



The
Rules^{1,2}
Of
ChaplainWatch™ Inc.

Rules as Adopted by Members of
ChaplainWatch:
Dated: 13 June 2007

Rules as Amended by Members of
ChaplainWatch:
Dated: 29 October 2007

Office of Fair Trading Certificate of
Registration IA35518
as ChaplainWatch Inc.
Dated: 22 June 2007

I N D E X

1. Interpretation.....	3
2. Name	3
3. Objects	3
4. Powers.....	3
5. Classes of members	3
6. Automatic membership.....	4
7. New membership	4
8. Membership fees.....	4
9. Admission and rejection of new members	4
10. When membership ends	5
11. Appeal against rejection or termination of Membership	5
12. General meeting to decide appeal	5
13. Register of members	5
14. Prohibition on use of information on register of members.....	6
15. Appointment or election of secretary.....	6
16. Removal of secretary	7
17. Functions of secretary	7
18. Membership of management committee	7
19. Electing the management committee	7
20. Resignation, removal or vacation of office of management committee member	8
21. Vacancies on management committee	8
22. Functions of management committee.....	9
23. Meetings of management committee	9
24. Quorum for, and adjournment of, management committee meeting.....	10
25. Special meeting of management committee.....	10
26. Minutes of management committee meetings.....	10
27. Appointment of subcommittees	11
28. Acts not affected by defects or disqualifications	11
29. Resolutions of management committee without meeting.....	11
30. First annual general meeting	11
31. Subsequent annual general meetings	11
32. Business to be conducted at annual general meeting of level 1 incorporated associations and particular level 2 and 3 incorporated associations.....	12
33. Business to be conducted at annual general meeting of other level 2 incorporated associations	12
34. Business to be conducted at annual general meeting of other level 3 incorporated associations	12
35. Notice of general meeting	12
36. Quorum for, and adjournment of, general meeting.....	13
37. Procedure at general meeting	13
38. Voting at general meeting.....	14
39. Special general meeting.....	14
40. Proxies	15
41. Minutes of general meetings	15
42. By-laws	16
43. Alteration of rules.....	16
44. Common seal.....	16
45. Funds and accounts.....	16
46. General financial matters	17
47. Documents	17
48. Financial year.....	17
49. Distribution of surplus assets to another entity	17
50. GIFT FUND	17

1. INTERPRETATION

(1) In these rules—

Act means the Associations Incorporation Act 1981.
present—

- (a) at a management committee meeting, see rule 23(6); or
 - (b) at a general meeting, see rule 37(2).
- (2) A word or expression that is not defined in these model rules, but is defined in the Act has, if the context permits, the meaning given by the Act.

2. NAME

The name of the incorporated association is ChaplainWatch Inc. (*the association*).

3. OBJECTS

The Association shall be an autonomous, not-for-profit organisation, the objects of which are to:

- (1) supply help, aid, relief, or support to, or the education or instruction, (whether spiritual, mental, physical, technical, social, or otherwise) of, or the care, housing, or assistance otherwise of, any persons in distress
- (2) have as the core of this ministry Chaplains and Associate Chaplains to demonstrate the love of Christ through their words and deeds upholding the values, morals and ethics of a Chaplain, and to be trained so as to fulfil these objectives
- (3) offer specialised 'pastoral care' such as welfare support, emergency assistance, crisis intervention, secondary victim response, incident defusing, situation negotiation, coaching, counselling, referrals, practical assistance and the like
- (4) provide, specifically but not exclusively, out of office, after hours, generally at night, mobile on-street community service to anyone who is deemed to be in crisis, at risk and/or in need through a pro-active intervention programme, directed toward the disenfranchised, the city stakeholders and officials, and the general public without fear or favour
- (5) develop strategic partnerships with businesses, organisations, officials, departments, ministries and the like with the desired outcome of meeting their stated goals and achieving this organisations goals
- (6) do all other things whatsoever is necessary and appropriate to realise these objectives

4. POWERS

- (1) The association has the powers of an individual.
- (2) The association may, for example—
 - (a) enter into contracts; and
 - (b) acquire, hold, deal with and dispose of property; and
 - (c) make charges for services and facilities it supplies; and
 - (d) do other things necessary or convenient to be done in carrying out its affairs.
- (3) The association may take over the funds and other assets and liabilities of the present unincorporated association known as the ChaplainWatch.
- (4) The association may also issue secured and unsecured notes, debentures and debenture stock for the association.

5. CLASSES OF MEMBERS

- (1) The membership of the association consists of ordinary members.
- (2) The number of ordinary members is unlimited.

6. AUTOMATIC MEMBERSHIP

A person who, on the day the association is incorporated, was a member of the unincorporated association and who, on or before a day fixed by the management committee, agrees in writing to become a member of the incorporated association, must be admitted by the management committee—

- (a) to the equivalent class of membership of the association as the member held in the unincorporated association; or
- (b) if there is no equivalent class of membership—as an ordinary member.

7. NEW MEMBERSHIP

- (1) An applicant for membership of the association must be proposed by 1 member of the association (the *proposer*) and seconded by another member (the *seconder*).
- (2) An application for membership must be—
 - (a) in writing; and
 - (b) signed by the applicant and the applicants proposer and seconder; and
 - (c) in the form decided by the management committee.

8. MEMBERSHIP FEES

- (1) The membership fee for each ordinary membership and for each other class of membership (if any)—
 - (a) is the amount decided by the members from time to time at a general meeting; and
 - (b) is payable when, and in the way, the management committee decides.
- (2) A member of the incorporated association who, before becoming a member, has paid the members annual subscription for membership of the unincorporated association on or before a day fixed by the management committee, is not liable to pay a further amount of annual subscription for the period before the day fixed by the management committee as the day on which the next annual subscription is payable.

9. ADMISSION AND REJECTION OF NEW MEMBERS

- (1) The management committee must consider an application for membership at the next committee meeting held after it receives—
 - (a) the application for membership; and
 - (b) the appropriate membership fee for the application.
- (2) The management committee must ensure that, as soon as possible after the person applies to become a member of the association, and before the management committee considers the persons application, the person is advised—
 - (a) whether or not the association has public liability insurance; and
 - (b) if the association has public liability insurance—the amount of the insurance.
- (3) The management committee must decide at the meeting whether to accept or reject the application.
- (4) If a majority of the members of the management committee present at the meeting vote to accept the applicant as a member, the applicant must be accepted as a member for the class of membership applied for.
- (5) The secretary of the association must, as soon as practicable after the management committee decides to accept or reject an application, give the applicant a written notice of the decision.

10. WHEN MEMBERSHIP ENDS

- (1) A member may resign from the association by giving a written notice of resignation to the secretary.
- (2) The resignation takes effect at—
 - (a) the time the notice is received by the secretary; or
 - (b) if a later time is stated in the notice—the later time.
- (3) The management committee may terminate a members membership if the member—
 - (a) is convicted of an indictable offence; or
 - (b) does not comply with any of the provisions of these rules; or
 - (c) has membership fees in arrears for at least 2 months; or
 - (d) conducts himself or herself in a way considered to be injurious or prejudicial to the character or interests of the association.
- (4) Before the management committee terminates a members membership, the committee must give the member a full and fair opportunity to show why the membership should not be terminated.
- (5) If, after considering all representations made by the member, the management committee decides to terminate the membership, the secretary of the committee must give the member a written notice of the decision.

