

Roles and Responsibilities of Board Members of NSW Incorporated Associations

The people sitting on honorary boards and committees of management have important tasks that need to be carried out to ensure the good governance of the organisation. Just as paid staff in community organisations have job descriptions, it is reasonable that the role of committee members be set out in writing in order to encourage accountability and efficiency. A list of these duties ideally will be available to prospective members before they take office and discussed with the people concerned.

In this document the term “Board Member” also refers to Management Committee Member.

All Board Members are broadly obligated to:

- Put the interests of the organisation at the foremost in their deliberations as Board members
- Use reasonable care, skill and diligence in the performance of their duties
- Be honest, act in good faith and do not use their role or information obtained as a Board member dishonestly
- Be aware of their responsibilities under the relevant legislation and case law
- Disclose any potential conflict of interest by acknowledging likely conflicts (in writing) and withdrawing from any related discussion or decisions, (and ensuring these steps are noted in the minutes of the meeting)
- Refraining from gaining personally from being a Board member
- Refraining from divulging any confidential information outside of the appropriate forum.

Board Members should carry out the following duties:

Governance

- Understand how the organisation works, including the organisations services, their programs and their staff
- Keep up to date by reading the minutes, reports and any other necessary meeting papers;
- Regularly attend Board meetings
- Be familiar with the organisation’s constitution, including the specific roles and responsibilities of the Board outlined within it
- Approve relevant documents, including documents related to the organisation’s finances;
- Ensure the organisation’s compliance with funding agreements, policies, legislation and regulations

- Manage the organisation's risk (i.e. minimise the impact of potential barriers preventing the organisation from achieving its objectives efficiently and effectively)
- Establish management delegations
- Be active in planning for the future direction of the organisation
- Take responsibility for particular areas of work, perhaps through involvement in sub-committees
- Ensure that new committee members are aware of their statutory obligations and responsibilities to the organisation
- Try to be as active as possible in Board decision making.

Public representation

- Be supportive of the organisation in the eyes of the public
- Regularly attend the organisation's functions and represent the organisation at outside functions.

The Associations Incorporation Act outlines that Board Members have responsibility to ensure:

In General

- The Board or Committee includes 3 or more members, each of whom is aged 18 years or older and at least 3 of whom ordinarily live in Australia
- Their required particulars are provided for inclusion in the register of committee members
- They disclose an interest in a matter that conflicts with the performance of their duties
- Information obtained as a committee member is not used dishonestly
- Their position as a committee member is not used dishonestly
- That annual general meetings are held within 6 months after the close of the association's financial year
- That any document addressed to the association is brought to the attention of the committee as soon as practicable
- All documents in their possession, belonging to the association, are delivered to the public officer within 14 days after vacating office
- They comply with any additional duty set out in the association's constitution.

Regarding Office Bearers

- They appoint a Public officer and ensure that any vacancy of this position is filled within 28 days
- Are aware of the duties of the public officer and that they are properly carried out
- They appoint additional authorised signatories and remove such appointments as required.

For more information see section below: *"Authorised Signatories are responsible for"*

Regarding finances of the association

- Ensure proper financial records are kept and financial statements prepared in accordance with requirements for either a Tier 1 or Tier 2 association (as relevant); ¹
- Lodge a *Form A12 Annual summary of financial affairs* with the prescribed fee within one month of the association's annual general meeting
- Ensure that the association's full name appears on all official documents and publications
- Ensure that the association does not incur debts that are not expected to be repaid
- Ensure that the association does not act with the intent to defraud.

Executive Positions

The Chairperson/President (Chair) is responsible for:

- Ensuring regular board meetings are organised
- Preparing an agenda in consultation with the Executive Officer and ensuring sufficient information is available to Board members
- Determining that a quorum is present in order to commence a meeting;
- Dealing with agenda items in order of appearance (re-ordering if necessary)
- Ensuring all members have the opportunity to speak, addressing the meeting through the Chair
- Maintaining a neutral position during discussion and decision making including forming decisions or motions and asking the meeting to vote on them
- Preserving order throughout the meeting and keeping discussion and decision making relevant and within time
- Delivering a casting vote in the event of an equal vote (depending on the constitution)
- Suggesting appropriate procedures to deal with any difficulties in getting through agenda items if necessary
- Signing minutes of the previous meeting after they have been confirmed as a true record
- Representing the organisation at all levels of the community
- Supervising the Executive Officer and acting as the link between staff and the Board
- Ensuring that the association adheres to its constitution and rules.

The Vice President is responsible for:

- Assisting the Chair with their duties and filling in as for the Chair in their absence.

