Consumer Affairs Victoria

What is an incorporated association?

There are more than 35,000 incorporated associations in Victoria. They are clubs or community groups, operating not for profit, whose members have decided to give their organisation a formal legal structure. You can recognise an incorporated association by the word 'Incorporated' or the abbreviation 'Inc.' after its name.

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. It 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.

Victorian incorporated associations are registered with Consumer Affairs Victoria under the *Associations Incorporation Act 1981*.

Last updated: 23/05/2012

Consumer Affairs Victoria

Incorporated associations

- What is an incorporated association?
- Should your club incorporate?
- Become an incorporated association
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Fundraisers

- What is a fundraiser?
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Patriotic funds

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- Establish a patriotic fund
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Fund grants

Consumer Affairs Victoria

Should your club incorporate?

On this page:

- Should you incorporate?
- Other options for clubs and community groups

Should you incorporate?

Things to consider	If you incorporate	If you do not incorporate
Membership	Your organisation must have at least five members.	Your organisation can have any number of members.
Not-for-profit status	Your organisation must operate not for profit, and can trade only if: • its main purpose is charitable • its rules ensure its assets will be distributed for charitable purposes if it is wound up or dissolved • its rules contain a clause authorising trading.	Your organisation is not restricted from trading or doing business for profit.
Legal status	Your organisation becomes a 'legal person' (that is, a legal entity that stays the same even if its members change). It can do the following things in its own name: • accept gifts or bequests • buy and sell property • invest and borrow money • open a bank account • sue and be sued • take out public liability insurance.	Your organisation cannot do any of the things described under 'if you incorporate', at left.

Legal protection for members	Members and office bearers are protected against personal liability for the organisation's debts and other legal obligations.	Members could be personally liable if the organisation incurs debts or has legal problems.
Statutory obligations	Your organisation must comply with requirements for accounting, auditing and annual reporting. Failing to do so can result in prosecution, penalties or deregistration. See the Responsibilities of an incorporated association page for more information.	Your organisation will not have the expense of meeting statutory obligations.
Costs	Your organisation must pay fees for incorporating and lodging some administrative forms. There are also costs involved in meeting ongoing statutory obligations, such as auditing. See the Fees, forms and online transactions page for more information.	Your organisation will not have the expense of meeting statutory obligations.
Disputes	Your organisation must either have its own procedure for resolving internal disputes, or use the procedure in the model rules for incorporated associations. See the Resolve a dispute page for more information.	Your organisation is not required to have or use a dispute resolution procedure.
Contracts and agreements	Your organisation can enter into contracts and agreements in its own name. This offers more certainty to potential contracting parties such as lenders, lessors, employees and suppliers of goods and services.	Your organisation cannot enter into contracts or agreements in its own name.
Grants	Your organisation will be eligible to apply for a larger range of government and non-government grants.	Your organisation will not be able to apply for grants that require applicants to be incorporated.

Other options for clubs and community groups

When deciding whether to incorporate, your club or community group can also consider:

- becoming a company limited by guarantee. For more information, visit the Australian Securities and Investments Commission (ASIC) website.
- for Indigenous organisations, becoming an Indigenous Incorporated Association. For more information, visit the Office of the Registrar of Indigenous Corporations website.

Last updated: 28/05/2012

Consumer Affairs Victoria

Become an incorporated association

On this page:

- Prerequisites
- Vote to incorporate the association
- Lodge an application form

Prerequisites

Type and size of organisation

To become an incorporated association, your club, community group or organisation must:

- not operate for profit
- have at least five members.

Name

Your proposed name must not be:

- similar to a business name listed in our Business name extract page
- similar to the name of another incorporated association listed in our Incorporated associations extract page, or
- identical to a company name listed in the Australian Securities and Investments Commission company names register website.

To find out if your proposed name can be registered, you must lodge an application. The fee is fully refundable if your application is unsuccessful.

You cannot use the above registers to confirm the availability of a name for registration. There might be other restrictions that affect your application.

Statement of purposes

Your association must have a written statement of purposes that describes, in numbered paragraphs, what the association hopes to achieve.

An example of a statement of purposes:

1. To provide an opportunity for the youth of our area to participate in Australian Rules Football and enhance their health and wellbeing through organised sport.

To provide for the health, welfare and wellbeing of players, supporters and spectators.

Rules

Your association must have a written set of rules, also known as a constitution, that deals with the matters set out in the Schedule to the *Associations Incorporation Act 1981*(the Act).

