and is therefore not subject to GST, and the value of that gift is also excluded when working out NTSA's GST turnover. For a payment to count as a genuine gift, the ATO requires that there be no obligation on NTSA to do anything in return and no expectation by the donor of receiving something back.
- **Note on “thank-you” items:** NTSA can still acknowledge donors with low-value tokens (such as a sticker, pin, or simple acknowledgement) without turning the donation into a taxable sale. A pin or ribbon is not a material benefit; an item with real use or value — like a ticket, pen, or book — is.

2. Donations or Payments with a Material Benefit

(e.g. event tickets, raffle entries, merchandise)

- **Xero Tax Code:** GST on Income
- **Why:** Once a “donor” receives something of value in return — entry to a fundraising dinner, a raffle ticket, or NTSA merchandise — the ATO no longer treats this as a gift, and because NTSA is GST-registered, GST applies to the full value of the benefit provided.
- **Practical note for NTSA:** If NTSA runs entry-fee fundraising events (e.g. heritage open days with a paid ticket, gala dinners, guided tours sold as packages), each of these needs to be assessed individually rather than assumed to be donation income. As a GST-registered charity, NTSA may elect certain fundraising events as “input taxed,” which keeps them out of GST turnover altogether, provided the choice is documented in advance and the event isn't run more than 15 times in a financial year. Outside of that election, ordinary sales connected with entry-fee events, merchandise, or paid tours remain taxable sales and need to be reported as such on the BAS.

3. Grants and Sponsorships Received by NTSA

- **Xero Tax Code:** GST Free Income if no supply is involved, or GST on Income if NTSA provides something of value in return
- **Why:** Government and philanthropic grants are treated differently from private donations. The key test is whether NTSA gives something of value in return. There are no GST implications if the funding or grant is not for a supply — simply meeting eligibility criteria to receive a grant does not trigger GST. However, where NTSA enters into a binding agreement to deliver specific services (for example, a government-funded heritage restoration project with deliverables and reporting obligations), GST applies because NTSA is making a supply in exchange for the funding, and as a GST-registered entity it must remit GST on that amount.

4. GST on Supplier Purchases — Claiming GST Credits

Because NTSA is registered for GST, it can generally claim back the GST it pays to suppliers — but only when several conditions are met.

- **Xero Tax Code:** GST on Expenses (where eligible) — otherwise BAS Excluded or GST Free Expenses
- **Eligibility conditions:** NTSA can claim GST credits where the purchase is intended solely or partly for the organisation, does not relate to making input-taxed supplies, payment has been or will be provided, and a valid tax invoice is held for purchases over $82.50 (including GST).
- **Checking suppliers are GST-registered:** Before claiming a credit in Xero, NTSA should confirm the supplier actually charged GST and is registered to do so, by checking ABN Lookup on the Australian Business Register website. If a purchase comes from a supplier who isn't

registered for GST, there is no GST component to claim, even if the invoice looks like it includes tax.

- **What can't be claimed:** Even where a supplier has charged GST, NTSA cannot claim a credit for purchases used for private purposes, for purchases related to input-taxed supplies, or, notably, for entertainment expenses — these also cannot have their GST claimed back. This is consistent with NTSA's existing understanding that client-related food and coffee costs are not deductible — the same logic flows through to GST: if it's not deductible as a business expense, the GST on it generally isn't claimable either.
- **Tax invoice requirement:** For any supplier purchase over $82.50 (including GST), NTSA needs to hold a valid tax invoice before claiming the credit in Xero. Without one, the credit can't be claimed on that BAS period, even if payment has already been made.

A Note on Sources

This summary is based solely on ATO guidance (ato.gov.au) relating to not-for-profit organisations, GST for NFPs, GST credits, fundraising, and grants/sponsorships. It's general information only, not formal tax advice — given NTSA's mix of donation income, grant funding, and supplier transactions, a periodic review with a tax agent or BAS agent familiar with charity GST concessions would help confirm coding is correct, particularly around fundraising event elections and grant agreements with deliverables.

Key ATO reference pages:

- Do donations attract GST? (ATO Not-for-profit Newsroom)
- GST concessions for not-for-profits (ATO)
- Grants and sponsorships for not-for-profits (ATO)
- When can not-for-profits claim GST (ATO)
- When you can claim a GST credit (ATO)
- When you cannot claim a GST credit (ATO)