



## GUIDE

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### How to set up a formal community organisation

A community organisation is a group of people who come together around a common cause or purpose.

A community organisation needs a clearly defined cause or aim, something that binds people together in the community.

#### **Do you need to set up a formal organisation?**

You don't have to be (part of) a formal organisation to do good work.

You can work alone, and many successful people have. You can work ad hoc and team up with people informally when anything needs to be done, and avoid getting bogged down in inflexible structures.

However, when you get to a certain size, you likely need to set up procedures and systems, and that means organising.

One of the benefits of incorporating is that it protects its members from legal liability if something goes wrong. A person can still be held legally responsible if they have acted negligently or dishonestly, but on the whole members of an incorporated organisation have “limited liability”.

Furthermore, a formal organisation can be a powerful way of getting your message across, achieving your goals and be more sustainable in the long run for both achieving goals and the people involved.

And there is the possibility of applying for grants and receiving money on behalf of the organisation.

[Ourcommunity.com](http://Ourcommunity.com) has a simple explanation of how to decide whether you need a formal structure or not.



## Type of organisations

If you want your organisation to have a legal status, you have a number of options.

- ◆ [a co-operative society](#)
- ◆ [a company limited by guarantee](#)
- ◆ [an incorporated association](#)

[Please click any of the options listed above, for](#) more information about the various legal forms via the website [www.ourcommunity.com.au](http://www.ourcommunity.com.au)

In summary, all of these forms have their advantages and disadvantages.

Unless your organisation is very big indeed, or carries on a lot of business, your best option will probably be to become an incorporated association.

So in this booklet we will focus on establishing [an Incorporated Community Association](#).





## What is an Association?

An association is a type of not for profit organisation. A not for profit organisation operates by taking money they receive from grants, sponsorship, donations, goods, services, and cycling them back into the organization to further achieve their missions.

In contrast, for-profit businesses distribute profits to the shareholders and investors of the organization.

## What is Incorporation?

Incorporation is a system of State Government or Territory registration that gives an association certain legal advantages in return for accepting certain legal responsibilities. An incorporated association receives recognition as a legal entity separate from its members and offers some protection for office holders from any debts or liabilities incurred by the group.

## How to become an Incorporated Community Association in Tasmania?

In order to be eligible to be an incorporated association in Tasmania, you must you must be a not-for-profit organisation with one of the following purposes:

- ◆ for a religious, [educational](#) , benevolent or charitable purpose,
- ◆ for the purpose of providing medical treatment or attention,
- ◆ for the purpose of promoting or encouraging literature, science or art,
- ◆ for the purpose of recreation or amusement,
- ◆ for the purpose of establishing and managing a community centre,
- ◆ for the purpose of administering superannuation schemes,
- ◆ for promoting any of the foregoing or similar purposes





## To become an Incorporated Community Association you need:

### A name for the association

You probably already have a name, but you now have to check the name you've chosen to make sure that it hasn't already been taken by another organisation. You will need to check the public register of names held by the Department of Consumer Affairs and Fair Trading. You should also check the register of names held at the Australian Securities and Investments Commission.

You can do this on-line at [www.asic.gov.au](http://www.asic.gov.au). Not only can you not use a name if it's already been taken, you can't use it if it's a name that could be confused with an existing organisation.

For that reason, it's sensible to have some names in reserve in case you're not allowed to use the one you want.

### The aim and objectives of the organisation

An example of a clearly defined aim is:

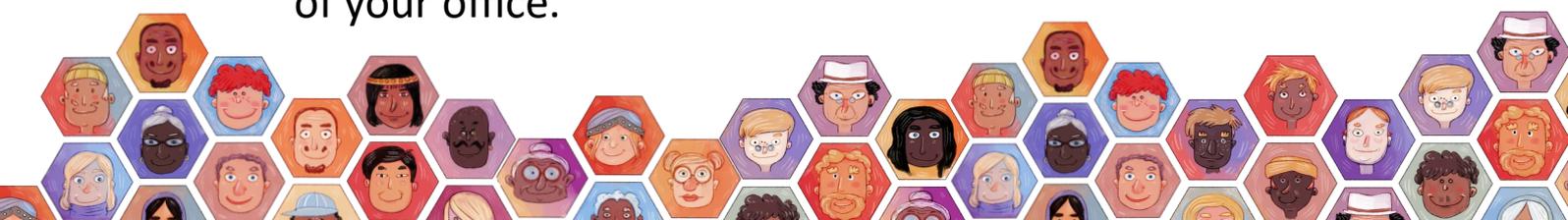
*To support newly arrived Dutch migrants in Tasmania to develop their English written and verbal communication skills.*

