



# National Heritage Fund – Central Fund

Non-profit organisations committed to promote heritage can now receive help in fund-raising efforts if they are a member of the National Heritage Fund (NHF) – Central Fund. Donors to members of this fund can also enjoy double tax deduction.

## What

---

The National Heritage Fund - Central Fund (NHF-CF) is an Institution of Public Character (IPC) central fund set up to support and encourage the development of non-profit organisations that promote our heritage.

Non-profit organisations can sign up as members of the NHF-CF to drive their fund-raising efforts by offering tax-deductible donations.

The tax deductible donations must only be used for activities of the members in line with their approved objectives. Members may invest donations not immediately required in such investments as permitted by law.

## Who

---

Any bona fide:

- private/public non-profit organisations with a mission to promote heritage;
- non profit charitable funds established and administered by private/public organisations
- non profit privately/publicly owned museum/gallery/facility with non-tradable collection(s) for public accessibility

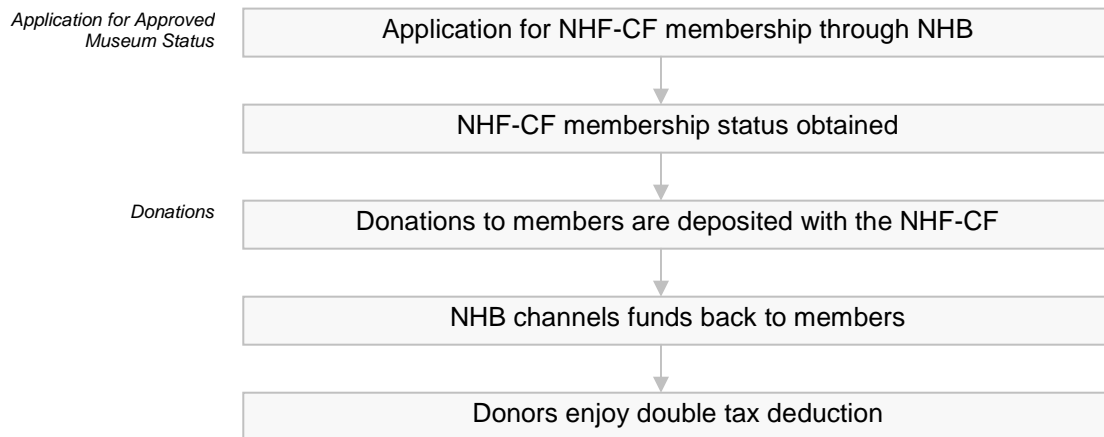
is eligible to apply as a member of the NHF-CF.

Currently, there are 3 IPC members under the NHF-CF:

- 1) Chinese Heritage Centre
- 2) Asian Film Archives
- 3) Malay heritage Foundation

## How

---



## Your Rewards

---

### **NHF-CF members enjoy**

- Eligibility to receive fund-raising assistance through tax deductible donations

### **Donors to NHF-CF members enjoy**

- Double tax deduction for the value of donations
- Ability to carry forward unutilised tax deductions granted for your donations for a maximum of 5 years

## National Heritage Fund – Central Fund

# Objective and Membership Application Guidelines

### **1 Objective of Fund**

---

- 1.1 The objective of the National Heritage Fund (NHF) is to promote and facilitate the appreciation and development of our heritage, culture and arts, so as to foster a socially cohesive, creative and culturally vibrant nation. The NHF is an IPC central fund, established and administered by the National Heritage Board (NHB).
- 1.2 The NHF-Central Fund aims to help museums and heritage-related organisations in their fund raising efforts and to encourage greater public support for the heritage of Singapore and Singaporeans. Museums and heritage-related organisations may apply to become members of the NHF-Central Fund so that they will be able to receive tax-deductible donations<sup>1</sup>.

### **2 Eligibility**

---

- 2.1 Any bona fide:
- (i) private/public non-profit heritage-related organisation;
  - (ii) non profit charitable funds<sup>2</sup> established and administered by private/public organisation;
  - (iii) non profit privately/publicly-owned museum/gallery/facility with non-tradable collection(s) for public accessibility
- is eligible to apply as a member of the NHF-Central Fund.
- 2.2 The applicant must satisfy the following conditions for the conferment of IPC status, as laid down by the Minister for Finance:
- (i) The applicant must be a registered charity under the Charities Act unless this is specifically waived by the Minister for Finance. The objects of the applicant must be charitable in nature and its operations must be carried out on a non-profit making basis.
  - (ii) The charitable activities undertaken by the applicant must not be confined to sectional interests or group of persons based on race, creed, belief or religion, i.e. they must satisfy the public benefit test, unless otherwise approved by the Minister for Finance. The charitable activities must benefit the Singapore community unless otherwise approved by the Minister for Finance.