We provide a set of model rules that may save your association the time and expense of drafting rules from scratch. Your association can either:

- adopt the model rules
- modify the model rules to suit its requirements
- draft its own rules.

Download our Model rules for an incorporated association (Word, 110KB).

Tax requirements

If your association is seeking exemption from income tax, you might need to add specific clauses to the association's rules to meet Australian Taxation Office requirements. Before you incorporate, check the Australian Taxation Office website.

Australian Business Number (ABN)

Your association is not required to have an ABN but it might need one for tax purposes. Check the Australian Business Register website.

Limited liability insurance

There is no requirement in the Act for incorporated associations to have limited liability insurance. Seek legal advice about what insurance your association needs.

Vote to incorporate the association

In order to incorporate, the association must hold a meeting to vote on whether to do so. All members must be given at least 21 days notice of the meeting.

At this meeting, a majority of votes cast by members, whether personally or by proxy if proxies are allowed, must:

- authorise a person, who is at least 18 years old and resides in Victoria, to incorporate the association
- approve a proposed statement of purposes
- approve proposed rules that comply with the Act or approve the adoption of the model rules.

The person who lodges the application for incorporation becomes the first public officer of the incorporated association, unless another public officer has been nominated. The committee members of the unincorporated association form the first management committee of the incorporated association, unless the rules specify otherwise.

For more information about the roles of the public officer and management committee, view our Responsibilities of an incorporated association section.

odge an application form

The person authorised to apply for incorporation must complete and lodge:

- the Application for association incorporation (PDF, 209KB)
- a copy of the proposed statement of purposes
- a copy of the proposed rules of the association (unless your association is adopting the model rules without any changes)
- copies of any trusts that affect the association
- the application fee (view our Fees, forms and online transactions page).

Cheques must be made payable to Consumer Affairs Victoria. Receipts will only be issued on request.

We will issue a certificate of incorporation after the application has been accepted, showing the name of the incorporated association, registration number and date of incorporation.

Last updated: 31/05/2012

Consumer Affairs Victoria

Responsibilities of an incorporated association

In this section:

- Annual financial reporting
- Administrative responsibilities

Last updated: 21/05/2012

Consumer Affairs Victoria

Annual financial reporting - incorporated associations

Financial year

An incorporated association's first financial year begins on the date the association is incorporated. It ends on 30 June unless the association's rules specify a different date.

After this, the association's financial year defaults to a 12-month period.

An incorporated association can determine the end date or the length of its financial year by passing a special resolution and changing its rules. The maximum length of an incorporated association's financial year is 18 months.

For more information, view our Change, amalgamate or cancel an incorporated association section.

Accounting and auditing

Incorporated associations must maintain adequate and accurate accounting records of their financial transactions. These records must be kept for seven years.

Prescribed associations – accounting and auditing requirements

A 'prescribed association' is an incorporated association with annual gross revenue of more than $200,000 or assets of more than $500,000.

Prescribed associations must prepare their financial statements in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS). These are issued by the Australian Accounting Standards Board (AASB).

Prescribed associations must have their accounts audited at the end of their financial year by either:

- a registered company auditor or firm or registered company auditor
- a member of CPA Australia or the Institute of Chartered Accountants in Australia
- someone approved by the Registrar of Incorporated Associations for this purpose; for example, a member of the Institute of Public Accountants who holds Professional National Accountant status.

The auditor must not be:

- a member of the incorporated association's management committee
- an employer or an employee of a member of the committee
- a member of the same partnership as a member of the committee
- an employee of the incorporated association.

An association can only remove its auditor by a resolution passed at a general meeting. Advance notice of at least two months of the proposed resolution must be given to all members, the auditor and the Registrar.

Annual statement

Within a month after the annual general meeting, the public officer must lodge an annual statement with the Registrar, along with the prescribed fee.

The annual statement must include all the elements required in a financial statement, as described above, plus (for prescribed associations) a copy of the auditor's report and a cash flow statement.

Failure to lodge this statement is an offence under the *Associations Incorporation Act 1981* and can result in the association, the public officer and each member of the committee being liable for a penalty.

Process for lodging an annual statement

We post an annual statement form to the registered address of the incorporated association one month before the end of the association's financial year. If you do not receive your annual statement form within this time, please call us on 1300 36 16 73.

It is important to notify us if the association is no longer active or if any details have changed. For forms and more information, please view our Change, amalgamate or cancel an incorporated association page.

