



BECOMING AN INCORPORATED ENTITY

Grace Reinhold
UQES Treasurer 2019 -2020

Table of Contents

<i>Summary</i>	2
<i>Evaluation of Incorporating</i>	3
<i>How to Become Incorporated</i>	4
<i>Steps After Successfully Incorporating</i>	7
<i>Appendix</i>	8
<i>Reference List</i>	9

Summary

About this Guide

This guide provides information for societies that are interested in incorporating. There are many benefits associated with incorporated with the primary benefit being a reduced personal liability in holding events. In becoming an incorporated entity, you essentially create a separate entity for your society thus, eliminating the personal liability that executive members are exposed to when your society holds events.

Structure of the Guide

Evaluation includes an identification of the major costs and benefits, such as financial costs and reporting requirements. Please note, these are only from my personal experience of researching and completing the process.

How to become incorporated outlines the key steps and requirements. It also highlights some information that may be useful in the process.

Steps after Incorporating highlights the steps needed to set up your incorporation. This includes relevant administration requirements.

Appendix includes additional links and sources that you may like to consult in your research and evaluation.

Disclaimer

This guide has only been created to assist other societies in understanding what becoming an incorporated association means. It is based on my research and understanding and there may be additional benefits and costs that I have not included but are still relevant to consider.

COSTS	BENEFITS
<ul style="list-style-type: none">• The application costs \$162.15• Potential consequences if you fail to report annually to the government• Need to lodge your Annual Return each year within 30 days of your AGM• You can be sued by other organisations• Required to stay informed and up-to-date on any changing legislation or reporting requirements	<ul style="list-style-type: none">• Protecting your incorporation's assets• Develop a structure for your organisation• The organisation becomes a separate legal entity to the members, thus reducing the liabilities imposed on executive members• Develops a set of rules for the organisation to follow, and enhances the management within your society (NFPLaw, 2020)• Able to arrange Insurance for any events• Reduced liability if you hold events (i.e. any hazards or accidents that may occur reduce your personal liability)• Ability to buy, sell and lease assets owned

How to Become Incorporated

Preliminary Steps

- Collect all relevant information on your organisation including;
 - Number of members
 - Date of organisation establishment,
 - Restrictions on memberships
 - Additional information relevant to the operations of your society

Step 1: Hold an SGM

- Hold a special general meeting and invite all executive members
- Pass a resolution to become an incorporated entity with the new proposed rules
- Ensure you keep a record of the meeting minutes for full disclosure of the process
- Need to elect a committee for the incorporated association
- During the SGM you also need to elect a member to apply and manage the incorporation application

Step 2: Apply on the Office of Fair Trading

Link:

<https://www.qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/fair-trading-services-programs-and-resources/fair-trading-online-services>

- This form will identify the nature of your organisation and the purpose for your operation
- It will include sections relevant to the members in your executive, the memberships you've sold and the purpose of your organisation, see below for an example.
- Ensure to fill out every section marked with an asterisk to avoid delay in your application

UQ Union Letter of Approval

- When completing your application, you will also need to provide evidence of approval from UQ Union
- As societies are formed as a branch from UQ Union it is important to ensure that you provide a signed letter of approval to demonstrate that you can be established as a society at UQ

Note:

- *If the SGM is held through a virtual meeting, on the application form use the meeting host's address to complete the location where the resolution was passed section*

Step 3: Complete the Model Rules

- In this section you are required to outline the rules you wish to adopt
- These may be reflected in your constitution
- As an executive you may also wish to establish a set of model rules to follow
- The office of fair trading provides a set of model rules that you can adopt for incorporating

Link: <https://www.publications.qld.gov.au/dataset/ofit-incorporated-associations-forms-and-guides/resource/9a54beb5-8288-4ddd-847b-459a97822119>

Step 4: Complete the Membership Eligibility and Limitation Requirements

- This section requires you to include the membership eligibility requirements outlined in your constitution

Examples Include:

Examples of Eligibility	Examples of Limitations
<ul style="list-style-type: none">• All members are UQ students• UQ Staff are eligible to join• Any individual in the wider community that are interested in the society can join	<ul style="list-style-type: none">• At least 70% of the members must be UQ students• At least 50% of the members must be post-graduate students• No more than 20% of members can be from other Tertiary Institutions

Step 5: Complete the Payment

- Lodging your application fee costs \$162.15

Payment Options Include:

- Credit/Debit Card
- BPAY
 - BPAY allows you to pay directly from your society cheque account through NetBank

Step 6: Save all Documents

- At this point you have only lodged your application, you have not successfully incorporated
- Save all of your receipts and documents in case you need to review or provide additional information
- After lodging your application, you will receive a tracking code and customer reference number which are helpful in determining the process of your application

Current unincorporated association details

Name of unincorporated association *

The UQ Economics Society

Approximately when was the association formed? *

1988

Does the association have less than 7 members? *

Yes

No

Number of members currently in association *

725

Does the association provide a financial gain to its members? *

Yes

No

Is the association already incorporated under the *Industrial Relations Act 1999*? *

Yes

No

Is the association a parents and citizens association under the *Education (General Provisions) Act 2006*? *

Yes

No

Is the association a branch of another association? *

Yes

Figure 1: Example of questions asked in the form.

Steps After Successfully Incorporating

Relevant Links:

<https://www.qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/associations-charities-and-non-for-profits/incorporated-associations/after-you-incorporate-an-association>

Review the Incorporated Association's Handbook

- You will be provided with a handbook to familiarise yourself with the recording processes and the requirements of being an incorporated association
- Share this information with your executive
- Ensure you update your treasurer with this information for their records

Purchase a Common Seal

"A common seal is the official stamp or 'signature' of an association. As a body corporate an association is entitled to have a common seal though it is not compulsory. Common seals are not expensive to purchase and can be obtained from most stationery shops or rubber stamp suppliers"

Adapted from the Government of Western Australia, Department of Mines, Industry Regulation and Safety.

When to use a Common Seal

- In the context of a student society a common seal may not be used frequently
- However, it may be used in the following scenarios
 - Signing a contract
 - Signing any legislation or constitution amendments
 - Updating any legislative documents for your society

Purchasing Public Liability Insurance

- Public Liability Insurance protects your society from any damages that are incurred with events
- This may include Annual Balls, Networking Events, Pub Crawls etc.

Preparing an Annual Return

- A reporting requirement is that you need to lodge your annual return to the Office of Fair Trading within 30 days of your AGM
- This process is done online and can be found through the following link

Link: <https://www.qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/fair-trading-services-programs-and-resources/fair-trading-online-services>

Appendix

Sources to Consult in making your decision

Source	Description
https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-1981-074	This Act outlines the requirements for an association and the legislative requirements for becoming incorporated
https://ablis.business.gov.au/service/qld/incorporation-of-an-association/7259	This document outlines the requirements if you are a business wishing to incorporate. Note, there is a different fee structure but there is relevant information concerning the approval time, contact details and additional information
https://www.ourcommunity.com.au/article/view_article.jsp?articleId=12	Information on becoming an incorporated entity and the benefits you can provide to the community. Helpful considering that you would be applying as a not-for-profit entity.

Reference List

Government of Western Australia, Department of Mines, Industry Regulation and Safety 2020, Common Seal, 2020. Viewed 4th October 2020, <https://www.commerce.wa.gov.au/books/inc-guide-incorporated-associations-western-australia/common-seal>

Justice Connect 2020, How to decide whether your group should incorporate, April 2020, viewed 4th October 2020, https://nfplaw.org.au/sites/default/files/media/How_to_decide_whether_your_group_should_incorporate_Cth_0.pdf