

A CLUB'S GUIDE TO

GOVERNANCE



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Contents

INCORPORATION	3
WHAT IS INCORPORATION AND WHY IS IT IMPORTANT?	3
WHAT ARE THE RISKS OF NOT BEING INCORPORATED?	3
DOES THE CLUB HAVE TO BE INCORPORATED?	3
WHAT IS REQUIRED TO BECOME AN INCORPORATED ASSOCIATION?	4
MAINTAINING INCORPORATION STATUS	4
CLUB COMMITTEES	5
WHAT IS A CLUB COMMITTEE AND WHAT DO THEY DO?	5
COMMITTEE STRUCTURE	5
ANNUAL GENERAL MEETINGS (AGMS)	6
COMMITTEE MEETINGS	7
CLUB POLICIES	8
CREATING A CLUB POLICY	9



INCORPORATION

WHAT IS INCORPORATION AND WHY IS IT IMPORTANT?

Incorporation means becoming a legally recognised body. Incorporation provides a club with a legal identity separate from its members, therefore relieving the members of the committee and the club from liability for authorised acts of the club. It is a major protection for people running the club.

Club personnel cannot be sued or found personally liable for club debts. It also means the club can enter contracts in its own right or own property.

Many grant programs often exclude non-incorporated bodies meaning your club can miss out on important grants that become available to sports.

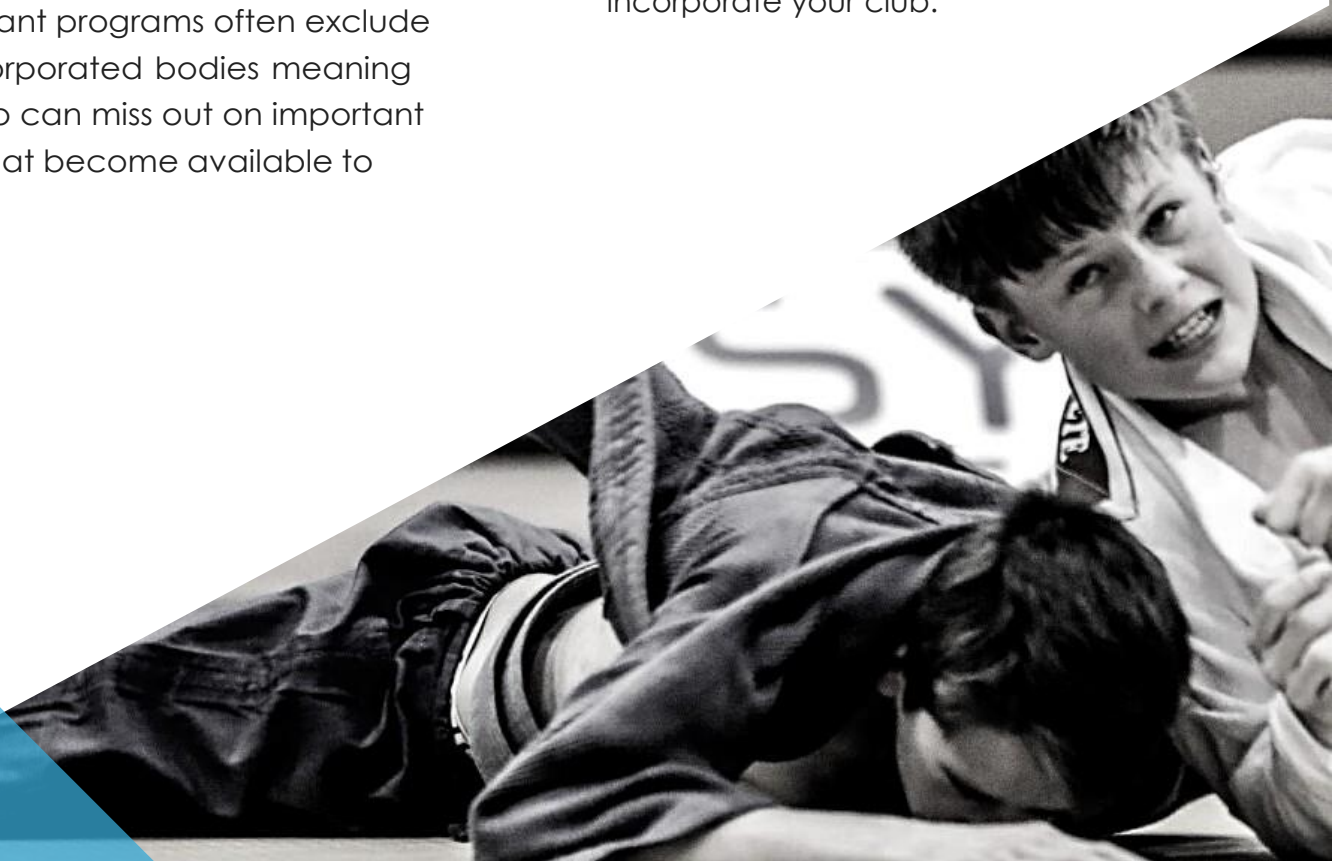
WHAT ARE THE RISKS OF NOT BEING INCORPORATED?

