

# Incorporation

**CLUBS ARE NOT REQUIRED TO BE INCORPORATED TO BE REGISTERED WITH GRIFFITH UNIVERSITY. AFTER READING THE FOLLOWING INFORMATION, YOUR COMMITTEE CAN DECIDE WHETHER INCORPORATION IS WORTH EXPLORING FURTHER.**

## What is incorporation?

Incorporation is a system of registration that gives associations and/or community groups certain legal advantages (in return for accepting certain legal responsibilities). An incorporated association receives recognition as a legal entity separate from its members and offers some protection for committee members from any debts or liabilities incurred by the group, as long as the association doesn't make a profit for its members. A full copy of the Associations Incorporation Act 1981 is available on the Queensland Government website and should be read by all clubs and societies seriously considering becoming an incorporated association: [www.legislation.qld.gov.au/LEGISLTN/CURRENT/A/AssocIncorpA81.pdf](http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/A/AssocIncorpA81.pdf)

## Why incorporate?

Non-profit community groups can be unregistered and unrecognised bodies acting under their own rules, or they can be formally recognised bodies with a legal personality of their own. There are advantages and disadvantages to each approach.

The advantages of being unincorporated are –

- You don't have to pay the costs associated with incorporation;
- You don't have to comply with many of the requirements nor fill out the forms imposed on corporations.

This doesn't mean that you can run your club as you like, but you can be more flexible about what is to be done and how to do it. The disadvantage is that if anything goes wrong it's possible that committee members may be held personally liable. In the case the club doesn't have enough money to cover the debts / costs, individuals may be held liable. Furthermore, most foundations and government departments will only fund incorporated organisations.

The advantages of incorporation are –

- It limits liability of individual committee members;
- You can apply for government funding;
- The organisation exists as a separate legal entity, regardless of changes of membership;
- You may enter into contracts;
- You can accept gifts and bequests.

Although there are many benefits to incorporation, there are also legal implications. Once incorporated there are a range of requirements which clubs are legally obligated to fulfil as part of their incorporation status. These include:

- Advising the Office of Fair Trading of changes to committee membership;
- Running regular meetings and an Annual General Meeting;
- Providing the Office of Fair Trading with the minutes of Annual General Meetings;

- Completing a yearly audit (through a suitably qualified auditor) and providing the transcript of this audit to the Office of Fair Trading.

## How do you incorporate?

If your club decides to incorporate, the following needs to be prepared:

1. A name for the association

You have to apply for your name to be registered and this involves making sure it hasn't already been taken by another organisation. You also can't use a name if it could be confused with an existing organisation.

2. Aims and objectives of the organisation

What your association wants to do.

3. A constitution

As a Griffith University registered club you will already have a constitution, but you will need to look at the Model Rules for Associations set out in the Act. These aren't compulsory, and you don't have to adopt them as a whole, but you need to make sure that your constitution covers all the topics that are in the Model Rules.

4. Public meeting

This can be your annual general meeting, and should be advertised to all members of the club and among the wider community to people who may be interested in joining your club. At the meeting, there should be a set agenda and the constitution should be available for all present to peruse. The topic of incorporation should appear on the agenda so those present, and eligible to vote can do so.

5. Making the application for incorporation

Once the meeting has passed and the resolution to incorporate has been approved, you have to lodge your incorporation application form with the Office of Fair Trading. Your application must include:

- The names and addresses of the committee;
- A copy of the advertisement of the meeting;
- A copy of the minutes of the meeting;
- A copy of the rules/constitution adopted at the meeting, with any differences between the constitution and the Queensland Model Rules highlighted;
  
- The name of the organisation's auditor;
- The lodgement fee.

## After incorporation

Once your application has been approved and you have received your certificate of incorporation, you must ensure:

- Your name (including the word 'incorporated' or 'Inc') appears on all your documents and publications;
- You have a **common seal** (available from any maker of rubber stamps).
- You have a registered address. This can be the University address:  
C/- Campus Life, Griffith University  
170 Kessels Road  
Nathan Qld 4111
- You have a current bank account in your organisations name;

- You maintain a public liability insurance policy for at least \$ 1,100,000 from an approved insurer. Registered clubs and societies are covered by the University's insurance policy so must make sure they maintain their registration with the University.
- You keep a set of books to record the financial transactions of the association and a register of members and committee members. A folder or book to keep minutes of committee meetings and general meetings must also be kept.

### **Public Officer**

When a group is incorporated, one member must be appointed as Public Officer. The Public Officer is responsible for supplying the Commissioner of Corporate Affairs with an annual return on the prescribed form (see Forms, below) and informing the Registrar if:

- There is a change of Public Officer or a change of registered address;
- There is a change of name;
- The association becomes a trustee;
- The association is winding up.

### **Meetings**

Incorporated associations must hold an Annual General Meeting every year. General meetings regarding the ongoing operations of the club and its activities should be held at least every 4 months.