Apply for an extension of time to lodge an annual statement

If there are exceptional circumstances that prevent your association from lodging its annual statement by the due date, you can apply to the Registrar for an extension of time by either:

- lodging an Application for extension of time (PDF, 242KB)
- applying online for an extension of time on the Consumer Affairs Victoria transaction website.

Extensions of time are subject to Registrar approval.

Last updated: 21/05/2012

Consumer Affairs Victoria

Change, amalgamate or cancel an incorporated association

In this section:

- Special resolution
- Change an incorporated association
- Amalgamate an incorporated association
- Cancel or wind up an incorporated association

Last updated: 21/05/2012

Consumer Affairs Victoria

Resolve a dispute - incorporated associations

Consumer Affairs Victoria cannot intervene in disputes between an incorporated association and any of its members, or between a member and another member.

Such disputes are civil matters to be resolved by the parties involved.

Dispute resolution options

Grievance procedure

You can use the grievance procedure set out in the association's rules to deal with a dispute.

If the association does not have a grievance procedure in its rules, the procedure set out in the Model rules for an incorporated association (PDF, 156KB) applies.

Special general meeting

In associations that operate under the model rules, members can ask the management committee to call a special general meeting to consider any issues they wish to raise.

The committee must call a special general meeting if at least five per cent of members make a written request.

Mediation

The Dispute Settlement Centre of Victoria provides a free mediation service.

Court order

If all efforts to settle a dispute have failed, you can apply to the Magistrates' Court under Section 14A or Section 14C of the *Associations Incorporation Act 1981*.

The court can make orders regarding the rights, obligations and behaviour of the incorporated association and its members.

Last updated: 21/05/2012

Consumer Affairs Victoria

Search for an incorporated association

Search for an incorporated association using the public register

This search will only find incorporated associations listed on the Victorian Names Register.

It will not tell you if a proposed name for an association is available and can be registered.

Last updated: 29/05/2012

Consumer Affairs Victoria

Fines - incorporated associations

Consumer Affairs Victoria can issue an infringement notice if we identify breaches of certain sections of the *Associations Incorporation Act 1981*.

An infringement notice allows you to pay a fine for these offences without an admission of guilt, rather than going to court.

The fine is less than the maximum penalty a court can impose if it found you guilty.

For full details of your legal obligations, refer to the *Associations Incorporation Act 1981*.

Penalty amounts are set at $122.14 per penalty unit for 2011-12. These may increase at the beginning of each financial year, in line with the *Monetary Units Act 2004*.

For information about penalty unit rates, visit the Office of the Chief Parliamentary Counsel website.

Section of the Associations Incorporation Act	Obligation	Penalty for breaching obligation
s.12A(3)	An incorporated association's name and registration number must appear on all notices, advertisements and business documents. The name must also be on the common seal (if any).	1 penalty unit
s.13A(3)	An incorporated association must have a registered address and must notify the Registrar, in the form approved by the Registrar, within 14 days of any changes.	1 penalty unit
s.16(4)	A public officer of an incorporated association shall, within 14 days of becoming a trustee of a trust, lodge with the Registrar particulars of the trust and a copy of any deed or other instrument creating or embodying that trust.	1 penalty unit

s.25(1)	Where the office of public officer becomes available, an association must appoint another public officer within 14 days to fill that vacancy.	1 penalty unit
s.28(1)	Within 14 days after appointment, a public officer must give written notification, in the approved form, to the Registrar of their appointment and contact details.	1 penalty unit
s.30(2A)	Other than the first AGM, an incorporated association must hold an annual general meeting within five months of the end of the financial year.	1 penalty unit
s.30(3)	An incorporated association must provide a financial statement, including income and expenditure, assets and liabilities, mortgages, charges and securities and trust details, to its members at the annual general meeting.	1 penalty unit
s.30(4)	The public officer of an incorporated association must, within one month of an annual general meeting, lodge annual statements or accounts with the Registrar.	5 penalty units
s.30(7A)	An incorporated association must make available for inspection by its members a copy of the trust deed of any trust.	1 penalty unit
s.30B(1)	A prescribed association must, after the end of each financial year, cause its accounts to be audited by a registered company auditor(s), CPA or any person approved by the Registrar.	2.5 penalty units
s.30B(3)	A prescribed association must keep all accounting records of the incorporated association for a period of seven years after the completion of the transactions to which they relate.	1 penalty unit
s.31AC	An incorporated association must notify the Registrar in writing of its transfer of incorporation within 14 days after it is registered or incorporated as a prescribed body corporate.	3 penalty units
s.43(1)	If an instrument is lodged with the Registrar in a language other than English, a certified translation must also be lodged.	1 penalty unit