As mentioned, if something goes wrong at the club, committee members may be held personally liable. This includes legal issues as well as financial issues.

There may also be difficulties in opening and transferring bank accounts, obtaining insurances, and gaining funding and sponsorship.

DOES THE CLUB HAVE TO BE INCORPORATED?

While incorporation is not compulsory, it is strongly recommended by Judo NSW to incorporate your club.



WHAT IS REQUIRED TO BECOME AN INCORPORATED ASSOCIATION?

NSW Fair Trading governs the process of incorporation. There are 4 steps to incorporation:

1. Choose a name for the club.
2. Establish a Club Constitution - it will detail the structure for how the association operates
3. Authorise an application for registration for the incorporated association -incorporated associations must have a minimum of 5 members
4. Apply for registration of the incorporated association

The requirements of each step may vary, depending on whether your club is just starting out or is already operating as an unincorporated body.

More information can be found on the NSW Fair Trading website - [Starting an Association](#).

MAINTAINING INCORPORATION STATUS

There are obligations to maintaining incorporation. Failure to comply may lead to the issue of a penalty notice, prosecution, or in some instances, cancellation of the association's incorporation status.

Incorporated associations must hold an **annual general meeting (AGM)** within 6 months of the close of the association's financial year or in a timeframe allowed by Fair Trading.

Associations are required to submit their financial statements for the previous financial year to the AGM.

Incorporated association also must appoint a **public officer**. A public officer will be an authorised signatory for the association. Committees must fill the position of public officer within 28 days of a vacancy and advise Fair Trading of the details of the appointment within 28 days of taking office.

Another obligation of incorporation states associations must **keep financial records** explaining their financial transactions and financial position. An association's reporting obligations is based on its status as either a Tier 1 (large) or Tier 2 (small) association.

More information can be found on the NSW Fair Trading website - [Running an Association](#)

CLUB COMMITTEES

WHAT IS A CLUB COMMITTEE AND WHAT DO THEY DO?

A committee is the group of people, elected according to the club's constitution, to run the club on behalf of its members.

The committee is responsible for managing the club, in accordance with its constitution and the Associations Incorporation Act 2009.

A committee should operate as a team and work towards common goals and makes decisions on the behalf of the club. They ensure the club operates within the legal requirements and at best practices.

COMMITTEE STRUCTURE

The size and structure of a committee will vary according to the size of your club. However, traditionally a committee consists of a chairperson/president, vice president, treasurer, and secretary. Other roles may include head coach, volunteer manager or operations manager.

Your club's constitution will also provide details of committee structure, service times and other important information.

The committee composition should reflect the mix of professional knowledge and experience that would be optimal. These may include business, accounting, legal, strategic, marketing, and others related to the club's activities.



ANNUAL GENERAL MEETINGS (AGMS)

An AGM is a meeting of the members of an incorporated association. A “member” is defined in a Club’s Constitution. AGMs are convened to conduct business required under the relevant Act. This includes presenting the annual financial statements and other regular annual business, including electing committee members as may be required by the Club’s Constitution.