11. APPEAL AGAINST REJECTION OR TERMINATION OF MEMBERSHIP

- (1) A person whose application for membership has been rejected, or whose membership has been terminated, may give the secretary written notice of the persons intention to appeal against the decision.
- (2) A notice of intention to appeal must be given to the secretary within 1 month after the person receives written notice of the decision.
- (3) If the secretary receives a notice of intention to appeal, the secretary must, within 1 month after receiving the notice, call a general meeting to decide the appeal.

12. GENERAL MEETING TO DECIDE APPEAL

- (1) The general meeting to decide an appeal must be held within 3 months after the secretary receives the notice of intention to appeal.
- (2) At the meeting, the applicant must be given a full and fair opportunity to show why the application should not be rejected or the membership should not be terminated.
- (3) Also, the management committee and the members of the committee who rejected the application or terminated the membership must be given a full and fair opportunity to show why the application should be rejected or the membership should be terminated.
- (4) An appeal must be decided by a majority vote of the members present and eligible to vote at the meeting.
- (5) If a person whose application for membership has been rejected does not appeal against the decision within 1 month after receiving written notice of the decision, or the person appeals but the appeal is unsuccessful, the secretary must, as soon as practicable, refund the membership fee paid by the person.

13. REGISTER OF MEMBERS

- (1) The management committee must keep a register of members of the association.
- (2) The register must include the following particulars for each member—
 - (a) the full name of the member;

- (b) the postal or residential address of the member;
 - (c) the date of admission as a member;
 - (d) the date of death or time of resignation of the member;
 - (e) details about the termination or reinstatement of membership;
 - (f) (f) any other particulars the management committee or the members at a general meeting decide.
- (3) The register must be open for inspection by members of the association at all reasonable times.
- (4) A member must contact the secretary to arrange an inspection of the register.
- (5) However, the management committee may, on the application of a member of the association, withhold information about the member (other than the members full name) from the register available for inspection if the management committee has reasonable grounds for believing the disclosure of the information would put the member at risk of harm.

14. PROHIBITION ON USE OF INFORMATION ON REGISTER OF MEMBERS

- (1) A member of the association must not—
- (a) use information obtained from the register of members of the association to contact, or send material to, another member of the association for the purpose of advertising for political, religious, charitable or commercial purposes; or
 - (b) disclose information obtained from the register to someone else, knowing that the information is likely to be used to contact, or send material to, another member of the association for the purpose of advertising for political, religious, charitable or commercial purposes.
- (2) Subrule (1) does not apply if the use or disclosure of the information is approved by the association.

15. APPOINTMENT OR ELECTION OF SECRETARY

- (1) The secretary must be an individual residing in Queensland, or in another State but not more than 65km from the Queensland border, who is—
- (a) a member of the association elected by the association as secretary; or
 - (b) any of the following persons appointed by the management committee as secretary—
 - (i) a member of the associations management committee;
 - (ii) another member of the association;
 - (iii) another person.
- (2) If the association has not elected an interim officer as secretary for the association before its incorporation, the members of the management committee must ensure a secretary is appointed or elected for the association within 1 month after incorporation.
- (3) If a vacancy happens in the office of secretary, the members of the management committee must ensure a secretary is appointed or elected for the association within 1 month after the vacancy happens.
- (4) If the management committee appoints a person mentioned in subrule (1)(b)(ii) as secretary, other than to fill a casual vacancy on the management committee, the person does not become a member of the management committee.
- (5) However, if the management committee appoints a person mentioned in subrule (1)(b)(ii) as secretary to fill a casual vacancy on the management committee, the person becomes a member of the management committee.

- (6) If the management committee appoints a person mentioned in subrule (1)(b)(iii) as secretary, the person does not become a member of the management committee.
- (7) In this rule— *casual vacancy*, on a management committee, means a vacancy that happens when an elected member of the management committee resigns, dies or otherwise stops holding office.

16. REMOVAL OF SECRETARY

- (1) The management committee of the association may at any time remove a person appointed by the committee as the secretary.
- (2) If the management committee removes a secretary who is a person mentioned in rule 15(1)(b)(i), the person remains a member of the management committee.
- (3) If the management committee removes a secretary who is a person mentioned in rule 15(1)(b)(ii) and who has been appointed to a casual vacancy on the management committee under rule 15(5), the person remains a member of the management committee.

17. FUNCTIONS OF SECRETARY

The secretary's functions include, but are not limited to—

- (a) calling meetings of the association, including preparing notices of a meeting and of the business to be conducted at the meeting in consultation with the president of the association; and
- (b) keeping minutes of each meeting; and
- (c) keeping copies of all correspondence and other documents relating to the association; and
- (d) maintaining the register of members of the association.

18. MEMBERSHIP OF MANAGEMENT COMMITTEE

- (1) The management committee of the association consists of a president, treasurer, and any other members the association members elect at a general meeting.
- (2) A member of the management committee, other than a secretary appointed by the management committee under rule 15(1)(b)(iii), must be a member of the association.
- (3) At each annual general meeting of the association, the members of the management committee must retire from office, but are eligible, on nomination, for re-election.
- (4) A member of the association may be appointed to a casual vacancy on the management committee under rule 21.

19. ELECTING THE MANAGEMENT COMMITTEE

- (1) A member of the management committee may only be elected as follows—
 - (a) any 2 members of the association may nominate another member (the *candidate*) to serve as a member of the management committee;
 - (b) the nomination must be—
 - (i) in writing; and
 - (ii) signed by the candidate and the members who nominated him or her; and
 - (iii) given to the secretary at least 14 days before the annual general meeting at which the election is to be held;

- (c) each member of the association present and eligible to vote at the annual general meeting may vote for 1 candidate for each vacant position on the management committee;
 - (d) if, at the start of the meeting, there are not enough candidates nominated, nominations may be taken from the floor of the meeting.
- (2) A person may be a candidate only if the person—
 - (a) is an adult; and
 - (b) is not ineligible to be elected as a member under section 61A of the Act.
 - (3) A list of the candidates names in alphabetical order, with the names of the members who nominated each candidate, must be posted in a conspicuous place in the office or usual place of meeting of the association for at least 7 days immediately preceding the annual general meeting.
 - (4) If required by the management committee, balloting lists must be prepared containing the names of the candidates in alphabetical order.
 - (5) The management committee must ensure that, before a candidate is elected as a member of the management committee, the candidate is advised—
 - (a) whether or not the association has public liability insurance; and
 - (b) if the association has public liability insurance—the amount of the insuranceⁱⁱⁱ.

20. RESIGNATION, REMOVAL OR VACATION OF OFFICE OF MANAGEMENT COMMITTEE MEMBER

- (1) A member of the management committee may resign from the committee by giving written notice of resignation to the secretary.
- (2) The resignation takes effect at—
 - (c) (a) the time the notice is received by the secretary; or
 - (d) (b) if a later time is stated in the notice—the later time.
- (3) A member may be removed from office at a general meeting of the association if a majority of the members present and eligible to vote at the meeting vote in favour of removing the member.
- (4) Before a vote of members is taken about removing the member from office, the member must be given a full and fair opportunity to show cause why he or she should not be removed from office.
- (5) A member has no right of appeal against the members removal from office under this rule.
- (6) A member immediately vacates the office of member in the circumstances mentioned in section 64(2) of the Act.

