

AMSA CONFERENCE 2017

Shed Leaders Session

1 October 2017

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About Associations Forum



Facilitator's Career as Association CEO and Volunteer Director

1. 20's – BCom (UNSW), large corporates; Boards of professional association
2. 30's – Association manager and CEO of small association; Board of professional association and Chair of local community association
3. 40's – Established Associations Forum: providing education and advice to associations
4. 50's – Consolidation of Associations Forum and training of associations in Aust, NZ, Asia and beyond

Shed Leaders

Practical interactive discussion on running your shed

1. The need for formal rules for selecting and an official committee
2. Getting the right team and removing difficult volunteers
3. Agreeing on a plan and budget
4. Your questions answered

Why bother incorporating?

1. Protection for members
2. Limits liability: the corporate veil
3. Entity is sued, not individual
4. Credibility and legitimacy
5. Ownership of assets and liabilities
6. Ease of succession from member to member and Director to Director
7. A new independent entity is created and it is more than a gathering of interests

What does care and diligence mean

1. Objective standard; what would a reasonable person have done?
2. Lack of skills can't reduce duty; but would a reasonable person resign?
3. Higher skills may increase duty
4. Expected to have basic financial skills and must be able to form a reasonable opinion of the association's finances and capacity to meet obligations
5. Must objectively assess what is presented
6. Must ask questions if not clear

Corporations Act – duties summarised

Fiduciary duty	Common Law	Directors and Officers
Reasonable, financial, objective	S180(1)	Directors and Officers
Honest, interests of organisation as a whole, avoid conflicts, independent, positive action	S181(1)	Directors and Officers
Not to gain personal advantage	s182	Directors and Officers
Not to misuse information	s183	Directors and Officers
Avoid insolvent trading	s558(G)	Directors only

Association's key documents

- 1. Legislation** – plus explanation of what it means to your association
- 2. Constitution** – voted upon and changed by Members at General Meeting
- 3. By-Laws/Regulations** (optional) – can be changed by the Board
- 4. Governance Charter** – can be changed by the Board
- 5. Statements of Purpose** – Mission cascades into Goals then Activities
- 6. Plan** – stating what/who/when and presented in grid format
- 7. Budget** – linked to Plan; drafted by CEO; approved by Board
- 8. Minutes** – Board meetings, committee meetings and General Meetings
- 9. Annual Report** – records achievements, challenges; acknowledges efforts
- 10. Audited financial report** – plus at least last 3 years financial history