---

<sup>1</sup> Tax deductible donations accepted under the NHF-Central Fund include:- (i) Cash; (ii) Shares of public companies listed on Singapore Exchange; (iii) Unit trusts that are readily tradable in Singapore; (iv) Buildings & (v) Parcels of land.

<sup>2</sup> In the case of a long-term charitable fund applying for membership, all eligibility criteria shall now apply to the fund, and not the organisation that set up and administer the fund. However, for short-term charitable funds established to support specific projects, e.g. building fund, anniversary fund etc, all eligibility criteria shall apply to the organisation that set up and administer the fund.

- (iii) The applicant must be administered by a group of independent trustees/committee members, i.e. there must be independent control.<sup>3</sup> No less than half the number of individuals making up the Board of Trustees/Management Committee should be Singapore Citizens, unless specifically waived by the Minister of Finance.

### **3 Membership Application**

---

- 3.1 An application in the appropriate form must be made at least two months before donations are first expected to be received. Without the membership status confirmed and in force, the donations received will NOT be tax deductible.
- 3.2 All completed forms should be submitted together with
  - (a) a copy of the applicant's governing instrument (e.g. the constitution or the Memorandum & Articles of Association);
  - (b) a copy of the applicant's latest audited financial accounts (if available);
- 3.3 Applications will be considered on the following:-
  - (a) applicant's objectives and contribution to the promotion of our nation's heritage and/or museum education;
  - (b) targeted beneficiaries of the applicant's objectives and activities;
  - (c) track record (if any) in the management of funds;
  - (d) proposed quantum of donation to collect and period during which the donations are to be collected (if membership is for a short-term project-specific fund);
  - (e) future plans and programmes.
- 3.4 A charge of \$262.50 to offset administrative costs is payable on each application, and subsequent renewals of membership.
- 3.5 The applicant is required to nominate one of its key staff (e.g. key administrative officer) or set up a management committee, endorsed by its Board of Trustees, to manage the tax deductible donations collected. This person/committee shall also be the contact person for NHB and IRAS.
- 3.6 Approval of the application will be at the sole discretion of NHB.

### **4 Review and Renewal of Membership**

---

- 4.1 All members of the NHF-Central Fund will be reviewed at least once every five years for consideration of a further extension. Each member will be assessed according to the criteria listed at para 2, in addition to the following:
  - (a) the activities that it has conducted;

---

<sup>3</sup> Independent control means not more than half of the board of directors/trustees or management committee members should have vested interest in the applicant, including family or corporate relationship with the applicant or the individual/organisation that set up the applicant. Family relationship includes children, siblings, parents, spouse, spouse's parents, spouse's siblings, grandparents and grandchildren. Corporate relationship refers to directors and senior executives of the company or its subsidiaries or holding company.

- (b) whether its activities are in line with its objectives, as well as the NHF-Central Fund, and beneficial to the Singapore community;
  - (c) the donations collected over the past five years;
  - (d) whether its accounts are audited and funds well managed;
  - (e) whether the approved quantum of donations to be collected has been met (if applicable);
  - (f) its future plans
- 4.2 Membership will not be extended if a member fails to satisfy any of the criteria set out for renewal.
- 4.3 Application for extension of membership should be made two months before the expiry of the current term. Where a member fails to apply for extension, or for any reason, membership is not renewed, its membership with the Scheme will be deemed to have terminated upon expiry of membership.

## **5 Termination of Membership**

---

- 5.1 Membership under the NHF-Central Fund will cease when the member organisation winds up its operations or when NHB determines that the organisation has ceased to serve its purpose.
- 5.2 NHB reserves the right to suspend or terminate membership if:
- (a) the member breaches any operating rules of the NHF-Central Fund;
  - (b) the member's activities do not meet its objectives and the objectives of the NHF-Central Fund;
  - (c) auditors have qualified their audit report or reported adversely on the member;
  - (d) the member fails to submit the required information to NHB and/or IRAS as specified in the Governing Rules and Regulations for Members within the stipulated period.
- 5.3 Suspended members must rectify all irregularities before applying to NHB for the reinstatement of its membership.
- 5.4 Upon termination of the membership, NHB has the right to disburse all the remaining tax-deductible donations collected by that member to other members under the NHF-Central Fund.

## National Heritage Fund – Central Fund

# Governing Rules and Regulations for Members

### **1 Use of Tax Deductible Donations**

---

- 1.1 Tax deductible donations must only be used for activities of the members in line with their approved objectives.
- 1.2 Members may invest donations not immediately required in such investments as permitted by law.