For a newly incorporated Club, the first AGM must be held within 18 months after registration as an incorporated association. For all other incorporated Clubs, the AGM must be held within 6 months after the close of the Club’s financial year or the period as stated in the club’s constitution. A Club’s Constitution must specify the manner of calling an AGM and the way notice of the AGM is to be given.

The business of an AGM is normally to:

- Confirm the minutes of the last AGM and of any special general meeting held since that meeting
- Receive from the committee, reports on the activities of the Club during the last financial year
- Elect or appoint office bearers and ordinary members of the committee (as determined by the association’s constitution)
- Receive the Club’s financial statements or reports (this must be done at the AGM)
- Conduct any other business of which notice has been given to the members

Documents need to be prepared before an AGM is to take place. This includes:

- AGM Agenda
- Minutes of the previous AGM
- Annual Financial
- Report President’s / Chair’s Annual Report
- Any special resolutions proposed

Within 1 month following the AGM the committee must lodge an annual summary with NSW Fair Trading. Failure to do so is a penalty under the Act and the Club is liable to penalty.

More information can be found on the [NSW Fair trading website - Financial reporting requirements](#).

COMMITTEE MEETINGS

Club committee meetings are needed to **conduct important club business** but most importantly, they are required as per the club's constitution.

Club committee meeting should happen on a regular basis (or at least as often as the constitution states) to effectively manage club affairs, including:

- Important decision-making
- Reporting purposes
- Review and analysis
- Problem solving
- Discussions

Notice of each committee meeting must be given as per your club's constitution. Dates for committee meetings should be set well in advance. Unless the association's constitution says otherwise, only committee members are entitled to attend committee meetings but may invite relevant members and other persons to attend.

A **quorum** is the minimum number of committee members required to be present for the meeting to go ahead. The constitution must specify the quorum and the procedure to be followed if a quorum is not present.

An **agenda** for the meeting should be prepared and circulated to all attendees in advance by the secretary with input from the president. An agenda is important as it provides direction, structure, and purpose.

Minutes of meetings must be kept in written or electronic form and is a record of the proceedings of the meeting. Minutes provide a summary of the decisions and actions decided in the meeting.

It is also good practice to establish **meeting rules**. The rules ensure the meetings are effective, relevant, and conducted respectfully. Rules should cover behaviours such as timekeeping; the use of laptops and phones; whether you can interrupt while someone is speaking, or only ask questions at the end; and so on.



CLUB POLICIES

Policies **formalise and document** the club's rules and procedures. Policies are important when a dispute or a controversial incident occurs.

Policies also provide a how-to guide for the committee and members and ensure consistency in club operations and dispute resolution.

Policies are also an important component to **succession planning** and **risk management**.

WHAT POLICIES ARE IMPORTANT?

All policies are important as they add the smooth operation of your club.

Consider implementing the following policies at your club:

- Dispute resolution
- Financial delegation
- Committee procedures
- Code of Conduct
- Member protection
- Social media use
- Conducting meetings
- Child safety
- Policy review

CREATING A CLUB POLICY

Creating club policies is an important step in club operations - and is not as scary as it sounds.

Step one - Assess the situation

The club needs to identify if the policy already exists. If it does, is it written and made available to the relevant stakeholders? Is the policy current or does it need to be reviewed? Is the policy enforced fairly?

If the policy does not exist, the club should determine if there is a need for the new policy or the club may have a hard time enforcing the new policy.

Step two - Get support

The committee will need to discuss the new policy and pass the resolution in a committee meeting.

However, prior to the meeting, get as much supporting information as possible. This includes data or incidents that may be managed or avoided with the appropriate policy.

Step three - Write the policy

The policy should include reasons for the policy, when it was adopted, who is responsible for enforcing it and the procedure and penalties to follow if the policy is breached.

Step four - Promote the new policy

It is important to make the relevant stakeholders aware of the new policy. Consider using social media, making the policy easily accessible on the club's website, and including it in the induction process for new members and volunteers.

Step five - Review the policy

Establish a regular review of club policies to ensure they are relevant and enforceable. You may want to seek feedback from club members, stakeholders, or other volunteers on the policy to ensure it is current.

Update the policy if required.