21. VACANCIES ON MANAGEMENT COMMITTEE

- (1) If a casual vacancy happens on the management committee, the continuing members of the committee may appoint another member of the association to fill the vacancy until the next annual general meeting.
- (2) The continuing members of the management committee may act despite a casual vacancy on the management committee.
- (3) However, if the number of committee members is less than the number fixed under rule 24(1) as a quorum of the management committee, the continuing members may act only to—
 - (a) increase the number of management committee members to the number required for a quorum; or
 - (b) call a general meeting of the association.

22. FUNCTIONS OF MANAGEMENT COMMITTEE

- (1) Subject to these rules or a resolution of the members of the association carried at a general meeting, the management committee has the general control and management of the administration of the affairs, property and funds of the association.
- (2) The management committee has authority to interpret the meaning of these rules and any matter relating to the association on which the rules are silent, but any interpretation must have regard to the Act, including any regulation made under the Act.

Note—The Act prevails if the associations rules are inconsistent with the Act—see section 1B of the Act.

- (3) The management committee may exercise the powers of the association—
 - (a) to borrow, raise or secure the payment of amounts in a way the members of the association decide; and
 - (b) to secure the amounts mentioned in paragraph (a) or the payment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the association in any way, including by the issue of debentures (perpetual or otherwise) charged upon the whole or part of the associations property, both present and future; and
 - (c) to purchase, redeem or pay off any securities issued; and
 - (d) to borrow amounts from members and pay interest on the amounts borrowed; and
 - (e) to mortgage or charge the whole or part of its property; and
 - (f) to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the association; and
 - (g) to provide and pay off any securities issued; and
 - (h) to invest in a way the members of the association may from time to time decide.
- (4) For subrule (3)(d), the rate of interest must not be more than the current rate being charged for overdrawn accounts on money lent (regardless of the term of the loan) by—
 - (a) the financial institution for the association; or
 - (b) if there is more than 1 financial institution for the association—the financial institution nominated by the management committee.

23. MEETINGS OF MANAGEMENT COMMITTEE

- (1) Subject to this rule, the management committee may meet and conduct its proceedings as it considers appropriate.
- (2) The management committee must meet at least once every 4 months to exercise its functions.
- (3) The management committee must decide how a meeting is to be called.
- (4) Notice of a meeting is to be given in the way decided by the management committee.
- (5) The management committee may hold meetings, or permit a committee member to take part in its meetings, by using any technology that reasonably allows the member to hear and take part in discussions as they happen.
- (6) A committee member who participates in the meeting as mentioned in subrule (5) is taken to be present at the meeting.

- (7) A question arising at a committee meeting is to be decided by a majority vote of members of the committee present at the meeting and, if the votes are equal, the question is decided in the negative.
- (8) A member of the management committee must not vote on a question about a contract or proposed contract with the association if the member has an interest in the contract or proposed contract and, if the member does vote, the members vote must not be counted.
- (9) The president is to preside as chairperson at a management committee meeting.
- (10) If there is no president or if the president is not present within 10 minutes after the time fixed for a management committee meeting, the members may choose 1 of their number to preside as chairperson at the meeting.

24. QUORUM FOR, AND ADJOURNMENT OF, MANAGEMENT COMMITTEE MEETING

- (1) At a management committee meeting, more than 50% of the members elected to the committee as at the close of the last general meeting of the members form a quorum.
- (2) If there is no quorum within 30 minutes after the time fixed for a management committee meeting called on the request of members of the committee, the meeting lapses.
- (3) If there is no quorum within 30 minutes after the time fixed for a management committee meeting called other than on the request of the members of the committee—
 - (a) the meeting is to be adjourned for at least 1 day; and
 - (b) the members of the management committee who are present are to decide the day, time and place of the adjourned meeting.
- (4) If, at an adjourned meeting mentioned in subrule (3), there is no quorum within 30 minutes after the time fixed for the meeting, the meeting lapses.

25. SPECIAL MEETING OF MANAGEMENT COMMITTEE

- (1) If the secretary receives a written request signed by at least 33% of the members of the management committee, the secretary must call a special meeting of the committee by giving each member of the committee notice of the meeting within 14 days after the secretary receives the request.
- (2) If the secretary is unable or unwilling to call the special meeting, the president must call the meeting.
- (3) A request for a special meeting must state—
 - (a) why the special meeting is called; and
 - (b) the business to be conducted at the meeting.
- (4) A notice of a special meeting must state—
 - (a) the day, time and place of the meeting; and
 - (b) the business to be conducted at the meeting.
- (5) A special meeting of the management committee must be held within 14 days after notice of the meeting is given to the members of the management committee.

26. MINUTES OF MANAGEMENT COMMITTEE MEETINGS

- (1) The secretary must ensure full and accurate minutes of all questions, matters, resolutions and other proceedings of each management committee meeting are entered in a minute book.

- (2) To ensure the accuracy of the minutes, the minutes of each management committee meeting must be signed by the chairperson of the meeting, or the chairperson of the next management committee meeting, verifying their accuracy.

27. APPOINTMENT OF SUBCOMMITTEES

- (1) The management committee may appoint a subcommittee consisting of members of the association considered appropriate by the committee to help with the conduct of the associations operations.
- (2) A member of the subcommittee who is not a member of the management committee is not entitled to vote at a management committee meeting.
- (3) A subcommittee may elect a chairperson of its meetings.
- (4) If a chairperson is not elected, or if the chairperson is not present within 10 minutes after the time fixed for a meeting, the members present may choose 1 of their number to be chairperson of the meeting.
- (5) A subcommittee may meet and adjourn as it considers appropriate.
- (6) A question arising at a subcommittee meeting is to be decided by a majority vote of the members present at the meeting and, if the votes are equal, the question is decided in the negative.

28. ACTS NOT AFFECTED BY DEFECTS OR DISQUALIFICATIONS

- (1) An act performed by the management committee, a subcommittee or a person acting as a member of the management committee is taken to have been validly performed.
- (2) Subrule (1) applies even if the act was performed when—
 - (a) there was a defect in the appointment of a member of the management committee, subcommittee or person acting as a member of the management committee; or
 - (b) a management committee member, subcommittee member or person acting as a member of the management committee was disqualified from being a member.

29. RESOLUTIONS OF MANAGEMENT COMMITTEE WITHOUT MEETING

- (1) A written resolution signed by each member of the management committee is as valid and effectual as if it had been passed at a committee meeting that was properly called and held.
- (2) A resolution mentioned in subrule (1) may consist of several documents in like form, each signed by 1 or more members of the committee.

30. FIRST ANNUAL GENERAL MEETING

The first annual general meeting must be held within 6 months after the end date of the association's first reportable financial year.

31. SUBSEQUENT ANNUAL GENERAL MEETINGS

Each subsequent annual general meeting must be held—

- (a) at least once each year; and
- (b) within 6 months after the end date of the association's reportable financial year.