### **2 Fundraising**

---

- 2.1 If members organise fundraising events, the Comptroller of Income Tax requires the expenses of such fund-raising activities to be capped at 30% of the gross amount of funds expected to be raised. Expenses include all direct and estimated indirect expenses. (Direct expenses include advertisements, printing of publicity collaterals, rental of venues, costs of setting up stalls, tents etc. Indirect expenses include staff costs, utilities etc.) All fundraising expenses should be reflected clearly as an item in the financial accounts. Detailed statement of accounts of such events shall be furnished if requested by NHB.

### **3 Donations to Members**

---

- 3.1 Cheques should be made out to the “National Heritage Fund-Central Fund”.
- 3.2 Donations to members should be deposited with the NHF-Central Fund and NHB will channel the funds back to them. The donations should be acknowledged in writing by the members and necessary information such as names, NRIC/FIN numbers of donors and date of donation should also be furnished to facilitate the issue of tax-deductible receipts.
- 3.3 Tax-deductible receipts will be issued by NHF for all outright cash donations that do not confer a benefit to the donors. For donations made to fundraising events such as Charity Dinners, Charity Balls etc, tax-deductible receipts will be issued for the amount nett of dinner price or benefits accruing to the donors. The member should inform NHB the nett amount of donation for tax-deductible purpose, in the accompanying written acknowledgement, if a benefit has been given to the donor.
- 3.4 IRAS’ guidelines on Naming Donations shall apply. (Refer to [www.iras.gov.sg/charities/char\\_deduction.htm](http://www.iras.gov.sg/charities/char_deduction.htm))
- 3.5 For members that are specific project funds (e.g. building fund, anniversary fund etc) with a target amount of donations to be raised, only the quantum approved at time of application to membership, and achieved within the stipulated period, will be eligible for double tax deduction. Membership to the NHF-Central Fund will cease once the approved quantum or period is reached, whichever is earlier.

#### **4 Maintenance of Donation Records**

---

- 4.1 A register of donors shall be maintained by each member containing the following particulars:-
- (a) Name of Donor
  - (b) NRIC/FIN Number of Donor (RCB number in case of corporate donor)
  - (c) Date of Receiving Donation
  - (d) Type of Donation (cash, shares, unit trust, buildings, land)
  - (e) Actual Amount or Value of Donation Received
  - (f) Terms and Conditions of Donation (if any)
  - (g) Tax-deductible Receipt Number
- (The register must be made available at all times for inspection by NHB and the Comptroller of Income Tax.)
- 4.2 Members should ensure that such records are kept for a period of not less than seven (7) years.
- 4.3 Required information in the prescribed format at Appendix 1 must be submitted to NHB by 15 January each year without fail. This is to ensure that donors receive their tax deduction on time and correctly. Failure to comply with this provision may be sufficient cause for the NHF-Central Fund membership to be suspended or revoked.

#### **5 Management of Donation Funds**

---

- 5.1 Members are required to submit their set of governing rules regarding the management of tax deductible donations for NHB's approval, incorporating all the rules and requirements as set out in these guidelines for the NHF-Central Fund. The relevant authorities to approve expenditure of donated funds shall be clearly spelt out in the governing rules.

#### **6 Maintenance of Financial Accounts**

---

- 6.1 Members shall ensure that:-
- (a) a separate bank account ("donation account") is maintained for all tax-deductible donations received;
  - (b) proper books of accounts and records are maintained to show that all incomes to the donation account are properly accounted for and all payments out of the donation account are properly authorised and accounted for;
  - (c) where necessary, subsidiary financial accounts are to be kept for those cases where the donors have specified a particular purpose for the use of donated funds;
  - (d) its audited financial statements are submitted to NHB within 6 months after the close of the financial year, together with an audited report on the use of donation funds (a disclosure made in the audited accounts);
  - (e) NHB's approval must be obtained, within a month upon membership approval, for the appointment of a certified public accountant as its auditor. Any subsequent

change must also be approved by NHB. Approval can be sought by submitting to NHB the Auditor's Declaration Form at Appendix 2.

- (f) the audit partner in charge of the audit must be rotated at least once every five years. If any member is unable to adhere to this provision, it will have to disclose this in its financial statements.
  - (g) basic information on its activities and financial standing shall be made conveniently accessible to the public by posting them in the prescribed format, on the internet.
- 6.2 For members who are short-term project-specific funds, the audited statement shall include the following:-
- (a) the approved quantum of donation to be collected (if applicable);
  - (b) the period during which the amount can be raised;
  - (c) the donations received to date;
  - (d) the donations received during the current year;
  - (e) the expenses incurred to date;
  - (f) the expenses incurred for the current year.

## **7 Other Responsibilities of Members**

---

- 7.1 Members should acknowledge the assistance of NHB in all publicity materials in conjunction with the project/programme funded by the donations channelled through the NHF-Central Fund.
- 7.2 Members of the NHF-Central Fund are expected to be familiar and compliant with all applicable laws in force relating to the raising of funds by any means whatsoever.

