

Division	External Affairs	Ref. No.	EXA-INP-024
Department	Global Health		
Title	RACS Foundation Developing Country Relief Fund Policy & Regulation		

1. PURPOSE AND SCOPE

This policy sets out the purpose of the Royal Australasian College of Surgeons' (RACS) Developing Country Relief Fund.
Pursuant to Clause 6.2.1 of the RACS Constitution, this policy creates the Regulation to Establish the RACS Foundation – Developing Country Relief Fund contained in Appendix 1.

2. KEYWORDS

Australian Taxation Office (ATO), charity, Deductible Gift Recipient (DGR), Developing Country Relief Fund, donation, gift, Overseas Aid Gift Deduction Scheme (OAGDS)

3. BODY OF POLICY

3.1 Objective

The policy establishes the RACS Foundation – Developing Country Relief Fund.

The College's Developing Country Relief Fund (hereby referred to as the **Fund**) is a public fund established to relieve people living in countries which are declared to be 'developing countries' by the Australian Foreign Affairs Minister.

The establishment of the Fund is a requirement of the Overseas Aid Gift Deduction Scheme (**OAGDS**). The OAGDS is a pre-requisite for Deductible Gift Recipient (DGR) endorsement by the ATO and enables approved Australian organisations to issue tax deductible receipts for donations made to support their overseas aid activities.

3.2 Gifts

Gifts to the Fund must be kept separate from other RACS funds. RACS shall maintain a separate bank account and clear accounting procedures for the Fund.

Receipts for gifts must be issued in the name of the Fund.

Allocations from the Fund are not influenced by the preference of the donor and will only be made in accordance with the Fund Objective.

3.3 Governance of the Fund

The Fund is managed by the RACS Global Health Committee as delegated by Council, in accordance with the provisions regulating meetings and proceedings in the RACS Constitution.

3.4 Closure of the Fund

In the event of the Fund being wound up, or if the DGR status of RACS is revoked, any surplus assets remaining after the payment of liabilities of the Fund will be transferred to another entity with similar purposes to this Fund.

3.5 Regulations to Establish the RACS Foundation - Developing Country Relief Fund

The Regulation to Establish the RACS Foundation - Developing Country Relief Fund is attached in Appendix 1.

POLICY

ROYAL AUSTRALASIAN COLLEGE OF SURGEONS

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4. ASSOCIATED DOCUMENTS

- Developing Country Relief Fund Accounting Procedure

Approver CEO
Authoriser PDSB

Authorised By: PDSB
Document Owner: Council

Original Issue: April 2014
Version: 2
Approval Date: June 2017
Review Date: June 2020

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Appendix 1

ROYAL AUSTRALASIAN COLLEGE OF SURGEONS
(a company limited by guarantee)
ACN 004 167 76
ABN 29 004 167 766

**REGULATION TO ESTABLISH THE
RACS FOUNDATION — DEVELOPING COUNTRY RELIEF FUND**

Pursuant to clause 6.2 of the Constitution, RACS hereby establishes the **RACS FOUNDATION — DEVELOPING COUNTRY RELIEF FUND** as a public developing country relief fund in accordance with the following regulations.

1. OBJECTS

The object of the Fund is to provide relief to people in a country declared by the Australian Minister for Foreign Affairs to be a developing country for the purposes of section 30-85 of *the Income Tax Assessment Act 1997 (Cth)*.

2. APPLICATION OF FUNDS**2.1 Limits on use**

The Objects can only be funded by:

- 2.1.1 gifts made to the Fund; and/or
- 2.1.2 any money received because of those gifts.

2.2 Limits on distributions

No portion of the income or property of the Fund can be paid or transferred to a member of the Council or a member of RACS for their own personal benefit, whether directly or indirectly, by way of dividend, bonus or distribution of profits.

Nothing in this Regulation prevents the prior approved payment of remuneration to any member, officer or servant of RACS:

- 2.2.1 in return for any services actually rendered to RACS in the proper course of pursuing the Objects; or
- 2.2.2 for goods supplied in the ordinary and usual way of business in the proper course of pursuing the Objects,

As long as that payment is made in good faith and does not exceed a commercially reasonable payment for the service or goods.

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3. ESTABLISHMENT AND OPERATION OF FUND

3.1 Maintaining the Fund

The Council must maintain a Separate Account for the Fund (refer 3.4 below):

3.1.1 to which gifts of money or property for the Objects are to be made;

3.1.2 to which any money received by the Fund because of those gifts is to be credited; and

3.1.3 that does not receive any other money or property.

3.2 Management of Fund

3.2.1 The Council must manage the Fund through the Global Health Committee, as a Committee of the Council, in accordance with the provisions regulating meetings and proceedings in the Constitution.

3.2.2 The Committee established under regulation 0 must consist of no less than three people, a majority of whom have a degree of responsibility to the general community by reason of their occupation and standing in the community (including, without limitation, by being a member of the Council of RACS).

3.3 Public invited to make gifts

Members of the public must be invited to make gifts of money or property to the Fund.

Donors must be advised that Funds allocation will not be influenced by the preference of the donor.

3.4 Separate account

RACS must:

3.4.1 maintain a separate bank account for the Fund; and

3.4.2 establish procedures, including clear accounting procedures, to ensure that the operation of the Fund is kept separate from any other funds or accounts administered by the Council and RACS.

3.5 Receipts

All receipts for gifts must issue in the name of the Fund. Receipts issued for gifts must include:

3.5.1 the name of the Fund;

3.5.2 the fact that the receipt is for a gift;

3.5.3 the Deductible Gift Recipient Status of the Fund: and

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3.5.4 the Australian Business Number of RACS.

4. AMENDMENT OF REGULATIONS AND WINDING UP

If the gifts and contributions to the Fund become an allowable deduction under income tax legislation enacted by Parliament:

- 4.1** RACS must promptly notify the Australian Taxation Office of all amendments to these regulations; on the sooner of:
- 4.1.1 the winding up of the Fund or RACS; or
 - 4.1.2 notification that the Deductible Gift Recipient endorsement of the Fund has been revoked,
- 4.2** Upon the occurrence of any event in Clause 4.1, any surplus money or other assets of Fund must, as soon as practicable, be transferred to an entity which::
- 4.1.3 has a gift fund with similar objects to this Fund;
 - 4.1.4 also prohibits the distribution of profit, income and assets to its members to at least as great an extent as these regulations; and
 - 4.1.5 enable gifts and contributions as allowable deductions.

5. DEFINITIONS

In these regulations:

- 5.1.** “RACS” means the Royal Australasian College of Surgeons;
- 5.2.** “Committee” means the Global Health Committee
- 5.3.** “Constitution” means the Constitution of the Royal Australasian College of Surgeons
- 5.4.** “Council” means the Council of the College, which is the body responsible for managing the general business of RACS;
- 5.5.** “Fund” means the gift fund known as the “RACS Foundation — Developing Country Relief Fund” established by these regulations; and
- 5.6.** “Objects” means the objects set out in clause 0 of these regulations.