



Patriotic v Incorporated Entity Funds FACTSHEET

What is a patriotic fund?

- Patriotic funds are a type of trust fund created after the First World War, when Victorian communities raised money to assist soldiers and their families.
- Patriotic funds provide a range of welfare services and physical spaces for returned & services personnel and their dependants.
- There are 600 patriotic funds in Victoria, administered by legally appointed trustees.
- The RSL State Branch, RSL Sub-Branches and Legacy are the most common entities utilising Patriotic Funds in Victoria.
- Patriotic Funds are governed by Victorian state legislation; *Veterans Act 2005* and administered by Consumer Affairs Victoria (CAV). CAV controls the trustees of patriotic funds.

What is an incorporated association entity?

- When a club or community group incorporates, it becomes a 'legal person' – that is, a legal entity that stays the same even if its members change.
- An incorporated association can enter into contracts in its own name; for example, to borrow money or buy equipment. This protects the individual members of the association from legal liabilities.
- There are more than 38,000 incorporated associations in Victoria.
- The Victorian RSL State Branch runs an incorporated association, as does approximately 130 RSL Sub-Branches.
- Victorian incorporated associations are registered with Consumer Affairs Victoria under the *Associations Incorporation Reform Act 2012*.

What is the difference between a patriotic fund and an incorporated association?

- Patriotic funds and incorporated associations are governed by two different Acts of Victorian parliament.
- Monies from an incorporated association can be used for a broad range of operating purposes and a Patriotic Fund can only be used consistent with the *Veterans Act 2005 (Vic)*.
- Incorporated association and Patriotic Funds have separate governing documents (or commonly referred to as a Deed or Rules) that further define what the entity does.
- All State Branch administered entities are registered as charities with the Australian Charities & Not-for-profits Commission (ACNC), and the majority of RSL Sub-Branch incorporated associations and Patriotic Funds are also registered as charities.

Where does the money in an RSL Victoria patriotic fund come from?

- Income into a Sub-Branch Patriotic Fund will commonly come from government grants received and rent received from the use of a premises.
- Income into a State Branch Patriotic Fund such as the General Appeals Patriotic Fund comes from fundraising such as the ANZAC Appeal or Poppy Appeal.



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What can RSL Victoria patriotic fund monies be spent on?

- Consistent with the *Veterans Act 2005 (Vic)* expenditure of a Patriotic Fund must, by law, be spent on veteran or veteran dependant welfare.
- A Sub-Branch Patriotic Fund is typically allocated to maintain and improve the hall or clubrooms and to run various support and assistance activities for veteran or a veteran dependant.
- Expenditure of a State Branch Patriotic Fund, such as the General Appeals Patriotic Fund is spent on benevolent veteran or veteran dependant welfare such as financial support, assistance with medical costs and rehabilitation, social inclusion programs (such as RSL Active) and housing etc.

Where does the money in an RSL Victoria incorporated association come from?

- Typically, income into the Sub-Branch incorporated association comes from membership fees and commercial hospitality (where conducted).
- State Branch incorporated association income in most part comes from the Operational Services Fee from the large Sub-Branches.

What can RSL Victoria incorporated association monies be spent on?

- Incorporated entity monies can be spent on the running of the commercial business
- Many Sub-Branches run hospitality businesses in addition to expenditure towards charity which includes veteran welfare and also supporting the community.
- The State Branch incorporated association entity expenditure is mostly towards salaries and wages of staff administering the charity, and in assisting Sub-Branches meet their objects.

Who approves expenditure from a RSL Victoria patriotic fund?

- Any transfers, including donations, from a Patriotic Fund need to be pre-approved by CAV.
- In the case of a Sub-Branch Patriotic Fund, the Sub-Branch Committee will approve the expenditure of Patriotic Funds. If the expenditure is significant then approval is required from the RSL State Branch as typically the RSL State Branch is trustee of the Sub-Branch Patriotic Fund.
- State Branch expenditure is approved by the State Executive and through appropriate delegations to staff.

Who approves expenditure from an RSL Victoria incorporated association?

- As a legal business entity, the organisation's board and/or members can approve expenses.
- For a Sub-Branch, the Sub-Branch Committee members will approve expenditure from the incorporated association who may also delegate expenditure to other paid staff such as the Manager.
- State Branch expenditure is approved by the State Executive and through appropriate delegations to staff.



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Are the RSL Victoria patriotic funds audited?

- Yes
- CAV require that a Patriotic Fund is externally audited after the completion of the financial year. This is required for any Patriotic Funds with income over \$10,000.
- Patriotic Fund financial returns of any income are sent for review at RSL State Branch and submitted to CAV and the ACNC each year.

I have purchased an ANZAC Appeal badge or Poppy Appeal poppy, what happens to the money?

- All monies received through the RSL Victoria Appeals are deposited into the RSL State Branch General Appeals Patriotic Fund.
- 100% of the proceeds are spent on benevolent veteran or veteran dependent welfare.

What should I do if I think monies have been misused?

- Concerns by members or the general public would in the first instance be raised with the controlling body (i.e. the Sub-Branch Committee or RSL State Branch)
- Concerns can be escalated to either Consumer Affairs Victoria (CAV) via phone on 1300 558 181 or consumer.vic.gov.au/contact-us and/or the Australian Charities & Not-for-profits Commission (ACNC) acnc.gov.au/contact-us

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