

Education tax refund instructions for approved care organisations 2010

The words printed in bold are explained in **Explanation of terms** on the next page.

ELIGIBILITY FOR THE EDUCATION TAX REFUND

Your organisation may be eligible for the education tax refund (ETR) for an eligible education expense it incurred in respect of a child who was undertaking primary or secondary school studies (at school, home or TAFE) if the following conditions were met at the time your organisation incurred the expense:

- your organisation incurred the eligible education expense in the period 1 July 2009 to 30 June 2010
- your organisation met condition 1 (see **Condition 1: approved care organisation** on page 2)
- the child met the schooling requirement (see **Meeting the schooling requirements** on page 2), and either
- your organisation was entitled to be paid family tax benefit (FTB) for the child (see **Condition 2: your organisation received FTB for the child** on page 2), or
- your organisation would have been entitled to be paid FTB for the child if the child had not stopped school and earned too much income (see **Condition 3: child stopped school** on page 2).

Does your organisation want to claim the ETR?

NO You don't need to read this publication.

YES Read on.



EXPLANATION OF TERMS

Eligible education expenses

The following are eligible education expenses if they relate directly to the education of the child for whom your organisation is claiming the ETR:

- laptops, home computers, repair and associated running costs
- computer-related equipment, such as printers, USB flash drives, as well as disability aids to assist in the use of computer equipment for children with special needs, repair and associated running costs
- home internet connection, including the costs of establishing and maintaining it
- computer software – for example, word processing, spreadsheet and presentation software
- school textbooks and other paper-based school learning material, including prescribed textbooks, associated learning materials, study guides and stationery
- tools of trade, such as tools required to complete a school-based apprenticeship.

The following are **not eligible education expenses** for the ETR:

- building levies
- child attendance at school excursions and camps
- computer games and consoles.
- donations
- library book fees
- membership fees
- musical instruments
- school fees
- school photos
- school subject levies
- school uniform expenses
- sporting equipment
- transport
- tuck shop expenses
- tutoring costs
- waiting list fees

Your organisation cannot claim for an expense, or that part of an expense:

- that is tax deductible
- that is subject to another tax offset, or
- for which your organisation received or is entitled to receive a reimbursement or payment under a Commonwealth Government benefit, grant or subsidy.

Incurred

Your organisation has incurred an expense in the income year when:

- your organisation receives a bill or invoice for an expense that it is liable for and must pay (even if it does not pay it until after the end of the year), or
- your organisation is charged and pays for the expense even if it does not receive a bill or invoice.

CONDITION 1: APPROVED CARE ORGANISATION

Was your organisation an approved care organisation (ACO) on the day the expense was incurred for the child?

- NO** Your organisation is not eligible to claim the ETR.
- YES** Read on.

CONDITION 2: YOUR ORGANISATION RECEIVED FTB FOR THE CHILD

On the day your organisation incurred the expense for the child, was it entitled to receive FTB for the child?

An ACO is not eligible for FTB for a child if anyone else is eligible for FTB for that child. If you are not sure whether your organisation was entitled to receive FTB for a child, contact the Family Assistance Office (FAO) (see page 5).

- YES** Go to **Meeting the schooling requirement** below.
- NO** Read on.

CONDITION 3: CHILD STOPPED SCHOOL

Your organisation can meet this condition for the child only if:

- on the day it incurred the expense for the child, the child was 16 years old or older and met the schooling requirement
- the child was not undertaking primary or secondary school studies on 30 June 2010, and
- your organisation would have satisfied condition 2 for the child on the day the expense was incurred if the child had earned no income in 2009–10.

If all these criteria are satisfied, the Commissioner will accept that your organisation met this condition when the expense was incurred.

Did your organisation meet this condition?

- NO** Your organisation is not eligible to claim the ETR.
- YES** Read on.

MEETING THE SCHOOLING REQUIREMENT

If the child was enrolled or registered in a primary or secondary school course (at school, home or TAFE) and attended that course, or received the home schooling, for at least one day:

- between 1 July 2009 and 31 December 2009, then they met the schooling requirement for every day in that period
- between 1 January 2010 and 30 June 2010, then they met the schooling requirement for every day in that period
- in each of those two six-month periods, then they met the schooling requirement for the whole year.