Aims and objectives are best formulated SMART (acronym for Specific-Measurable-Assignable-Realistic-Time-related)

### A draft set of rules of the association (aka the constitution)

The constitution is a set of rules for running your organisation. You can find out more information about constitutions on the [Not-for-profit Law](#) website.

Have a look at the Model Rules for Associations set out in the [Associations Incorporation Act](#). The Tasmanian Model Rules are set out in [this document](#). Unless you have special reasons to want different procedures, it's a lot quicker and easier to adopt the Model Rules, just adding in your name and objectives and a few other things like the location of your office.





## Meeting

When you have all these pieces of paper you will need to organise a meeting of the community organisation to approve the Incorporation and adopt the new constitution/rules. Before the meeting you will have to identify people interested in being members and office bearers in the new association.

Type out the formal motions -

*"I move that the [name of Association] be formed, and that the [name of Association] constitution and rules be those circulated at this meeting."*

*Moved .. [name member]. Seconded [name member].*

*"I move that the [name of Association] incorporate as an incorporated association under the provisions of the Associations Incorporation Act."*

*Moved .. [name member]. Seconded .. [name member].*

*"I move that the [name of the new Association] be [first preference intended name], or if that name is not approved [second preference intended name], or if that name is not approved [third preference intended name]."*

*Moved .. [name member]. Seconded .. [name member].*

Arrange for one person to move each motion and another to second it.

Print out copies of the Agenda, the Motions and the Constitution for as many people as you think will come.

At the meeting you must appoint your office bearers, a Public Officer (see next page) and a person to make the application (this last person can be the same person as the Public Officer).





## **Application for incorporation**

Once the public meeting has passed the resolutions to incorporate and approved the rules of the association, you have to lodge your application form. Fill out the forms for Application for Incorporation of an Association and Notice of Appointment of a Public Officer on-line [here](#).

## **Incorporation - other duties**

Once your application has been approved and you received your certificate of incorporation, there are other duties to be done.

Your new name (including the word "incorporated" or "inc") must appear on all your documents and publications.

## **Common Seal**

You will need a [common seal](#) (available from any maker of rubber stamps).

You must have a registered address. This can be the address of the Public Officer.

You must hold Annual General Meetings.





## Forms and Fees

There are provisions for lodging applications on-line.

Forms are available on-line via [this link](#) or <https://www.cbos.tas.gov.au>

Include a copy of your constitution/rules and an application fee of about \$162 (Current information on fees can be found via [this link](#) or via the Tasmanian Government Consumer, Building and Occupational Services (CBOS) website: <https://www.cbos.tas.gov.au/>).

Check out the usual timeline for approval when you lodge your application, and follow up on progress if it takes any longer than anticipated.

## Sources and further reading

[www.ourcommunity.com.au](http://www.ourcommunity.com.au)

[www.cbos.tas.gov.au](http://www.cbos.tas.gov.au)

[www.legislation.tas.gov.au](http://www.legislation.tas.gov.au)

[www.acnc.gov.au](http://www.acnc.gov.au)

[www.asic.gov.au](http://www.asic.gov.au)

[www.ato.gov.au/Non-profit/Getting-started/](http://www.ato.gov.au/Non-profit/Getting-started/)

[www.companydirectors.com.au/director-resource-centre/not-for-profit](http://www.companydirectors.com.au/director-resource-centre/not-for-profit)

## Contact information

For further information of support setting up a formal community organisation please contact:

Multicultural Council of Tasmania (MCOT)

Multicultural Community Development Manager

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