32. BUSINESS TO BE CONDUCTED AT ANNUAL GENERAL MEETING OF LEVEL 1 INCORPORATED ASSOCIATIONS AND PARTICULAR LEVEL 2 AND 3 INCORPORATED ASSOCIATIONS

- (1) This rule applies only if the association is—
 - (a) a level 1 incorporated association; or
 - (b) a level 2 incorporated association to which section 59 of the Act applies; or
 - (c) a level 3 incorporated association to which section 59 of the Act applies.
- (2) The following business must be conducted at each annual general meeting of the association—
 - (a) receiving the association's financial statement, and audit report, for the last reportable financial year;
 - (b) presenting the financial statement and audit report to the meeting for adoption;
 - (c) electing members of the management committee;
 - (d) for a level 1 incorporated association—appointing an auditor or an accountant for the present financial year;
 - (e) for a level 2 incorporated association, or a level 3 incorporated association, to which section 59 of the Act applies—appointing an auditor, an accountant or an approved person for the present financial year.

33. BUSINESS TO BE CONDUCTED AT ANNUAL GENERAL MEETING OF OTHER LEVEL 2 INCORPORATED ASSOCIATIONS

- (1) This rule applies only if the association is a level 2 incorporated association to which section 59A of the Act applies.
- (2) The following business must be conducted at each annual general meeting of the association—
 - (a) receiving the association's financial statement, and signed statement, for the last reportable financial year;
 - (b) presenting the financial statement and signed statement to the meeting for adoption;
 - (c) electing members of the management committee;
 - (d) appointing an auditor, an accountant or an approved person for the present financial year.

34. BUSINESS TO BE CONDUCTED AT ANNUAL GENERAL MEETING OF OTHER LEVEL 3 INCORPORATED ASSOCIATIONS

- (1) This rule applies only if the association is a level 3 incorporated association to which section 59B of the Act applies.
- (2) The following business must be conducted at each annual general meeting of the association—
 - (a) receiving the association's financial statement, and signed statement, for the last reportable financial year;
 - (b) presenting the financial statement and signed statement to the meeting for adoption;
 - (c) electing members of the management committee.

35. NOTICE OF GENERAL MEETING

- (1) The secretary may call a general meeting of the association.

- (2) The secretary must give at least 14 days notice of the meeting to each member of the association.
- (3) If the secretary is unable or unwilling to call the meeting, the president must call the meeting.
- (4) The management committee may decide the way in which the notice must be given.
- (5) However, notice of the following meetings must be given in writing—
 - (a) a meeting called to hear and decide the appeal of a person against the management committee's decision—
 - (i) to reject the person's application for membership of the association; or
 - (ii) to terminate the person's membership of the association;
 - (b) a meeting called to hear and decide a proposed special resolution of the association.
- (6) A notice of a general meeting must state the business to be conducted at the meeting.

36. QUORUM FOR, AND ADJOURNMENT OF, GENERAL MEETING

- (1) The quorum for a general meeting is at least the number of members elected or appointed to the management committee at the close of the association's last general meeting plus 1.
- (2) However, if all members of the association are members of the management committee, the quorum is the total number of members less 1.
- (3) No business may be conducted at a general meeting unless there is a quorum of members when the meeting proceeds to business.
- (4) If there is no quorum within 30 minutes after the time fixed for a general meeting called on the request of members of the management committee or the association, the meeting lapses.
- (5) If there is no quorum within 30 minutes after the time fixed for a general meeting called other than on the request of members of the management committee or the association—
 - (a) the meeting is to be adjourned for at least 7 days; and
 - (b) the management committee is to decide the day, time and place of the adjourned meeting.
- (6) The chairperson may, with the consent of any meeting at which there is a quorum, and must if directed by the meeting, adjourn the meeting from time to time and from place to place.
- (7) If a meeting is adjourned under subrule (6), only the business left unfinished at the meeting from which the adjournment took place may be conducted at the adjourned meeting.
- (8) The secretary is not required to give the members notice of an adjournment or of the business to be conducted at an adjourned meeting unless a meeting is adjourned for at least 30 days.
- (9) If a meeting is adjourned for at least 30 days, notice of the adjourned meeting must be given in the same way notice is given for an original meeting.

37. PROCEDURE AT GENERAL MEETING

- (1) A member may take part and vote in a general meeting in person, by proxy, by attorney or by using any technology that reasonably allows the member to hear and take part in discussions as they happen.

- (2) A member who participates in a meeting as mentioned in subrule (1) is taken to be present at the meeting.
- (3) At each general meeting—
 - (a) the president is to preside as chairperson; and
 - (b) if there is no president or if the president is not present within 15 minutes after the time fixed for the meeting or is unwilling to act, the members present must elect 1 of their number to be chairperson of the meeting; and
 - (c) the chairperson must conduct the meeting in a proper and orderly way.

38. VOTING AT GENERAL MEETING

- (1) At a general meeting, each question, matter or resolution, other than a special resolution, must be decided by a majority of votes of the members present.
- (2) Each member present and eligible to vote is entitled to 1 vote only and, if the votes are equal, the chairperson has a casting vote as well as a primary vote.
- (3) A member is not entitled to vote at a general meeting if the member's annual subscription is in arrears at the date of the meeting.
- (4) The method of voting is to be decided by the management committee.
- (5) However, if at least 20% of the members present demand a secret ballot, voting must be by secret ballot.
- (6) If a secret ballot is held, the chairperson must appoint 2 members to conduct the secret ballot in the way the chairperson decides.
- (7) The result of a secret ballot as declared by the chairperson is taken to be a resolution of the meeting at which the ballot was held.

39. SPECIAL GENERAL MEETING

- (1) The secretary must call a special general meeting by giving each member of the association notice of the meeting within 14 days after—
 - (a) being directed to call the meeting by the management committee; or
 - (b) being given a written request signed by—
 - (i) at least 33% of the number of members of the management committee when the request is signed; or
 - (ii) at least the number of ordinary members of the association equal to double the number of members of the association on the management committee when the request is signed plus 1; or
 - (c) being given a written notice of an intention to appeal against the decision of the management committee—
 - (i) to reject an application for membership; or
 - (ii) to terminate a person's membership.
- (2) A request mentioned in subrule (1)(b) must state—
 - (a) why the special general meeting is being called; and
 - (b) the business to be conducted at the meeting.
- (3) A special general meeting must be held within 3 months after the secretary—
 - (c) is directed to call the meeting by the management committee; or
 - (d) is given the written request mentioned in subrule (1)(b); or
 - (e) is given the written notice of an intention to appeal mentioned in subrule (1)(c).
- (4) If the secretary is unable or unwilling to call the special meeting, the president must call the meeting.

40. PROXIES

- (1) An instrument appointing a proxy must be in writing and be in the following or similar form—

ChaplainWatch Inc
I, _____ of, _____
being a member of the association, appoint _____
of _____ as my proxy to vote for me on my behalf at the
(annual) general meeting of the association, to be held on the _____ day
of _____ 20 _____, and at any adjournment of the meeting.
Signed this _____ day of _____ 20 _____.
Signature _____

- (2) The instrument appointing a proxy must—
- (a) if the appointor is an individual—be signed by the appointor or the appointor's attorney properly authorised in writing; or
 - (b) if the appointor is a corporation—
 - (i) be under seal; or
 - (ii) be signed by a properly authorised officer or attorney of the corporation.
- (3) A proxy may be a member of the association or another person.
- (4) The instrument appointing a proxy is taken to confer authority to demand or join in demanding a secret ballot.
- (5) Each instrument appointing a proxy must be given to the secretary before the start of the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- (6) Unless otherwise instructed by the appointor, the proxy may vote as the proxy considers appropriate.
- (7) If a member wants a proxy to vote for or against a resolution, the instrument appointing the proxy must be in the following or similar form—