¹ Larger, or Tier 1 associations, whose gross receipts exceed \$250,000 or current assets exceed \$500,000 are required to submit audited financial statements each year to the members at the AGM. Smaller, or Tier 2 associations are required to submit a summary of their financial affairs to the AGM. See NSW Fair Trading webpage '[Running an Association](#)' under Financial Reporting

The Secretary is responsible for:

- Ensuring all correspondence and official records of the association (other than financial records) are up to date, accurate and in order and available to be looked at by those authorised to do so
- Assisting the Chair and Executive Officer to organise Board meetings
- Ensuring that meeting papers (agenda, correspondence and previous minutes) have been distributed
- Ensuring the minutes of the meeting are taken, either by themselves or delegated to a minute taker
- Working with the Chair to ensure the meeting runs smoothly
- Working with the Chair and Executive Officer to ensure all correspondence that relates to the Board or committee is dealt with in a timely manner
- Knowing the rules of the organisation and taking responsibility for all the legal requirements of incorporation.

The Treasurer is responsible for:

- Overseeing the financial affairs of the association
- Presenting financial information to Board/committee meetings for approval
- Keeping the Board informed and up to date about the finances in a manner that Board members can understand
- Ensuring an annual budget is prepared and expenditure against the budget is reviewed regularly
- Ensuring the financial records are current and in order, according to the requirements for a Tier 1 or Tier 2 association as per the Associations Incorporation Act 2009
- Ensuring the organisation has the necessary financial and investment advice to make sound decisions
- Organising and presenting the annual balance sheet and accounts to members of the organisation at the Annual General Meeting (AGM).

The Public Officer

The Public Officer may be an ordinary member of the organisation or a person outside the association.

They:

- Must be over 18 years of age, and
- Reside in New South Wales.

As noted above, the Public Officer does not have to be a member of the board and as such will not be able to participate in board decision-making processes. However under the legislation they may be held responsible for board decisions. Consequently it is probably better that the Public Officer be a member of the board.

The Public Officer is responsible for:

- Acting as the official contact for the association, including taking delivery of documents served on the association and bring them to the attention of the Board as soon as possible

- Notifying NSW Fair Trading of any changes in the official affairs of the association and its financial position including signatories
- Keeping a register of board members and signatories;
- Lodging the Form *A12 Annual summary of financial affairs* with NSW Fair Trading
- Lodging with NSW Fair Trading other forms as appropriate (eg *Form A11 Application for extension of time* and *Form A7 Application for approval for change of name*; etc)
- Collecting all association documents from former board members and delivering them to new members
- Returning all association documents to a committee member within 14 days, upon vacating office
- Keeping custody of any documents required by the constitution.
- The Public Officer's position must be filled within 28 days of the position being vacant and NSW Fair Trading must be notified with 28 days of the position being filled using *Form A9 Notice of Appointment of Public Office & Notice of Change of Association Address*
- Penalties may apply if the responsibilities of the Public Officer are not met.

Authorised Signatories are responsible for:

- Signing official documents on behalf of the association. The public officer is automatically an authorised signatory. An association must have at least two authorised signatories.
- Witnessing a document executed under the common seal. Use of a common seal is no longer a requirement under the Associations Incorporation Act 2009.

Under the Associations Incorporation Act 2009, a record must be kept of the authorised signatories. The particulars should include:

- Name of the authorised signatory;
- Position (e.g. public officer, committee member);
- Date of appointment and the date appointment ceased;
- Reason appointment ceased (e.g. release, resignation, removal from position of Public Officer by general meeting)
- Reference in minutes for tracking of the relevant appointment or revocation.

NOTE: The association's Board should notify any change in its authorised signatories to any party they deal with regularly.

Resources

Legislation

- [Associations Incorporation Act 2009 \(NSW\)](#)
- [Associations Incorporation Regulation 2010 \(NSW\)](#)

NCOSS Sector Support

- [Templates and Resources](#)
 - [Q & A: NSW Associations Incorporation Act 2009](#)
- [Wheeler, Graham \(2012\) Incorporation: An explanation of the Associations Incorporation Act 2009](#)

NSW Fair Trading

- [Incorporated Associations Forms](#)
- [Management committee](#)
- [Running an association](#)

Australian Charities and Not-for-profits Commission

- [Governance for good](#)
- [Guide for board members](#)
- [Responsible persons - board or committee members](#)

NSW Family and Community Services (FACS)

- [Corporate Governance](#) Chapter 1 in [Good Governance: It's your business](#)

Justice Connect

- [Special legal requirements of the holders of formal positions in a not-for-profit](#)
- [Guide to the legal duties of not-for-profit committee members and office holders in NSW](#)

Institute of Community Directors Australia

- [Board Responsibilities: Fulfilling your governance role](#) Board Help Sheets – Part 7

Board Connect

- [Chairperson Role Description](#)
- [The Role of the Treasurer](#)
- [The Role of the Board Secretary](#)
- [Board Member Duty Statement](#)

NB: The above websites were accessible on 17 December 2015. If the links do not work search on the title of the document or go directly to the organisation's website.