Australian Government
Australian Taxation Office

Gifts and donations

You can claim a deduction for a gift or donation you make to an organisation if it meets 4 conditions:

- you make the gift or donation to a deductible gift recipient (DGR)
- it must truly be a gift or donation (voluntarily transferring money or property without receiving, or expecting to receive, any material benefit or advantage)
- it must be money or property (this can include financial assets such as shares)
- it must comply with any relevant gift conditions – for some DGRs, the income tax law adds extra conditions affecting the types of deductible gifts they can receive.

You must have a record of the gift or donation, such as a receipt. If you receive a material benefit in return for your gift or donation to a DGR – for example, something that has a monetary value – it is considered a contribution and extra conditions apply.

What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts or donations.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs, so donations to them are not deductible.

You can check whether your donation was made to an endorsed DGR on the Australian Business Register website.

What records do I need?

You should keep records of all tax-deductible donations you make.

Evidence you need to keep may include:

- receipts for donations or contributions
- a signed letter from the eligible organisation confirming the amount of your donation or contribution.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records such as bank statements.

If a DGR issues a receipt for a deductible gift or donation, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if one exists – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift or donation.

If you donate through a workplace giving program your payment summary or a written record from your employer is sufficient evidence.

When you can claim a deduction

You may be able to claim a deduction for gifts or donations where:

- you give money – it must be $2 or more
- you donate property or shares, however special rules apply
- you receive a token item for your donation (token items are things of no purpose that are used to promote a DGR, such as lapel pins, wristbands and stickers).

There are special circumstances under the Heritage and Cultural Gifts programs where donations can also be deductible.

Bucket donations

If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a deduction of up to $10 in an income year for the total of those contributions without a receipt.

When you can't claim a deduction

You can't claim a deduction for gifts or donations when they provide you with a personal benefit, such as:

- lottery, raffle or art union tickets
- fundraising items, such as chocolates or keyrings with an advertised price
- club membership
- the cost of attending fundraising dinners
- payments to school building funds made in return for a benefit or advantage – for example, as an alternative to an increase in school fees or as a placement on a waiting list
- gifts to families and friends regardless of the reason
- donations made under a salary sacrifice arrangement
- donations made under a will.

You can't claim a deduction for gifts or donations made to social media, crowdfunding platforms or memberships (such as sporting club memberships) unless they are a registered DGR.

This is a general summary only.
For more information go to ato.gov.au/giftsdonations or speak to a registered tax professional.

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