## **8 Amendments to Constitution/Governing Instrument or Memorandum & Articles of Association**

---

- 8.1 Any amendment to a member's Constitution/Governing Instrument or Memorandum & Articles of Association must be approved by the Comptroller of Income Tax. Final copies of the updated document should be lodged with the Comptroller of Income Tax and NHB within thirty (30) days from the date it is finalised.

## **9 Amendment**

---

- 9.1 These rules shall not be amended except with the approval of the Comptroller of Income Tax.

## **10 Indemnity**

---

- 10.1 Each member of the NHF-Central Fund shall at all times fully and effectively indemnify NHB from and against all losses, liabilities, damages, costs, claims, expenses, actions, demands and proceedings which may be made against or incurred by NHB in any way arising from or in connection with the Fund.

## Appendix 1

Comptroller of Income Tax  
55 Newton Road, Revenue House  
Singapore 307987  
Tel: 6351 3347  
Fax: 6351 3366

## IPC RETURN OF TAX-DEDUCTIBLE DONATIONS

(For Calendar Year 200\_ )



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

*This Return is to be completed by Approved IPCs and Central Fund Administrators. Members of Central Funds should furnish the information to their Central Fund Administrator.*

Name of IPC :	File Ref:
---------------	-----------

### I Cash Donations *(qualifying for double tax deduction - where donors have not received any benefit in return for the donation)*

	Individuals	Corporations
Cash Donations		
Deductions from Salaries		
GIRO Deductions, Credit Cards etc		
Total (\$)		

### II Donation of Shares or Unit Trusts under the Share Donation Scheme *(qualifying for double tax deduction)*

Name of Recipient Organisation	Full Name of Donor	ID of Donor (NRIC/FIN/RCB/ROS No.)	Name of Company	No. of Shares/Units Trust	Date of Donation <sup>4</sup>	Value (\$) <sup>5</sup>
Total (\$)						

### III Donation of Computers under the Computer Donation Scheme *(qualifying for double tax deduction)*

Name of Recipient Organisation	Full Name of Corporate Donor	ID of Donor (RCB No.)	Date of Donation	Value (\$)
Total (\$)				

<sup>4</sup> Date of donation = Date when all legal procedures to effect the transfer of the shares / units to the recipient organisation are completed

<sup>5</sup> Value of donated shares or units in the units trusts = Market value as at the date of donation

IV Artefact Donation to Approved Museums *(qualifying for double tax deduction)*

Name of Recipient Organisation	Full Name of Donor	ID of Donor (NRIC/FIN/RCB/ROS No.)	Date of Donation	Value (\$)
Total (\$)				

\_\_\_\_\_  
Name of Authorised Person

\_\_\_\_\_  
Capacity in which the return is made  
Chairman/Treasurer/Secretary

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## DECLARATION BY AUDITOR

(To be completed by the external auditor to be appointed by a Central Fund member)

The appointment of external auditors of all Central Fund members must have the prior approval of the Central Fund Administrator/Comptroller of Income Tax. The information provided in this form will be conveyed to the Comptroller of Income Tax.

<b>PART (A): CENTRAL FUND MEMBER'S PARTICULARS</b>			
Name of Member	:	_____	
Name of Central Fund	:	National Heritage Fund	
<b>PART (B): AUDITOR'S PARTICULARS</b>			
1) Full name:	_____		
2) NRIC number:	_____		
3) Public Accountants Registration number:	_____		
4) No. of years as a Public Accountant:	_____		
5) Name of Audit Firm (if applicable):	_____		
<b>PART (C): DECLARATION</b>			
	<b>Yes</b>	<b>No</b>	
a) Are you currently a Public Accountant registered with the Accounting and Corporate Regulatory Authority (ACRA)?	<input type="checkbox"/>	<input type="checkbox"/>	
b) Have you been charged with or convicted of any offence in a Court of Law in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	
c) Have you had any out-of-court settlement with a law enforcement agency (eg. any agency dealing with commercial crime or corruption) in Singapore or elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	
1) I _____ (NRIC No. _____) hereby declare that all information given in this declaration is true, correct and complete.			
2) I understand that the making of a false declaration is an offence under the Penal Code.			
3) I undertake to inform the Comptroller of Income Tax should there be any changes to this declaration subsequently.			
_____	_____	_____	_____
Name	NRIC No.	Signature	Date
<b>PART (D): For Central Fund Administrator's Use Only</b>			
<input type="checkbox"/> Approved		<input type="checkbox"/> Not approved	
_____	_____	_____	
Name of authorised officer	Signature	Date	