

**Attention NOCC Committee Members: From the Dept of fair Trading re Incorp Associations:**

## Running an association

[http://www.fairtrading.nsw.gov.au/ftw/Cooperatives\\_and\\_associations/Running\\_an\\_association.page?](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Running_an_association.page?)

## Association records

[http://www.fairtrading.nsw.gov.au/ftw/Cooperatives\\_and\\_associations/Running\\_an\\_association/Management\\_committee/Association\\_records.page?](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Running_an_association/Management_committee/Association_records.page?)

### What records must be kept?

An association must keep the following records:

- a register of committee members
- a record of any disclosure of interest by a committee member
- a record of the association's financial transactions and position
- minutes of the proceedings of committee and general meetings
- a register of members.

An association should also keep the following records:

- a record of its authorised signatories
- a record of its current public officer and official address.

### What information has to be recorded?

#### Register of committee members

The register of committee members must be kept at the main premises of the association or the association's official address, which must be in NSW.

The register must be made available for inspection, free of charge, by anyone and must contain the following particulars:

- the name, date of birth and residential address of each committee member
- the date on which each committee member takes office and vacates office
- the name of any committee members who hold the positions (if any) of president, vice-president, secretary or treasurer
- the date on which those committee members were appointed or elected to those positions and the date those appointments ceased.

The register must be updated within 1 month after any change in the committee's membership occurs.

[A sample register of committee members is available for an association's use.](#) (PDF size: 158kb)

#### Register of disclosure of interests

The committee must maintain a record of any disclosure by a committee member of a direct or indirect interest, being or to be considered at a committee meeting, that appears to raise a conflict with the committee member performing their duties. The

committee must deal with any disclosure according to section 31 of the *Associations Incorporation Act 2009* (the Act).

The disclosures recorded must be kept with the register of committee members and must be available for inspection by any member of the association upon payment of a fee, as determined by the committee. The fee must not exceed \$5 which is the maximum fee allowed by the Associations Incorporation Regulation 2016 (the Regulation).

For more information, visit the [Management committee](#) page on the Fair Trading website.

## Financial records

Associations must keep records that correctly record and explain their financial transactions and financial position.

Where an association acts as the trustee for any trust, it must keep records that correctly record and explain the financial transactions and financial position of the trust.

Tier 1 associations must ensure financial records are sufficient to enable financial statements to be prepared in accordance with the Australian Accounting Standards.

As a minimum all associations need to keep:

- receipt books
- records of payments - with supporting documents and approvals
- invoices
- bank statements
- bank deposit books (if used)
- cheque books.

It may also be appropriate for associations to maintain an asset register. This is important for maintaining control of major assets when there are changes in the committee.

Where financial records are kept in a language other than English, an English language copy must be kept with the document.

The committee is responsible for ensuring appropriate internal financial controls are implemented for all payments made on behalf of the association. As a matter of good corporate governance, the committee should have oversight and authorise/approve payments regularly. This should be undertaken at each committee meeting at a minimum.

For information on the association's financial reporting requirements, visit the [Financial reporting requirements](#) page on the Fair Trading website.

## Minutes of meetings

The association must keep minutes of the proceedings of all committee meetings and general meetings. The minutes should set out a clear, concise and accurate summary of the proceedings of the meeting. This includes details of persons attending the meeting, documents submitted to the meeting and any passed or failed resolutions. For additional information on matters that should be included in the minutes, visit the [General meetings](#) page on the Fair Trading website.

For more information on management committee meeting minutes, visit the [Management committee meetings](#) page on the Fair Trading website.

If any part of the minutes is in a language other than English, a copy of the minutes in the English language must also be kept with the minutes.

## Register of members

It is important that an association is able to identify who its members are at any given time. The format for maintaining this register is a matter for the association however we recommend it includes the name, contact details, the date the member joined the association and, when applicable, the date the member ceased to be a member of the association.

## Authorised signatories

It is important that an association keeps accurate records of its authorised signatories. It is suggested that these records be kept with the register of committee members.

Note: The association's public officer is an authorised signatory of the association. The particulars recorded 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. ceasing to be committee member, resignation, removal from position of public officer by general meeting)
- reference in minutes to track the relevant appointment or revocation.

For information on the role of authorised signatories, visit the [Management committee](#) page on the Fair Trading website.

## Who is responsible for maintaining the association's records?

The committee is responsible for ensuring that the association keeps and maintains the required records. In some cases, the constitution of the association may set out particular responsibilities for keeping and maintaining the records of the association. Committee members must deliver all documents in their possession that belong to the association to the public officer within 14 days after vacating office.