ChaplainWatch Inc
I, _____ of, _____
being a member of the association, appoint _____
of _____ as my proxy to vote for me on my behalf at the
(annual) general meeting of the association, to be held on the _____ day of _____
20 _____, and at any adjournment of the meeting
Signed this _____ day of _____ 20 _____.
Signature _____
<i>This form is to be used *in favour of / *against [* strike out whichever is not wanted] the following resolutions—</i>
<i>/List relevant resolutions/</i>

41. MINUTES OF GENERAL MEETINGS

- (1) The secretary must ensure full and accurate minutes of all questions, matters, resolutions and other proceedings of each general meeting are entered in a minute book.
- (2) To ensure the accuracy of the minutes—

- (a) the minutes of each general meeting must be signed by the chairperson of the meeting, or the chairperson of the next general meeting, verifying their accuracy; and
 - (b) the minutes of each annual general meeting must be signed by the chairperson of the meeting, or the chairperson of the next meeting of the association that is a general meeting or annual general meeting, verifying their accuracy.
- (3) If asked by a member of the association, the secretary must, within 28 days after the request is made—
 - (a) make the minute book for a particular general meeting available for inspection by the member at a mutually agreed time and place; and
 - (b) give the member copies of the minutes of the meeting.
- (4) The association may require the member to pay the reasonable costs of providing copies of the minutes.

42. BY-LAWS

- (1) The management committee may make, amend or repeal by-laws, not inconsistent with these rules, for the internal management of the association.
- (2) A by-law may be set aside by a vote of members at a general meeting of the association.

43. ALTERATION OF RULES

- (1) Subject to the Act, these rules may be amended, repealed or added to by a special resolution carried at a general meeting.
- (2) However an amendment, repeal or addition is valid only if it is registered by the chief executive.

44. COMMON SEAL

- (1) The management committee must ensure the association has a common seal.
- (2) The common seal must be—
 - (a) kept securely by the management committee; and
 - (b) used only under the authority of the management committee.
- (3) Each instrument to which the seal is attached must be signed by a member of the management committee and countersigned by—
 - (a) the secretary; or
 - (b) another member of the management committee; or
 - (c) someone authorised by the management committee.

45. FUNDS AND ACCOUNTS

- (1) The funds of the association must be kept in an account in the name of the association in a financial institution decided by the management committee.
- (2) Records and accounts must be kept in the English language showing full and accurate particulars of the financial affairs of the association.
- (3) All amounts must be deposited in the financial institution account as soon as practicable after receipt.
- (4) A payment by the association of \$100 or more must be made by cheque or electronic funds transfer.
- (5) If a payment of \$100 or more is made by cheque, the cheque must be signed by any 2 of the following—
 - (a) the president;

- (b) the secretary;
 - (c) the treasurer;
 - (d) any 1 of 3 other members of the association who have been authorised by the management committee to sign cheques issued by the association.
- (6) However, 1 of the persons who signs the cheque must be the president, the secretary or the treasurer.
- (7) Cheques, other than cheques for wages, allowances or petty cash recoupment, must be crossed not negotiable.
- (8) A petty cash account must be kept on the imprest system, and the management committee must decide the amount of petty cash to be kept in the account.
- (9) All expenditure must be approved or ratified at a management committee meeting.

46. GENERAL FINANCIAL MATTERS^{vi}

- (1) On behalf of the management committee, the treasurer must, as soon as practicable after the end date of each financial year, ensure a financial statement for its last reportable financial year is prepared.
- (2) The income and property of the association must be used solely in promoting the association's objects and exercising the association's powers.

47. DOCUMENTS

The management committee must ensure the safe custody of books, documents, instruments of title and securities of the association.

48. FINANCIAL YEAR

The end date of the association's financial year is 30 June in each year.

49. DISTRIBUTION OF SURPLUS ASSETS TO ANOTHER ENTITY

- (1) This rule applies if the association—
 - (a) is wound-up under part 10 of the Act; and
 - (b) has surplus assets.
- (2) The surplus assets must not be distributed among the members of the association.
- (3) The surplus assets must be given to another entity—
 - (a) having objects similar to the association's objects; and
 - (b) the rules of which prohibit the distribution of the entity's income and assets to its members.
- (4) In this rule— *surplus assets* see section 92(3) of the Act.

50. GIFT FUND

- (1) Non-profit
 - (a) The assets and income of the organisation shall be applied solely in furtherance of its above mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.
- (2) Gift fund wind up
 - (a) If the Gift Fund is wound up or if the endorsement (if any) of the organisation as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax deductible gifts can be made.

FOOTNOTES

1. Association's rules, Office of Fair Trading, Fair Trading Facts, June 2007

ASSOCIATION'S RULES

The *Associations Incorporation Act 1981* (Act) governs the way incorporated associations are run in Queensland. The Act sets out an association's minimum legal obligations and requirements.

On 15 March 2007, the Queensland Parliament approved changes to the Act to make life easier for associations.

The main changes have simplified the annual auditing and public liability insurance requirements for many of the 20,000 registered associations in Queensland. The changes were a result of public and industry consultation in February 2005. They have been made to reflect the needs of associations and their members. The changes are effective Friday 15 June 2007.

What Are Association Rules?

The rules, or constitution, of an association govern its ongoing operations, including the rights of members, management committee operations and meeting procedures.

An association must adopt its proposed rules prior to incorporation.

The members of the association have the choice to adopt the model rules or develop their own rules when applying for incorporation.

Model rules for associations are contained in the *Associations Incorporation Regulation 1999* (Regulation).

If an association develops its own rules, the association must ensure the rules comply with all requirements of the Act and the Regulation.

If an association adopts the model rules, the model rules current at the time of the registration become the association's rules.

If adopting the model rules, an association applying for registration must provide the following when completing Appendix B to *Form 1 - Application for incorporation of an association*:

- ♦ the name of the incorporated association;
- ♦ the power to take over the assets and liabilities of the named unincorporated association;
- ♦ the objects of the association;
- ♦ the financial year of the association; and
- ♦ classes of membership.

Should any other changes or modifications be made to the model rules they are no longer classified as the model rules but become the association's **own rules**.

How do we register using the model rules or own rules?

An application for incorporation of an association must be accompanied by:

- ♦ a copy of the proposed rules if adopting own rules; or
- ♦ a completed Appendix B to the application form if the association is adopting the model rules

Upon incorporation the rules are registered and take effect. Application for incorporation can be made using *Form 1 - Application for incorporation of an association*. A registration fee applies.

What Are The New Model Rules?

As a result of the recent amendments, the model rules have changed. These changes are not automatically included in an existing association's rules. Associations that adopted a previous version of the model rules must still continue to operate under those registered rules.

The changes to the model rules address a number of issues about corporate governance of associations. Changes have also been required due to the amendments to the Act including:

- ♦ the financial reporting requirements to members at the annual general meeting;
- ♦ the quorum and adjournment of general meetings;
- ♦ the conduct of meetings by the use of modern technology;
- ♦ members' rights to a copy of the annual financial statements and annual general meeting minutes; appointment and duties of secretary; and
- ♦ persons eligible to sign cheques.

To download the latest version of the model rules visit the Office of Fair Trading website at www.fairtrading.qld.gov.au.

Can The Association Change Its Registered Rules?

Yes. An association may apply to register amendments to its rules at any time. A special resolution to adopt the proposed amendments must be passed at a general meeting.