s.45A(2C)	A person must comply with the Registrar's request to lodge an original document within 28 days of receipt or longer time as determined by the Registrar.	1 penalty unit
s.45A(4)	An incorporated association must keep the original of any document lodged with the Registrar, whether lodged in electronic or other form, for a period of seven years after the date of lodging.	5 penalty units
s.52	Use of the word "incorporated" or "inc." when not entitled to do so.	2.5 penalty units

Last updated: 21/05/2012

Consumer Affairs Victoria

Fees, forms and online transactions - incorporated associations

On this page:

- Association activities
- Registry services

Association activities

Activity	Form	Online transaction - for public officers with a User ID and Passcode (our transaction website)	Fee (all amounts are GST exempt)
Incorporate an association	Application for association incorporation (PDF, 209KB)	N/A	$61.10 (model rules) $122.20 (own rules)
Incorporate an association (company or co-operative applicant)	Application for association incorporation by a company/co-operative/society (PDF, 223KB)	N/A	$122.20
Lodge annual statement	We post this form to associations before their annual statement is due. Call us on 1300 36 16 73 with any enquiries.	N/A	$42.80

Change address details • Appoint public officer (or change details) • Notify of ABN	Change of association details (PDF, 75KB)	Change details online (our transaction website)	Free
Change name of incorporated association	Application for change of association name (PDF, 173KB)	N/A	$36.70
Change rules or purposes	Application for alteration of rules or purpose (PDF, 204KB)	N/A	$73.30
Cancel incorporation (voluntary wind-up)	Request to cancel incorporation statutory declaration (PDF, 62KB)	N/A	Free
Amalgamate two or more incorporated associations	Application for amalgamation of incorporated associations (PDF, 226KB) and Notice of special resolution approving amalgamation of incorporated associations (PDF, 108KB)	N/A	$122.20
Extend time for holding annual general meeting or lodging annual statement	Application for extension of time (PDF, 281KB)	Apply for an extension of time (our transaction website)	$24.40

Registry services

To access the following services, please call the Registration Enquiries Line on 1300 361 673 or email cav.registration.enquiries@justice.vic.gov.au.

Service	Fee (all amounts are GST exempt)
Inspection of the register	
for the first page	$12.20
for each additional page up to maximum price	$2.00
maximum price	$61.60
Obtain a copy or certified copy of a document kept by the Registrar	
for the first page	$12.20
for each additional page up to maximum price	$2.00
maximum price	$61.1
Obtain a copy of a certificate of incorporation	$18.30
Obtain an extract of incorporation details online using our Consumer Affairs Victoria transaction website.	$14.70

Last updated: 01/06/2012

0401

Application for Association Incorporation

Associations Incorporation Act 1981 Section 5

Application fee

$61.10 • **if adopting model rules with no change, or**
• **if only changing end of financial year date in model rules,**

OR

$122.20 • **if adopting model rules with any other changes, or**
• **if adopting own rules.**

Office use only – Registration number

Date lodged / / Initials

Please use a blue or black pen to complete this form. Please print clearly using block letters.

Details of Association

1. Proposed name of Association (It is suggested the name reflect the purpose of the Association)

Ⓟ Inc.

2. Registered address of Association (P.O. boxes cannot be accepted)

Ⓟ State VIC Postcode

3. Postal address of Association

Ⓟ ☐ Same as registered address above

or write postal address here

Ⓟ Postcode

4. How many members does the Association have at the time of making this application?

5. What is the estimated gross annual income for the Association's first financial year?

$

6. What is the value of the Association's assets at the time of making this application?

$

Association Rules and financial year

7. What rules have the members approved for the proposed Association to adopt? The model rules described here are the rules outlined in Schedule 5 of the Associations Incorporation Regulations 1998. (tick one only)

Ⓟ ☐ The Association will adopt the model rules with no changes or only one change to the end of the financial year date – you do not need to attach a copy of the model rules but specify here the entrance fee and annual subscription fee which will become part of the rules.

Entrance fee $ Annual fee $

Ⓟ ☐ The Association will adopt the model rules with changes – or the Association has written and will adopt its own rules which comply with section 6 of the *Associations Incorporation Act 1981*. You must attach a full copy of the rules.

