

Not for profit checklist

October 2014

Director appointments – Incorporated associations (Queensland)

When an association is incorporated, the people named in the application as office holders (that is, the president, treasurer and secretary) are appointed from the date of incorporation. Following the appointment of these first office holders, any replacement of those office holders should be appointed in accordance with the regulations and the association's constitution (or rules).

Separately to the officeholders, the appointment of the association's other directors must also be in accordance with the regulations and the association's constitution. Generally, the constitution will allow the existing directors to fill any causal vacancy in their number either by themselves or by the members under an ordinary resolution.

This checklist set out the statutory requirements and best practice that a NFP incorporated association registered in Queensland must comply in appointing a new director.

ITEM	COMMENTS
Appointor	Check the constitution of the association to establish whether directors or members may appoint the new director(s).
Quota	Check the constitution to ensure any maximum number of directors stipulated in the constitution has not already been reached
Eligibility	Check whether the new director satisfies any eligibility requirements set out in the constitution and whether disqualified from acting by statute
Director details	Obtain the director's details, including contact details and residential address. If the new director will be an office holder obtain details required to complete a Form 10a <i>Associations Incorporation Act 1981 (Qld)</i> , including: <ul style="list-style-type: none"> • Full name • Residential address (cannot use postal address)
Observer	It is best practice for a new director to attend an initial Board meeting as an observer.
Board resolution	Formal resolution of the board is required to appoint the new director.
Letter of Offer	Formal letter to a director detailing terms of appointment, including duties, responsibilities, time commitment, remuneration – to be accepted by new director (e.g. by signing a copy).

ITEM	COMMENTS
Interests	The new director should notify the Board of any interest in contract or other entities with which the association has dealings.
Director's induction kit	<p>Include various documents etc, such as:</p> <ul style="list-style-type: none"> • Key information (eg association's name, ABN, postal address and business location, phone and fax numbers) • Constitution • Annual report • Financial statements • Directors/executives contact details • Board meeting schedule • Deed of Access & Indemnity - formally documents the directors' rights to be indemnified for their actions and to have access to relevant documents (e.g. board papers and minutes of meetings) • Confidentiality agreement - reinforces the directors' obligations to keep association business/ matters confidential • Board minutes - Copies of recent board minutes/papers • Organisation chart/structure • Policies & procedures - copies of board/ association policies, relevant forms • Board committees - Committee members, charters, etc • Governance statement - including: <ul style="list-style-type: none"> ○ Charters ○ Code of Conduct ○ Ethics policy ○ Internal controls ○ Risk management policies
Insurances	<p>Details of current covers, including Directors & Officers (D&O) and Professional Indemnity insurances.</p> <p>It may be necessary to add the director to the association's D&O insurance policy.</p>
Notification of change – Office of Fair Trading	If the new director will be an office holder, the association must notify the Office of Fair Trading (Qld) using a Form 10a <i>Associations Incorporation Act 1981 (Qld)</i> .
Notification of change - Australian Charities and Not-for-profits Commission (ACNC)	If the association is a charity, it must notify the ACNC any change in members of the governing body (i.e. the Board or Committee), using either the charity portal or the applicable form on the ACNC website.
Other	Notify the association's employees, members and its bank, if appropriate.
Register	Update the register of directors.

ITEM	COMMENTS
Training	If this is the new director's first appointment as director, he or she should be given guidance as to her or her duties and responsibilities in terms of the Associations Incorporation Act, the ACNC governance standards, and his or her duties and responsibilities to members.



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