

Not Acting as a Conduit Policy

Procedure number	P014	Version	V1
Drafted by	T.Bestwick	Committee approved	<<insert date>>
Responsible Person:	Chairperson	Scheduled review date	2023 AGM

1. Purpose

This policy ensures that **Clarence Native Bees Inc** acts independently in pursuing its charitable purposes and does **not act as a conduit** for transferring funds or resources to other individuals or organisations that are not aligned with, or do not further, its own charitable purpose.

This policy is designed to comply with:

- The **Australian Charities and Not-for-profits Commission Act 2012 (Cth)** and associated Governance Standards;
- The **Income Tax Assessment Act 1997 (Cth)** and **Taxation Ruling TR 2006/5**, particularly regarding DGRs not acting as mere conduits for other entities; and
- Applicable **NSW Fair Trading** and **ACNC** fundraising regulations.

2. Scope

This policy applies to:

- All directors, officers, employees, volunteers, and members of **Clarence Native Bees Inc**; and
- Any individual or organisation involved in making, approving, or managing grants, donations, or payments on behalf of **Clarence Native Bees Inc**.

3. Policy Statement

Clarence Native Bees Inc must ensure that:

1. It **retains control and discretion** over all funds and resources it receives and distributes.
 2. All expenditures and distributions are made **in accordance with its stated charitable purposes**.
 3. It does **not pass funds or other benefits to third parties** merely to enable those parties to obtain a tax-deductible or charitable benefit.
 4. Any collaboration with another organisation must be based on a **formal written agreement**, ensuring that the use of funds is consistent with **Clarence Native Bees Inc's** charitable objectives and that **proper oversight and reporting** are maintained.
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4. What Constitutes Acting as a Conduit

An organisation may be considered to be acting as a conduit if it:

- Receives donations or grants **on behalf of another organisation** or individual;
 - **Transfers funds** to a non-charitable entity or to an organisation **without adequate oversight** of how those funds will be used;
 - Facilitates tax-deductible donations for causes or entities **outside its own charitable purpose**; or
 - Lacks **control or accountability mechanisms** over the use of distributed funds.
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5. Acceptable Funding Relationships

Clarence Native Bees Inc may enter funding or partnership arrangements where:

- There is a **written agreement** specifying the charitable project, purpose, and intended outcomes;
 - **Clarence Native Bees Inc** maintains **direction and control** over how funds are applied;
 - Regular **reporting and acquittal processes** are in place to ensure compliance; and
 - The partner organisation's activities **further Clarence Native Bees Inc's charitable purpose**.
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6. Responsibilities

- **Board of Directors:** Ensures oversight of compliance and approves all significant funding arrangements.
 - **President/Secretary or Manager:** Implements procedures to ensure funds are not used as a conduit and reviews all partnership proposals.
 - **Staff and Volunteers:** Must report any proposed transaction that may risk contravening this policy.
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7. Monitoring and Compliance

- All funding and grant activities will be **reviewed annually** to ensure compliance with this policy.
 - Breaches or suspected breaches must be reported to the **Board or Governance Committee** immediately.
 - Non-compliance may result in disciplinary action and, where appropriate, notification to the ACNC or other relevant authorities.
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8. Related Policies

- Financial Management Policy
 - Conflict of Interest Policy
 - Fundraising and Donations Policy
 - Partnership and Grant Management Policy
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9. Review

This policy will be reviewed every **two years**, or earlier if there are changes in relevant legislation, ACNC guidance, or organisational activities.

Approved by: _____

Position: _____

Date: _____