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ACNC media release

QUT and not-for-profit sector reduce red tape to save charities millions

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Standardised accounting guidelines developed at QUT in Brisbane that are saving the not-for-profit sector millions of dollars have been handed over to the national charity regulator, the Australian Charities and Not-for-profits Commission (ACNC).

Director of the Australia Centre for Philanthropy and Nonprofit Studies and member of the ACNC advisory board, Professor Myles McGregor-Lowndes said the National Standard Chart of Accounts (NSCOA) had been developed after broad consultation with the not-for-profit and government sectors.

QUT's Vice Chancellor Professor Peter Coaldrake today handed over QUT's intellectual property in relation to the NSCOA to the ACNC Commissioner, Susan Pascoe AM.

Speaking at the handover ceremony, Ms Pascoe thanked the Australia Centre for Philanthropy and Nonprofit Studies and said NSCOA has a new home at the ACNC and promised to keep the valuable tool up-to-date.

"Although use of the NSCOA is optional, adopting it would help relieve charities of a real burden in relation to accountancy and red tape.

"It means all organisations will have access to an agreed set of accounting guidelines and this will save them time and money, particularly in relation to reporting to government," Ms Pascoe said.

She said a recent study in Victoria, where a state-version of the NSCOA was in use, had found not-for-profit organisations had saved more than \$3 million over one year.

"Commonwealth and state and territory government officials will discuss the use of NSCOA across jurisdictions at the next Council of Australian Governments Not-for-profit Reform Working Group meeting on 25 June 2013.

"The savings to charities from using NSCOA can be put to good use within our communities," she said.

Jovana Juloska, Finance Officer for Volunteering Australia said, "For Volunteering Queensland, NSCOA is a fundamental tool and has become our normal way of doing business."

Professor McGregor-Lowndes said the ACPNS and the QUT School of Accountancy had developed state-based Standard Charts of Accounts for not-for-profit sectors in all individual states and territories

"These have been rolled into a national standard," he said.

He said the process of developing an NSCOA had already borne positive results and many organisations had:

- Upgraded accounting systems
- Revamped financial reporting to boards
- Invested in training for both staff and boards.

He said auditors had welcomed the standardisation which would reduce costs while government departments have generally moved to voluntarily adopt the standard.

Professor McGregor-Lowndes said the NSCOA had been designed to suit small community organisations with their financial reporting requirements to governments.

He said a MOU signed between the ACPNS and the Australian Charities and Not-for-profits Commission would ensure ongoing research between the two organisations.

The official hand-over ceremony was held today at in Old Government House at QUT.

The ACPNS brings together academics and research students with expertise in philanthropy, nonprofit organisations, and the social economy to benefit the community.

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Definition of NSCOA: The National Standard Chart of Accounts (NSCOA) provides a common approach to the capture of accounting information by community organisations for use by the nonprofits, government agencies and other interested parties. It is a tool designed primarily for small to medium

nonprofits which typically do not have an accounting department or a sophisticated accounting system. Larger nonprofits have adopted the data dictionary component of the standard chart of accounts aligning their systems to comply with a consistency across the sector.

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