



A to Z of Good Governance

by Rebecca Barber, Lawyer

This A to Z of good governance is jam packed with tips, hints, links and resources, perfect for organisations like yours.

We hope you find it helpful!

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A – Association or company limited by guarantee (CLG)?

What type of group are you? Understanding your legal structure is the first step in your governance journey. The structure you choose will determine which laws apply and the government regulator you need to report to. We have lots of information about the most common not-for-profit [legal structures](#) to help you on your way.

B - Board

The board is the group that governs and guides your organisation. A CLG calls it the 'board', and an incorporated association calls it the 'committee', but these terms mean the same thing, so we will refer to them both as the board. There are certain roles to fill and requirements to follow when appointing people to the board. Check out our resources on [running the organisation](#) to find out more.

C - Constitution

Your constitution is your new best friend. Draft it, read it, learn it. It's essentially a rule book that sets out the way your organisation will run, and contains your purposes, which will guide the decisions your organisation will make into the future. Companies call this document a constitution and incorporated associations call it their rules. We will use the term 'constitution' to prevent confusion. Want to know how to draft one? Model rules are template rules that can be adopted, and are a great place to start. They include everything your legislation requires you to cover. Have a look at our [rules and constitution page](#) for more information!

D – Directors' duties

As a director or committee member, you have certain legal duties. These legal duties are not onerous – in many ways they are just simple ethical principles you may think of as 'common sense' or 'good practice'. Find out more about your duties in our [duties guide](#).

E - Endorsement as a DGR

Deductible Gift Recipient (DGR) endorsement is special tax status your organisation can apply for. If your organisation is endorsed, people who make gifts or donations can claim them as a deduction in their tax return, which is very attractive! There are specific DGR categories and requirements you must fulfil to get endorsed, so do your research before applying. The [ATO website](#) is the perfect place to start. We are also updating our [DGR guide](#) and creating a new app to help you understand the application process. Watch this space!

F – Fundraising

It's time to #fixfundraising - but in the meantime, make sure you understand your requirements under fundraising legislation. There are different laws across the states and territories, so you may need to consider the laws in each of the places you fundraise, including the requirements to get a fundraising licence. Check out our [fundraising page](#) for more information! Also, join our campaign to [#fixfundraising](#)!

G - Governance

So what does the term 'governance' actually mean? It's a big topic. It's essentially the process of making strategic decisions that guide the direction of an organisation. If you want to know more, our [Governance page](#) and handy toolkits will give you loads of useful information. Keep reading on to understand more of what's involved in good governance.

H - Holding meetings

You are about to start having a lot of them, so it's good to know which meetings you need to hold and when. Your best friend back at 'C' can tell you all about this - your constitution will always have your back. Also check out the [Holding Meetings](#) page on our website.

I - Identify and manage risks

You can do this by conducting a risk assessment - it will help you identify any potential risks in your organisation, consider the riskiness of the risks, and put processes in place to manage or reduce the likelihood of these risks eventuating. It's also good to consider insurance – what you have and what you need. Our [risk and insurance](#) resources can help you to navigate this process.

J - Justice Connect's Not-for-profit Law website

Our website has over 300 FREE factsheets, guides, videos and applications to help you to govern your organisation, comply with the law and make good decisions. Do yourself a favour and bookmark www.nfplaw.org.au!

K – Kids

It's always important to think about the kids, and no less so than when you are considering engaging them as volunteers or employees. There are additional requirements to meet, and Working with Children Checks are just the beginning. Check out our webinar on [youth volunteers](#).

L - Liability

Liability (legal responsibility) is a key consideration for organisations and their people. As a board member, there is a protection against personal responsibility (because of your group's incorporation), but you need to be aware of when this protection might come down and leave you exposed. We don't see it happen that much, and if you comply with the law and your key legal duties, you won't have to worry.

M - Managing conflicts and disputes on the committee

Conflicts and disputes can occur when you least expect. They can be divisive and even threaten the very existence of the group. So how do you manage them? The answer is often very simple - check your constitution. Hopefully you will have rules that guide you through the steps to take. Our [disputes and conflicts](#) resources can also help.

