

How to run your club

Module Two-The club constitution

The majority of clubs are incorporated as Associations under the *Associations Incorporation Act*. Incorporation under the *Act* will give your club certain legal advantages in return for accepting certain legal responsibilities.

Incorporation provides sporting clubs with a simple and inexpensive means of becoming a legal entity. This helps protect individual members from the debts and liabilities of the club, and establishes an entity which is considered at law to have a distinct identity that continues, despite changes to its membership.

If your club is not incorporated, it is the individual members and officers, rather than the club, who will be held personally responsible for any debts or other liabilities. For the protection of your individual members and officers it is a sensible thing to become incorporated.

Before it can become incorporated a club must meet a number of legislated requirements and statutory obligations. These are shown in the box below:

The procedure for registering an incorporated association is fairly simple and involves a few basic steps. The key steps are:

- Hold an initial meeting to obtain members' approval for incorporation;
- Determine a suitable name and check that the group is eligible for incorporation;
- Develop a set of rules (there are Model Rules available);
- Hold a meeting to formally pass a resolution to adopt the rules and approve the proposed name of the association;
- Advertise your intention to incorporate; and
- Complete and submit the application.

A constitution (or rules of association) is a basic set of rules for the daily running of your club. It details for your members and others the name, objects, methods of management and other conditions under which your club operates, and generally the reasons for its existence.

A constitution

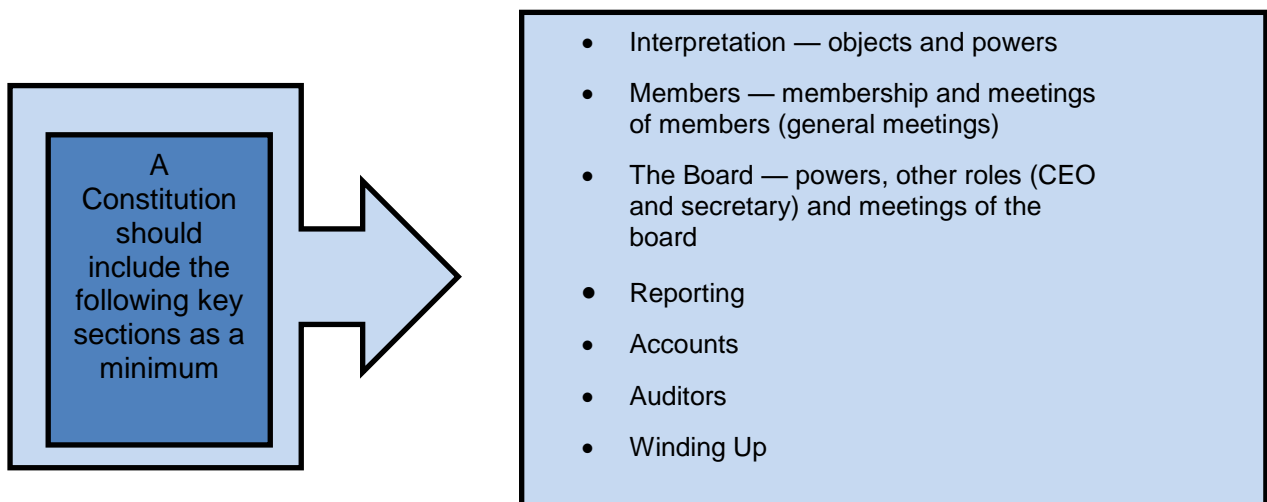
- Explains to members and non-members what your club is about.
- Provides guidelines for the daily running of your club.
- Helps to sort out internal problems.
- Are legal necessities if your club wishes to become incorporated.
- Can help in seeking resources from other organisations, such as a government agency.

A constitution is usually comprised of two parts;

- the rules which include the basic principles of the club and can be changed only by a general meeting; and
- the regulations or by-laws which can be changed by the committee.

You can place almost anything within a constitution. However many aspects of your club's operation are more easily handled outside the formality of the rules. For instance, you would not include the membership charges or club colours in the rules.

The rules in your constitution should relate to the administration of the club. They should not relate to the conduct of the activities of the club.



Board charter - A board charter is a one-source document which clearly sets out how the board performs its role. Second to the organisation's *constitution*, a *board charter* is a key governance policy document which defines the respective roles, responsibilities and authorities of the board and management in setting the direction, the management and control of the organisation. A formal charter is important, as it provides a framework for the board's operations and a powerful tool to contribute to its effective and efficient operation.

A board charter ensures:

- the roles and responsibilities of the board are clear and understood by all club members and others with an interest in the club operations
- the operation of the board and the management of the club are clearly defined
- board members will have a clear understanding of the manner in which the board will conduct itself and the organisation's expectations of them

A charter does not need to be a complex or lengthy document. It should set out in simple and easy-to-read terms how the club will operate and describe the basic matters that will be considered in the management of the club.

A suggested structure for a board charter is outlined below;

THE STRUCTURE OF A BOARD CHARTER			
<i>Section 1 Defining governance roles</i>	<i>Section 2 Guidelines for board process</i>	<i>Section 3 Key board functions</i>	<i>Section 4 Continuing improvement</i>
<ul style="list-style-type: none"> • The role of the board • The role of individual board members (including conflicts of interest) • Role of the chair 	<ul style="list-style-type: none"> • Board meetings • Conduct of meetings • Board minutes 	<ul style="list-style-type: none"> • Delegation of authority • Public representation • Execution of documents • Management of club finances and details such as Cheque signing 	<ul style="list-style-type: none"> • Board evaluation • Board member development • Succession arrangements



Activity

Do you have a board or committee of management charter at your club? You may call it something different such as a club procedures manual.

Does your charter or manual clearly set out the key activities and details for the operation of your club?

Look at the table on the next page and rate your club against the sections.

Sections	How my club rates and what actions we need to take
Governance roles – are the board position clearly defined and documented? Does everybody know what their role is?	
Governance process – does the club conduct its meetings in a proper way?	
Governance functions – are formal procedures in place to support the way the club operates? Are these procedures written down in a manual or charter?	
Governance improvement – is there a formal process in place to look at how the club improves the way it does things? Does the club focus on the future?	