



TE AKATEA

New Zealand Maori Principals' Association

7 June 2011

Ki te hunga o Te Akatea Māori Principals' Association Inc.

An independent auditor's report of the financial statements (as at 31st December 2010) of Te Akatea Māori Principals' Association Inc., recommended that Te Akatea obtain charitable status to avoid tax liability. An application was subsequently submitted to the Charities Commission.

The Charities Commission advises that Te Akatea Rules do not obtain any clauses prohibiting the payment of any money or benefit for private pecuniary advantage and suggests if the following three clauses are inserted into the Rules then private pecuniary profit will be prevented:

Any income, benefit or advantage must be used to advance the charitable purposes of the organisation.

No member of the organisation, or anyone associated with a member, is allowed to take part in, or influence any decision made by the organisation in respect of payments to, or on behalf of, the member or associated person of any income, benefit, or advantage.

Any payments made to a member of the organisation, or person associated with a member, must be for goods or services that advance the charitable purpose and must be reasonable and relative to payments that would be made between unrelated parties.

Furthermore, the Commission considers that clause 7 of the Rules does not provide for Te Akatea Incorporated's assets to be distributed solely for charitable purposes upon winding up and suggests if it is amended to the following, then in the event of winding up any surplus assets will be given to charitable purposes:

In the event of Te Akatea being wound up, the surplus assets of Te Akatea's liabilities and expenses of being wound up shall be given or transferred to exclusively charitable purposes.

I hereby formally notify the members that these suggested changes to the Constitution and Rules will be put to a vote at the impending annual general meeting scheduled for Wednesday 6th July 2011, day one of the annual conference hosted by Te Arawa Waka.

The Constitution and Rules can be downloaded from the Te Akatea website www.teakatea.co.nz

Nāku noa

Nā Paul W Royal
TUMUAKI –TKKM o Bernard Fergusson

TREASURER – Te Akatea Executive

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KIA TUITUIA NGA RAKAU, UAU KA WHATI