Did the child meet the schooling requirement?

- NO** Your organisation is not eligible to claim the ETR.
- YES** Read on.

EDUCATION EXPENSES

Were the expenses your organisation wants to claim eligible education expenses?

- NO** Your organisation is not eligible to claim the ETR.
- YES** Read on.

WORKING OUT YOUR ORGANISATION'S ENTITLEMENT

Use the following steps and worksheets to work out your organisation's ETR, or go to www.ato.gov.au and use the ETR calculator there.

Completing worksheet 1

Complete **worksheet 1** to work out the maximum ETR your organisation can claim (the ETR limit). The amount at (e) in **worksheet 1** is your organisation's ETR limit.

If there are more children for whom your organisation wants to claim the ETR, use a separate piece of paper to continue your calculations.

Step 1

For a child who attended secondary school on a day during 2009–10, write **\$779** at (a). For a child who attended only primary school during 2009–10, write **\$390** at (a).

Step 2

Write at (b), for each student, the number of eligible days – that is, days when:

- your organisation met condition 1 and either condition 2 or 3 with respect to the child, and
- the child met the schooling requirement.

If both of the above dot points are satisfied for the whole income year, then write **365** at (b).

WORKSHEET 1: Working out your organisation's ETR limit

	Child's name	(a) Amount from step 1	(b) Number of eligible days	(c) Divide (b) by 365 (round to two decimal places).	(d) Multiply (a) by (c).
1		\$			\$
2		\$			\$
3		\$			\$
4		\$			\$
5		\$			\$
6		\$			\$
7		\$			\$
8		\$			\$
9		\$			\$
10		\$			\$
11		\$			\$
12		\$			\$
13		\$			\$
14		\$			\$
15		\$			\$
16		\$			\$
17		\$			\$
18		\$			\$
19		\$			\$
20		\$			\$
21		\$			\$
22		\$			\$
23		\$			\$
24		\$			\$
25		\$			\$
Add up all the amounts at (d) and round up to the next dollar. The amount at (e) is your organisation's ETR limit.					(e) \$

Completing worksheet 2

Step 3 Work out the total eligible expenses your organisation can claim the ETR for.

Add up all the eligible expenses that your organisation incurred when it met condition 1 and either condition 2 or 3 for each child in its care. Write the total at (f) in **worksheet 2**.

WORKSHEET 2: Working out the total expenses your organisation can claim the ETR for

Your organisation's total eligible expenses	\$	(f)
Your organisation's excess eligible expenses carried forward from 2008–09	\$	(g)
Add (f) and (g)	\$	(h)
Divide (h) by 2 and round up to the next dollar.	\$	(i)

The amount at (i) is the maximum amount of eligible education expenses your organisation may be able to claim.

Step 4 Work out the amount of your organisation's ETR.

Transfer the amount from (e) in **worksheet 1** or (i) in **worksheet 2**, whichever is less, to **L** item **6** on the *Education tax refund for approved care organisations 2010*.

If you transferred the amount from (i) in **worksheet 2** to **L** item **6**, go to step 6. Otherwise, read on.

Step 5 Work out the excess eligible expenses your organisation can carry forward to 2010–11.

WORKSHEET 3: Working out the excess eligible expenses

Transfer (i) from worksheet 2 .	\$	(k)
Transfer (e) from worksheet 1 .	\$	(l)
Take (l) away from (k).	\$	(m)
Multiply (m) by 2.	\$	(n)

If the amount at (n) in **worksheet 3** is less than the amount at (f) in **worksheet 2**, then the amount at (n) is the amount you carry forward and include in your total eligible education expenses when working out your organisation's ETR for 2010–11, provided you are still eligible to claim the ETR in that year. Keep a record of the amount at (n).

If the amount at (n) in **worksheet 3** is greater than the amount at (f) in **worksheet 2**, then the amount at (f) is the amount you carry forward and include in your total eligible education expenses when working out your ETR for 2010–11, provided you are still eligible to claim the ETR in that year. Keep a record of the amount at (f).