The public officer is responsible for:

- collecting all association documents from former committee members and delivering the documents to the new committee
- returning all association documents in his or her possession to a committee member within 14 days upon vacating office.

## Who can inspect the association's records?

The register of committee members must be made available for inspection, free of charge, by any person.

The record of disclosure of interests must be kept with the register of committee members and must be available for inspection by any member of the association upon payment of a fee determined by the committee which must not exceed \$5.

Inspection of other documents of the association is governed by the association's constitution.

## How should financial records and minutes of meetings be kept?

Records and minutes must be kept in written or electronic form. If the records and minutes are kept in electronic form, they must be able to be converted into hard copy. If a person is entitled to inspect the records, a hard copy of the record must also be made available within a reasonable time.

## How long do we have to keep the association's records?

**Financial records are to be kept for a minimum of 5 years** after they were made.

There are a number of other factors that may impact on the period for which an association may need to maintain its records. For example:

- the requirements of any other legislation that may apply to the association. For example, associations that have employees have to keep time and wages records for 7 years

- associations that have employees also need to comply with any statutory requirements for retaining records concerning work, health and safety or superannuation legislation
- documents that might relate to potential litigation should not be destroyed
- documents that might record any liability for capital gains tax should not be destroyed.

In addition, some documents should be retained indefinitely. For example:

- minutes of meetings are the official written record of the business transacted at a meeting and need to be retained indefinitely
- documents that provide title to assets such as title deeds or evidence relating to intellectual property should be retained indefinitely.

If the association is unsure how long it should keep particular records, it should seek its own legal advice.

## Financial reporting requirements

(Newcastle OCC is Tier 2)

[http://www.fairtrading.nsw.gov.au/ftw/Cooperatives\\_and\\_associations/Running\\_an\\_association/Financial\\_reporting\\_requirements.page?](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Running_an_association/Financial_reporting_requirements.page?)

### Summary of annual financial reporting requirements

The association must hold its annual general meeting (AGM) within 6 months after the end of the association's financial year.

#### Before the AGM, the committee must:

1. Prepare financial statements as soon as practical after the end of the association's financial year.
  - Tier 1 associations must prepare financial statements in accordance with Australian Accounting Standards.
  - Tier 2 associations must prepare financial statements that give a true and fair view of the association's affairs.
2. Arrange for the statements to be audited if it is a Tier 1 association or if it is otherwise required to do so eg. by the association's constitution or under a funding agreement.
3. Consider the financial statements and confirm the statements provide a 'true and fair' view of the association's financial performance and position. This confirmation should be recorded in the minutes of the committee meeting.

**At the AGM, the committee must** present the financial statements to the AGM, together with the auditor's report for a Tier 1 association. The AGM minutes should include a copy of the financial statements, any auditor's report and a record of any resolution passed in relation to the financial statements or auditor's report.

#### After the AGM, the committee must:

1. Lodge the *Annual summary of financial affairs - Tier 1* (form A12-T1) or *Annual summary of financial affairs - Tier 2* (form A12-T2) within 1 month of the AGM and no later than 7 months after the end of the association's financial year, together with payment of the prescribed lodgement fee.
2. Tier 1 associations must also lodge a copy of the audited financial statements, audit report and any resolution passed in relation to the financial statements or auditor's report.

## Tier 2 associations financial reporting

[http://www.fairtrading.nsw.gov.au/ftw/Cooperatives\\_and\\_associations/Running\\_an\\_association/Financial\\_reporting\\_requirements/Tier\\_2\\_associations\\_financial\\_reporting.page?](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Running_an_association/Financial_reporting_requirements/Tier_2_associations_financial_reporting.page?)

## What do we lodge with Fair Trading?

A Tier 2 association must lodge the following documents with Fair Trading within 1 month of the AGM and no later than 7 months after the end of the association's financial year:

- an *Annual summary of financial affairs – Tier 2* (form A12 – T2) for the financial year, and
- payment of the prescribed lodgement fee and late fee if applicable.

Associations should obtain a copy of the *Annual summary of financial affairs – Tier 2* from the Associations Forms page on the Fair Trading website.

An *Annual summary of financial affairs* is not considered to be lodged until a correctly completed form and the prescribed fees have been received.

## How do we lodge the Annual summary of financial affairs?

The *Annual summary of financial affairs* and the prescribed payment can be lodged:

- by email to [registrylodgements@finance.nsw.gov.au](mailto:registrylodgements@finance.nsw.gov.au) together with a completed credit card payment form
- by mail to Registry Services, PO Box 22, Bathurst NSW 2795
- in person at any Service NSW Centre.

Form: <https://ablisfiles.business.gov.au/newsouthwales/resource/AP4550L2.pdf>