N - Not-for-profit Law training

Want to learn more? Attend an interactive and engaging training session to find out more about governance or other not-for-profit legal issues. We are a [registered social enterprise](#) and our trainers offer a variety of sessions, with all proceeds going back into our services to help not-for-profits. Best of all, our trainers are all lawyers, so you know you are getting the best of the best. Got questions? Our lovely training co-ordinator Jo would be more than happy to receive your [enquiry](#)! You can also learn while you lunch and attend a [webinar](#). 2020 program out soon!

O - Objects/purpose

A key part of good governance is understanding your [objects or purpose](#) clause! Setting out your purpose clearly from the start will help to guide the direction of your group. If you choose to register as a charity, or for endorsement as a Deductible Gift Recipient, it becomes particularly important, so make sure your purposes align with the activities of your not-for-profit organisation.

P - Privacy

Privacy is paramount! Your organisation is handling personal information and this needs to be protected. Our [privacy resources](#) can walk you through the personal information lifecycle; from collection, through to use and disclosure, storage and access, complaints and the data breach notification laws. We are also happy to dive deeper in a training session – it's one of our most popular topics!

Q - Quorum

A quorum is the minimum number of people who are required to be present at a meeting for that meeting to go ahead. In most jurisdictions, and if your constitution allows, the quorum of a meeting could be reached even if people attend the meeting via technology.

R - Registration as a charity

In Australia, 'charities' are registered with the Australian Charities and Not-for-profits Commission (ACNC). Registered charities have access to a number of benefits, but charity status is not always easy to obtain. To find out more, have a look at our [charity resources](#) or visit the [ACNC website](#).

S - Social Enterprise

Do you run a social enterprise or thinking about starting one? The decisions that need to be made by social enterprises when getting started are quite complex, and will significantly impact the way the enterprise can operate in the future. Our [Social enterprise guide](#) is very comprehensive, and contains everything you need to know!

T - Tax

There are few certainties in life and tax is definitely one of them. It's not all bad news though. There are a range of tax exemptions and concessions for eligible not-for-profits and charities. These include income tax exemptions, GST and FBT concessions and other specific state tax concessions. Confused? Don't be - check out our [tax page](#) for more information and of course the [ATO website](#).

U - Update your regulator

Your regulator should be kept up-to-date with any important changes to your organisation, rules, board (in particular, your secretary), and anything else you think may be important. This is one occasion when it's ok to overshare, so tell them as much as you can, as early as you can. Forgetting to let them know about changes, or failing to lodge reports, may result in fees or cancelled registration, so be sure to keep lines of communication open!

V- Volunteer or employee?

The distinction is important. There are laws that clearly apply to employees, but you may be surprised about the way that they apply (or don't) to volunteers too. This can be a tricky area to navigate, but don't worry, our [volunteers page](#) can help you to understand the key issues, and our trainers run sessions on this popular topic.

W - Working with other organisations

There are so many benefits to collaborating with other groups, and loads of legal options for formalising these arrangements - from memorandums of understanding (MOUs) and auspicing, to mergers and amalgamations, but it is important to know what you are signing up for. Visit our [Working with other organisations](#) page to find out more.

X- eXpert

The importance of governance [training](#), and where necessary, obtaining legal advice can't be understated when dealing with the governance of your organisation.

Y - Year-end

Year-end may not be the most wonderful time of the year if you don't fancy financials. To meet your requirements, effective record keeping during the year is essential. Receipts and documents are records, records make up your financial statements, and financial statements need to be submitted to your regulator at least once a year. Remember your legal duties (back to 'D')? Understanding the financial position of your organisation is one of these. Have a read of our [financial reporting for not-for-profits](#) factsheet for more information. You can also listen to our recent [Financial Reporting Webinar](#).

Z - Zero tolerance for criminal conduct

This may seem obvious, but criminal conduct can arise in the context of a community organisation. Fraud, embezzlement, assault and harassment among others, are real risks and you need to take active steps to identify and eliminate them from your organisation. Our [criminal conduct](#) page contains valuable information, but in the event of an emergency, please call 000.

For more information check out our
online **resources**.

Got questions?

Our lawyers are eager to help eligible
organisations through our free advice
service, as our mission is to help you to
achieve yours.

Lodge an **enquiry**
and we will be in touch

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