Step 6 Number of students

Add up the number of primary school students you are claiming the ETR for and write the answer at **W** item **6** on the *Education tax refund for approved care organisations 2010*.

Add up the number of secondary school students you are claiming the ETR for and write the answer at **X** item **6** on the *Education tax refund for approved care organisations 2010*.

HOW TO COMPLETE YOUR ORGANISATION'S ETR CLAIM

- Use a black pen.
- Print **X** in all applicable boxes.
- Print neatly using BLOCK LETTERS. (If we cannot read your writing, we may have to contact you and this may delay the processing of your education tax refund claim.)
- Do not show cents anywhere on the claim.

ORGANISATION DETAILS

Write your organisation's Australian business number (ABN) or its tax file number (TFN). If your organisation does not have an ABN or TFN, leave items **1** and **2** blank.

Print the name of your organisation. Make sure the name you provide here is the registered name of the approved care organisation.

Print the postal address of your organisation. Make sure the postal address you provide here is your organisation's address for the service of notices.

This year there is no need for you to print the previous postal address of your organisation at item **5**.

At item **6** on your claim, write at:

- **L** your **total ETR entitlement** from step 4
- **W** the **total number of eligible primary school children** your organisation is claiming for
- **X** the **total number of eligible secondary school children** your organisation is claiming for.

Complete page 2 of the claim.

CHECKLIST

Check that you have:

- completed all the other items on the claim
- provided totals (if more than zero) at **L**, **W** and **X** at item **6**
- signed and dated the declaration.

KEEP YOUR RECORDS

You must keep your records, usually for **five years**, unless you are subject to the shorter period of review.

You should therefore make a copy of your completed *Education tax refund for approved care organisations 2010* for your records before you mail it to us.

LODGING YOUR EDUCATION TAX REFUND CLAIM

Lodge your completed *Education tax refund for approved care organisations 2010* by 31 October 2010. Send it to:

AUSTRALIAN TAXATION OFFICE
PO BOX 1032
ALBURY NSW 2640

We will process it within our standard time of up to six weeks.

REFUNDS

Some organisations will receive their ETR by electronic funds transfer. Others will get their refund by cheque. To enquire about the progress of your refund, phone **1300 130 248** but not sooner than seven weeks after mailing your claim.

HOW TO MAKE A CHANGE TO YOUR CLAIM

If you need to change the ETR details you lodged with us, write to the above address explaining the change and reasons for the change. Do not lodge another claim. In your letter also provide your organisation's ABN or TFN, full name, postal address and contact number. Make sure the letter is signed and dated by an authorised person of your organisation.

HOW TO CONTACT THE FAO

To contact the FAO:

- visit their website at www.familyassist.gov.au or
- phone **13 61 50** between 8.00am and 8.00pm, Monday to Friday.

OUR COMMITMENT TO YOU

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

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Declaration

Read and sign the declaration after completing the claim.

I declare that:

- the organisation is an approved care organisation for the purposes of the *A New Tax System (Family Assistance) Act 1999*
- the organisation is entitled to the education tax refund it is claiming here
- all the information I have provided in this claim is true and correct
- I am authorised to lodge the claim.

I understand the tax law imposes heavy penalties for providing false or misleading information.

Authorised person's signature

Date / /

Authorised person's name

Position held

Daytime contact phone number

TAX AGENT'S DECLARATION:

I declare that:

- the organisation has given me a declaration stating that it is an approved care organisation for the purposes of the *A New Tax System (Family Assistance) Act 1999* and that the information it provided to me is true and correct
- this claim has been prepared in accordance with the information provided by the organisation
- the organisation has authorised me to lodge the claim.

Tax agent's signature

Date / /

Tax agent's contact details

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

Tax agent's practice

Tax agent's phone number

Reference number

Tax agent number



SEND THE COMPLETED AND SIGNED CLAIM TO:

Australian Taxation Office
PO Box 1032
ALBURY NSW 2640