A special resolution can only be achieved at a general meeting with a 75 percent majority.

Written notice of a proposed special resolution must be given to all members. This should include the time and place of the general meeting and details of the resolution. Notice must be given as required under the association's rules.

Note: it is recommended all associations review their rules at this time to ensure the rules reflect the current operations of the association and the requirements of the amended Act.

Can the association adopt the latest version of model rules?

Yes. To adopt the latest version of model rules the association needs to follow the same procedure as above for making changes to registered rules.

Rules must not contravene the Act. Where a rule contravenes the Act, the Act overrides the rule and that rule is invalid. The association should amend its rules to comply with the Act.

A new association may be refused registration if the proposed rules being submitted for registration contravene the Act.

If the registered rules of an association are silent on any matter that is contained in the model rules, the provisions of the model rules apply to the association as if that part of the model rules were part of the association's rules.

It is the responsibility of the association to ensure that its rules comply with all the requirements of the Act and Regulation.

How does an association register the change of rules?

Once a special resolution amending the rules is passed by members, the association must lodge an application with the Office of Fair Trading using *Form 8 - Application to register an amendment of rules and include the prescribed fee*.

The amendments need to be lodged within three months of the resolution being passed. If not, the Office of Fair Trading will not register the rule amendments and it will be necessary to call another general meeting and pass another resolution.

When do amendments to the rules take effect?

The amendment of rules take effect once registered by the Office of Fair Trading. The association will receive written notice of the outcome of the application to amend the rules.

The secretary of the association must make the rules available to all members upon request. A fee may be charged to cover copying costs.

Alternatively, members may obtain a copy of the rules from the Office of Fair Trading. The request can be made by calling the Office of Fair Trading on 13 1304 or in writing to:

The Manager

Registration Services Branch Office of Fair Trading

GPO Box 3111

Brisbane QLD 4001

Three working days is required. A fee applies for this service.

2. **CHANGES TO ASSOCIATION LAWS, Office of Fair Trading, Fair Trading Facts, June 2007**

CHANGES TO ASSOCIATION LAWS

The Associations Incorporation Act 1981 (Act) governs the way incorporated associations are run in Queensland. The Act sets out the association's minimum legal obligations and requirements.

On 15 March 2007, the Queensland Parliament approved changes to the Act to make life easier for associations.

The main changes have simplified the annual financial reporting and public liability insurance requirements for many of the 20,000 registered associations in Queensland.

The changes were a result of public and industry consultation in February 2005. They have been made to reflect the needs of associations and their members.

MAJOR

<u>AMENDMENTS</u>	<u>REFERENCE IN ACT</u>
Associations' minimum financial reporting requirements are now defined by their current assets <i>and/or</i> total revenue.	Sections 58 to s59E
Public liability insurance requirements	s70 & s70A
Details on an association's register may not be used for advertising, political, religious charitable or commercial reasons	s16A
Copies of minutes of general meetings must be supplied to members within 28 days of request.	s57B
Copies of annual financial documents must be supplied to members within 28 days of the request. Failure to do so could result in fines of up to \$300.	s59C
An association's registration may be cancelled for failing to lodge its financial statements.	s93

MINOR

Any rule that is contrary to the Act is overridden by the Act.	s1B
Application for incorporation may be refused on the grounds that the proposed rules do not comply with the Act	s12
Associations no longer need to have a registered office. They must now nominate an address for service.	s17
Information on register may be withheld by the Office of Fair Trading.	s18
All associations are required to register their name using English characters.	s29,s32
All rules must be in English.	s54
Association meetings can now be held using technology that reasonably allows members to hear and take part in discussions as they occur.	s56 & s63A
Functions of the secretary defined	s69A
Minimum quorum requirements defined for general meetings.	s57A
The secretary's status on the management committee is defined.	s66 & s67
Casual vacancy on management committee defined.	s62
The Office of Fair Trading can request to see or obtain a copy of any documents or information. Failure to provide could result in fines of up to \$1,500.	s119A
Any documents required by the Office of Fair Trading not in English must be accompanied by certified translation. The content within the document submitted in English prevails over any translation inconsistencies or errors.	s130A

For more detailed information outlining the auditing, public liability insurance and changes to the model rules, download a copy of the following fact sheets from the Office of Fair Trading website, www.fairtrading.qld.gov.au or call 13 1304:

- ◆ Association financial reporting requirements; Association's rules;
- ◆ Association rule changes for financial reporting requirements; and
- ◆ Public liability insurance for associations.

© The State of Queensland (Department of Tourism, Fair Trading and Wine Industry Development) 2007

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this document. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.

3. PUBLIC LIABILITY INSURANCE FOR ASSOCIATIONS, Office of Fair Trading, Fair Trading Facts, June 2007

PUBLIC LIABILITY INSURANCE FOR ASSOCIATIONS

The Associations Incorporation Act 1981 (Act) governs the way incorporated associations are run in Queensland. The Act sets out an association's minimum legal obligations and requirements.

On 15 March 2007, the Queensland Parliament approved changes to the Act to make life easier for associations.

The main changes have simplified the annual financial reporting and public liability insurance requirements for many of the 20,000 registered associations in Queensland.

The changes were a result of public and industry consultation in February 2005. They have been made to reflect the needs of associations and their members.

A summary of the changes affecting public liability insurance are outlined below.

What Is Public Liability Insurance?

Public liability insurance protects associations if a person sustains personal injury or damage to their property from any incident occurring on the association's property or as a result of the actions of the association.

Is Public Liability Insurance necessary?

Previously, the legislation required associations to take out \$1.1 million in personal injury public liability insurance. The changes mean an association's management committee is now required to assess the association's individual situation and determine the level of insurance required, if any.

Under the new laws, associations are still required to have public liability insurance if they own land, lease land or hold land in trust. However, the management committee is required to determine the level of insurance coverage required.

The association may also be required by other legislation to have public liability insurance.

It is recommended professional advice is sought in relation to the association's situation and to determine its needs.

Does the management committee need to advise members of its decision?

Yes. It is a legal requirement for the management committee to:

- ♦ review insurance requirements annually and report the results at the annual general meeting; advise members of the risks should the management committee decide not to take out public liability insurance;
- ♦ advise people applying to be members (before they become members), and nominees for election to the management committee, whether or not the association has public liability insurance
- ♦ advise any person or entity who the association may have dealings with if it does not have any public liability insurance.

Should an association take out public liability insurance?

In deciding whether or not to take out public liability insurance the management committee should consider the following:

- ♦ Evaluate, objectively, the need for public liability insurance and consider all reasonable scenarios.
- ♦ Thoroughly research all available options and consider seeking professional advice.
- ♦ Evaluate the risks associated with not taking out insurance and how any claims made against the association will be managed.

If an association decides not to take out adequate public liability insurance, it needs to be aware of the risks, which include:

- ♦ associations/businesses may not deal with the association if they only deal with organisations that have public liability insurance; and
- ♦ the association's assets may be at risk in the event of a claim.

While the Act provides protection to an association's members for liability, this protection may not be absolute.

For example, if the association is found to be negligent in its actions, the association may be found liable by a court. It is recommended that professional advice be sought in relation to this issue.

What happens if the rules state the association must have public liability insurance?