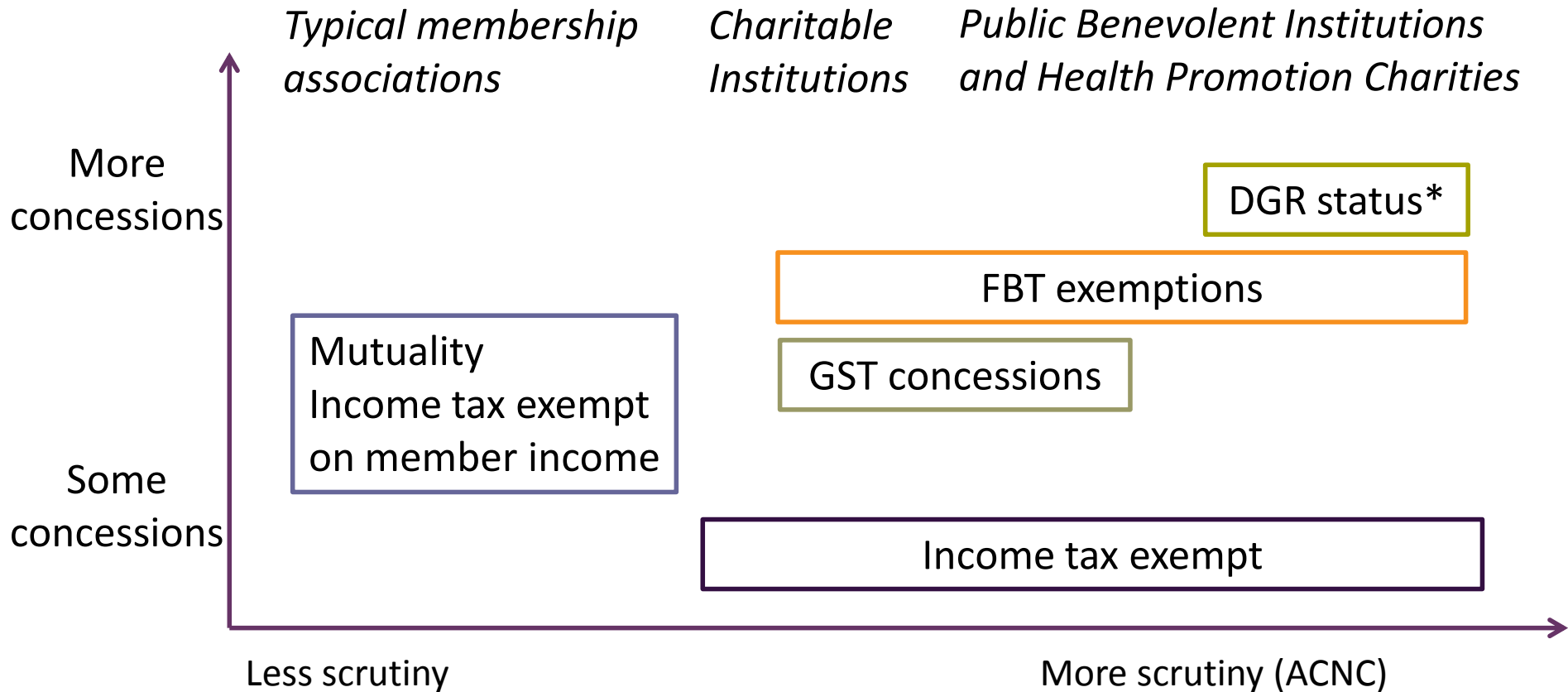
About Constitutions

1. Legislation and common law overrides Constitution
2. Constitution is your mini-law
3. Clear and relevant, not ambiguous and operational – e.g. don't include membership rates
4. Include required tax rules to be eligible for tax benefits
5. Constitutions need to be reviewed every 3 years
6. The law specifies how the constitution is changed by members, usually by special resolution and passed by 75% majority of votes cast in person or by proxy at a general meeting

Content of Constitutions

1. Cover page: name, registration number(s), Act, date last changes made
2. Purpose / Objects
3. Members
 - Defining who can be a Member; Disciplining/expulsion of a Member
 - It is OK to be exclusive
 - Member voting rights (or not) at a 'General Meeting'
4. General Meetings
5. Directors
 - Who appoints and how; how to dismiss Directors
 - Composition, terms, staggering (e.g. 3 Directors every year x 3 year terms)
 - Office Bearers' positions and term limits (especially President)
 - Voting rights at Board meetings
 - Powers and duties
 - Authority to make appointments
6. Procedural matters including winding up

Tax Concessions



- Deductible Gift Recipient (DGR) = Donations by individuals tax deductible

Board Meetings (for Directors) cf. General Meetings (for Members)

1. Board Meetings can happen frequently and at short (but reasonable) notice according to needs

General Meetings require 21 days notice or > per constitution

2. Subject to previous advice, any subject can be raised and discussed at a Board Meeting

General Meetings require prior documentation stating matters to be covered and no matters to come from the floor

3. Directors should not be able to give proxies to another Director, Alternate Directors are not recommended and Directors have a duty to attend

Members should be able to vote in person or by proxy at General Meetings (subject to law and constitution)

General Meetings have more process than Board meetings

Board decisions

1. Decisions must be minuted
2. Formal motions, proposing and seconding are not obligatory, however they add clarity to the decision
3. Once the Board makes a decisions, all Directors obligated to support the decision
4. If a Director strongly disagrees with a decision and is concerned about future implications they can require concerns be recorded in minutes
5. In some circumstances, Directors may decide to resign

Board minutes

1. Minutes show attendance, date & decisions
2. Minutes record decisions and context but do not attribute individual comments unless formally requested
3. Minutes are not verbatim or Hansard
4. If contentious, do minutes live rather than audio record
5. The minute should reflect the logic behind a decision
6. Minutes are private but communiqué OK depending on constitution

Chairing meetings

1. The President of the association usually chairs Board meetings and General Meetings
2. Chairs need personal authority and attendees' respect
3. CEO supports Chair and ensures Chair is briefed
4. Agendas - clear and have timing
5. Chairs need to sense the flow of the meeting; including when to speed up or go into detail
6. At AGM, Chairs need a step-by-step 'run sheet' or script

Board training

1. Training starts with the written roles
2. Chair requires specific training on leadership or chairing meetings, and perhaps coaching
3. Prospective Directors need training to make them aware of what's coming
4. Induction of new Directors requires history, constitution, finances, governance training
5. Senior and former leaders can be mentors

Conclusion

1. Set Shed Entity governance practices & documents before problems occur
2. Keep constitutions relevant, clear and current – including time to move on
3. Have a Plan that is updated as needed
4. Develop processes for induction, training, plans, agenda and minutes
5. Committee to wear ‘two hats’ of operations and governance - be vigilant and manage risk
6. With governance in order, the shed can serve its men 😊

Thank you!

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Membership Summit, Rydges Melbourne, 9 October 2017

Asian Federations Roundtable, Marina Bay Sands Singapore, 16 October 2017

CEO & Chair Symposium, Hotel Grand Chancellor Hobart, 1-2 February 2018

- Associations Forum National Conference, Gold Coast Convention and Exhibition Centre, 16-17 July 2018



Shed Leaders Q&A

Practical interactive discussion on running your shed

1. The need for formal rules for selecting and an official committee
2. Getting the right team and removing difficult volunteers
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4. Your questions answered