8. What is the Association's proposed end of financial year date? (eg 30 June, 26 August etc) Ⓟ

Appointment of first public officer

9. Surname of first public officer Ⓟ

Given names Ⓟ

Residential address (P.O. boxes cannot be accepted)

State VIC Postcode

Daytime telephone number

Contact email address

Privacy – CAV is committed to responsible and fair handling of your personal information, consistent with the laws we administer and the *Information Privacy Act 2000*. The information marked with a Ⓟ on this form will be placed on the public register in accordance with the *Associations Incorporation Act 1981*. We may be unable to process this form if you do not provide the required information. You can contact us at any time to request access to the personal information we hold about you. In exceptional circumstances, you may apply to have public access to your personal information restricted. Our privacy statement, and other privacy information is available at www.consumer.vic.gov.au or on request.

Statement of purposes

10. You must attach a copy of the member approved Statement of Purposes of the Association or write the statement of purposes here. If you need extra space, please attach a separate sheet titled 'statement of purposes'.

The Statement of Purposes should list all the aims and objectives of the Association. It is generally a three to four sentence statement describing what the association is hoping to achieve.

List each purpose in a numbered paragraph.

An example of a Statement of Purpose:

1. To provide an opportunity for the youth of our area to participate in Australian Rules Football and enhance their health and wellbeing though organised sport.

2. To provide for the health, welfare and wellbeing of it's players, supporters and spectators.

Signature of applicant

I certify that:

1. I am authorised in accordance with section 4 of the *Associations Incorporation Act 1981* to apply for the incorporation of the Association in this application.
2. The proposed Statement of Purposes and Rules have been approved by a majority of members in accordance with section 4(2) of the *Associations Incorporation Act 1981.*
3. The particulars contained in this application are true and correct. I acknowledge that it is an offence under section 49 of the *Associations Incorporation Act 1981* to make a false or misleading statement in relation to an application for association incorporation.
4. The copies of the Association rules, Statement of Purposes and any trust deeds and instruments accompanying this application are true copies.
5. The first public officer named in this form:
   - is a resident of Victoria, and
   - is 18 years of age or older, and
   - consents to being public officer.

Signature

X

Printed name

Date

/ /

Contact email address

Daytime telephone no.

Address

Postcode

Office use only

Please attach any cheques, money orders and other documents by paperclip. Do not staple.

Checklist

Your application cannot be processed without the following documents

☐ **Rules** – You must attach a full copy of the rules to this application if the Association is intending to adopt the model rules with amendments or its own set of rules. You do not need to attach a copy of the rules if the Association is adopting the model rules with no amendments or only one change to the end of the financial year date.

☐ **Statement of Purposes** – You must attach a copy of the member approved Statement of Purposes.

☐ **A copy of any Trust Deeds** relating to the Association.

How to lodge and pay for this application

The application fee of $61.10 (if adopting the model rules with no changes or only one change to the end of the financial year date) or $122.20 (if adopting the model rules with any other changes or own model rules) can be paid by cheque, money order or credit card. There is no GST on this fee. Do not send cash through the mail. Cash will be accepted if paying in person. Cheques and money orders are to be made payable to: 'Consumer Affairs Victoria'.

Lodge this form, any attachments and your payment by:

Delivering in person to:
Victorian Consumer & Business Centre
Consumer Affairs Victoria
113 Exhibition Street Melbourne
Counter area is open 8.30am–5.00pm Monday to Friday
(closed on public holidays)

OR

Sending by post to:
Consumer Affairs Victoria
GPO Box 4567 Melbourne 3001
(please use a large envelope and fold this form and any attachments as little as possible)

Contact Consumer Affair Victoria:
Telephone: 1300 36 16 73
Fax: (03) 8684 6199

If paying by credit card, fill in your credit card details below (all details must be complete to process this form)

Proposed Association Name

Visa ☐ Mastercard ☐ Amex ☐

Card number

☐☐☐☐ ☐☐☐☐ ☐☐☐☐ ☐☐☐☐

CCV number *(see note below)

☐☐☐

*Note on CCV numbers: Credit cards are now issued with a CCV number. This is the last three numbers located on the signature strip on the back of the card. If your credit card has been allocated this number enter the three numbers in the space provided.

Name of cardholder

Card expiry date ☐☐ / ☐☐

Amount $

Signature of cardholder

X

Date / /

Daytime telephone number