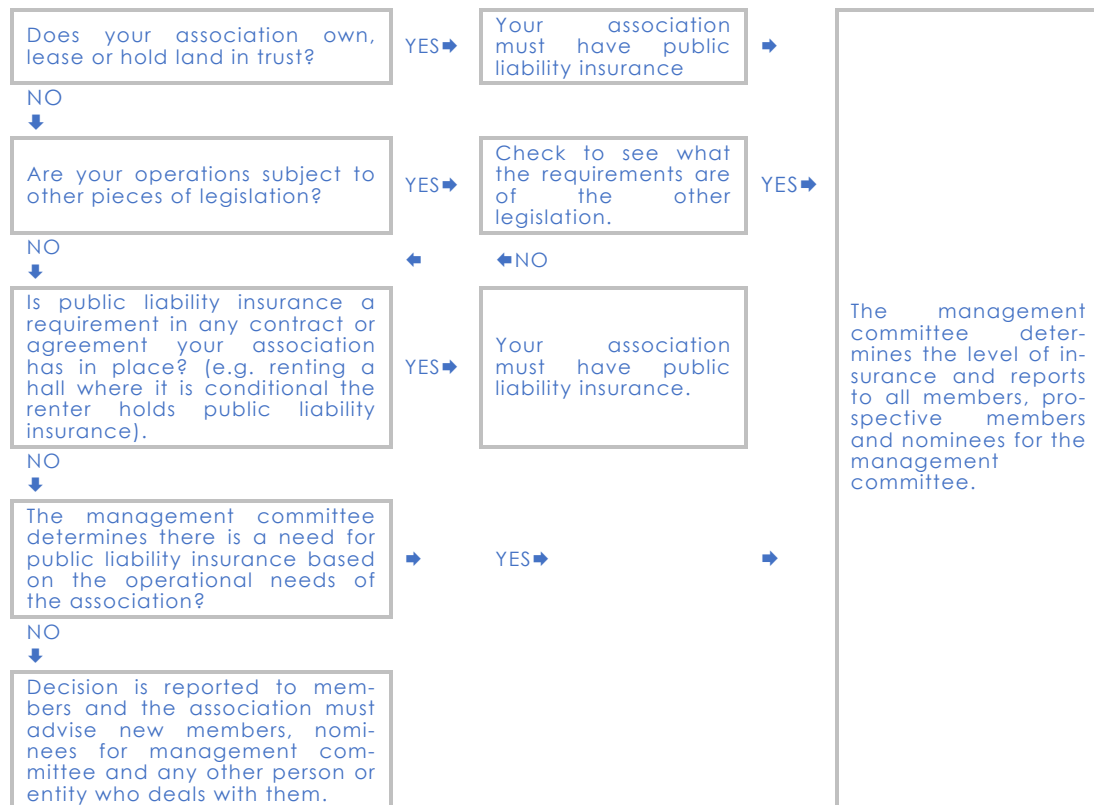
If an association's rules state the association must have public liability insurance, the Act still requires the management committee to undertake an annual assessment of the need for public liability insurance and report its decision at the annual general meeting. The association should consider reviewing its rules to ensure they reflect the operations of the association and the amended Act.

For More Information:

For more detailed information outlining the auditing, public liability insurance and changes to the model rules, download a copy of the following fact sheets from the Office of Fair Trading website, www.fairtrading.qld.gov.au or call 13 13 04:

- ♦ Association's financial reporting requirements;
- ♦ Changes to association laws;
- ♦ Association's rules; and
- ♦ Changing rules for association's financial reporting.

Does My Association Need Public Liability Insurance?



Disclaimer: Not all situations have been covered above. This flow chart is only intended to be used as a guide. Associations and committees should seek their own legal and specialist advice about their situation.

© The State of Queensland (Department of Tourism, Fair Trading and Wine Industry Development) 2007

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this document. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.

4. ASSOCIATION FINANCIAL REPORTING REQUIREMENTS, Office of Fair Trading, Fair Trading Facts, June 2007

“ASSOCIATION'S FINANCIAL REPORTING REQUIREMENTS

The Associations Incorporation Act 1981 (Act) governs the way incorporated associations are run in Queensland. The Act sets out the association's minimum legal obligations and requirements.

A summary of the changes affecting financial reporting are outlined below.

Financial Reporting Requirements

Associations have different financial reporting requirements depending on whether they are a Level 1, Level 2 or Level 3 association.

Level 1

Level 1 associations have **either** current assets of more than \$100,000 **or** total revenue of more than \$100,000.

Example 1 - An association with current assets of \$50,000 and total revenue of \$180,000 would be a Level 1 association.

Example 2 - An association with current assets of \$130,000 and total revenue of \$25,000 would be a Level 1 association.

There is no change in financial reporting requirements for Level 1 associations. These associations must lodge financial statements audited by:

- (1) a person registered as an auditor under the Corporations Act 2001;
- (2) a member of CPA Australia who is entitled to use the letters 'CPA' or 'FCPA'; or
- (3) a member of the Institute of Chartered Accountants in Australia who is entitled to use the letters 'CA' or 'FCA'; or
- (4) a member of the National Institute of Accountants who is entitled to use the letters 'MNIA', 'FNIA', 'PNA' or 'FPNA'.

Level 2

Level 2 associations have **either** current assets between \$20,000 and \$100,000, **or** total revenue between \$20,000 and \$100,000.

For example, an association with current assets of \$30,000 and total revenue of \$70,000 would be a Level 2 association. If this association had total revenue of \$15,000, it would still be a Level 2 association.

Level 2 associations will be required to lodge financial statements that have been verified by a person who can audit Level 1 associations or by a person approved by the Chief Executive.

The verification statement must read:

"I have sighted the association's financial records and the financial records show that the association has bookkeeping processes in place to adequately record the association's income and expenditure and dealings with its assets and liabilities"

or words to the same effect.

Level 3

Level 3 associations have total revenue of less than \$20,000 **and** current assets of less than \$20,000.

For example, an association which has current assets of \$10,000 and total revenue of \$15,000 would be a Level 3 association.

Level 3 associations will need to lodge financial statements that have been verified by the President or Treasurer of the association.

The verification statement must read:

"The Association keeps financial records in a way which properly records the association's income and expenditure and dealings with its assets and liabilities"

or words to the same effect.

What are 'current assets'?

Current assets are all assets other than real property (e.g. real estate) or other assets that can be depreciated. They are assets that can be easily converted to cash. These assets fund the association's day-to-day operations. Typically, current assets include stock, cash, accounts receivable and short-term investments.

To find out what are the association's current assets, it is recommended the association seeks professional advice.

What is 'Total Revenue'?

Total revenue of an incorporated association means the association's total income during its last financial year before any expenses are deducted.

For example, in the last financial year an association:

- ♦ sold 10 bottles of water for \$2.00 (\$20);
- ♦ 50 new memberships at \$400 (\$20,000) and
- ♦ 90 renewal memberships at \$300 (\$27,000)

its total revenue would be $\$20 + \$20,000 + \$27,000 = \$47,020$.

Does the association need to consider auditing requirements of other legislation governing its activities?

Yes. If the association's activities are governed by more than one piece of legislation, then it will need to make sure the financial reporting requirements of all the legislation are met.

For example, if the association receives a grant under the *Gaming Machine Act* 1991 or raises funds under the *Collections Act* 1966, then auditing requirements under these pieces of legislation will also need to be met. It is the association's responsibility to make sure all legislative requirements are met.

Are there any other considerations?

Yes. If the association forms part of a larger national or international organisation, it is recommended the association confirm its minimum financial reporting requirements for that organisation.

While the Act outlines the minimum financial reporting requirements an association must comply with, the members of **Level 2** and **Level 3** associations may require the management committee to provide a higher level of accountability by providing audited financial reports. This requirement may form part of the association's rules.

An association's rules state it must have fully audited financial records, but it is a Level 2 association. Can it take advantage of the lesser auditing requirements?

The association must comply with the Act's requirements. If the association's rules specify a different level of financial reporting then it should review its rules to ensure they reflect the operations of the association and the requirements of the amended Act. Associations can change the rules to reflect the new financial reporting levels.

For more information on how to change rules, please refer to the Association's rules fact sheet."

5. Association rule changes for financial reporting requirements, Office of Fair Trading, Fair Trading Facts, June 2007

ASSOCIATION RULE CHANGES FOR FINANCIAL REPORTING REQUIREMENTS

The *Associations Incorporation Act* 1981 (Act) governs the way incorporated associations are run in Queensland and sets out an association's minimum legal obligations.

On 15 March 2007, the Queensland Parliament approved changes to the Act to make life easier for associations.

The changes have simplified the annual financial reporting and public liability insurance requirements for many of the 20,000 registered associations in Queensland.

The changes resulted from public and industry consultation in February 2005. They have been made to reflect the needs of associations and their members.

How do the new financial reporting requirements impact on associations?

An association's financial reporting requirements are now determined by its current assets and total revenue. There are three levels of reporting. Please refer to the *Association financial reporting requirements* fact sheet to determine an association's classification level and the financial reporting requirements.

Disclaimer: *Not all situations have been covered above. This flow chart is only intended to be used as a guide. Associations and committees should seek their own legal and specialist advice about their situation.*

Does an association need to change its rules?

No. An association does not need to change its rules to take advantage of the new reporting requirements but if the rules are inconsistent with the Act there are good reasons to change them.

Association's rule changes for financial reporting requirements

Under the Act, the registered rules of an association are a contract between its members and the association. Members have legal rights under those rules.

Members may seek to enforce their rights under the registered rules to have audited financial statements prepared and put before the annual general meeting. The member's rights under the association rules can be enforced through the Supreme Court.

The Act overrides any rule that is inconsistent with the Act.

It is recommended associations review their rules on preparing financial statements to ensure the current operations of the association and the requirements of the amended Act are met.

How can the association take advantage of the new reporting requirements?

Essentially, the financial reporting requirements for Level 1 associations, and associations that are required to provide audited financial statements under other legislation, have not changed.

Level 2 and Level 3 associations can take advantage of the new reporting requirements. To do so, associations should:

1. Review the association's rules to determine what, if any, financial reporting requirements are set out in their rules.
2. If there is no requirement in the rules, the association may then prepare and lodge its financial reports in accordance with the new reporting levels.
3. If the rules specify the association must prepare and submit audited financial statements to the annual general meeting for adoption, the association should determine whether it wants to continue with this level of reporting.
4. If the association wishes to continue with audited financial statements, no action is required with the rules.
5. If the association determines it will prepare its financial statements according to the new financial reporting requirements, it should amend its rules to reflect those requirements so the rules are consistent with the Act.
6. To change a requirement outlined in the rules, the association must pass a special resolution at a general meeting to amend the registered rules of the association.
7. The special resolution needs to be registered with the Office of Fair Trading within 3 months of the resolution being passed.

New rules do not take effect until they are registered with the Office of Fair Trading.

For more information on how to change rules, please refer to Association rules fact sheet.

Does the association have to create a rule or can it use the model rules?

The model rules have been updated in line with the recent changes. Rules 32, 33 and 34 outline the financial reporting requirements under the Act.

The association has the opportunity to:

- ♦ adopt the wording of rules 32, 33 and 34 for insertion in its registered rules;
- ♦ adopt appropriate amendments to its current rules; or
- ♦ adopt the new model rules entirely, including rules 32, 33 and 34.

Should the association review all of its rules?

It is recommended associations review their rules at least every two years.

If the association is amending any individual rule, it should review all rules at the same time to ensure they reflect the current operations of the association as well as the requirements of the amended Act.

Have The Model Rules Changed?

The model rules have been significantly amended to reflect the recent changes to the Act. The new model rules have also been updated to reflect current developments in the operation of associations.

A copy of the model rules can be downloaded from the Office of Fair Trading website, www.fairtrading.qld.gov.au.

It is recommended associations review their rules in line with the new model rules.

How does an association change its rules?

The process for changing or amending an association's registered rules has not changed. For details on the process please refer to the *Association rules* fact sheet.

What is the role of the Office of Fair Trading?

The Office of Fair Trading is not authorised to enforce the rules of an association, only the requirements of the Act.

Rules of the association can only be enforced by the Supreme Court.

If a Level 2 or Level 3 association lodges financial statements according to the changes of the Act (Le. not audited), then the Office of Fair Trading will not ask for higher reporting requirements.

Members of the association may seek higher reporting requirements, if these requirements remain in the association rules. Remember, members may take dispute action through the Supreme Court if they believe their rights have been affected by the association not following its rules.

For more detailed information

For more detailed information outlining the financial reporting requirements, public liability insurance and changes to an association's laws, download a copy of the following fact sheets from the Office of Fair Trading website, www.fairtrading.qld.gov.au or call 13 1304:

- ♦ Association's financial reporting requirements;
- ♦ Public liability insurance for associations;
- ♦ Changes to association laws; and
- ♦ Association's rules.

© The State of Queensland (Department of Tourism, Fair Trading and Wine Industry Development) 2007

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this document. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.

6. WHEN TO DO THE FINANCIAL REPORTS, Office of Fair Trading, Fair Trading Facts, June 2007

WHEN DO THE FINANCIAL REPORTS NEED TO BE SUBMITTED TO THE OFFICE OF FAIR TRADING?

An association's financial reports must be lodged with the Office of Fair Trading within one month of holding the annual general meeting which must be held within six months after the end of the association's financial year.

What process must be followed with the financial reports?

The management committee of an association must ensure financial statements are prepared and presented to the annual general meeting for adoption.

The statements must be audited or verified according to the reporting level of that association.

To assist associations in determining what level of financial reporting is required, please refer to the attached handy reference tool.

All associations must then lodge the following documents with the Office of Fair Trading:

- ♦ a copy of the financial statement for the financial year which has been adopted at the annual general meeting or presented to the annual general meeting. This must be signed and dated by either the President or the Treasurer;
- ♦ a copy of the auditor's report or verification statement - signed in accordance with an association's financial reporting requirements;
- ♦ the prescribed fee under the regulation; and
- ♦ the approved form - Annual Return of Association. (Sent annually to each association by the Office of Fair Trading.)

Any member of an association can request to see any annual financial statement. The annual financial statement must be provided to the member within 28 days, or the committee faces fines of up to \$300.

An association can charge the member reasonable costs incurred in providing this information.

For more detailed information outlining the auditing, public liability insurance and changes to the model rules, download a copy of the following fact sheets from the Office of Fair Trading website, www.fairtrading.qld.gov.au or call 13 1304:

© The State of Queensland (Department of Tourism, Fair Trading and Wine Industry Development) 2007

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this document. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.