

INCORPORATED SOCIETY

What you need to know

It is not compulsory to incorporate as an incorporated society under the Incorporated Societies Act 1908, but it is convenient for associations of people who meet for cultural, hobby, leisure-time and sporting purposes, or for trade, professional or ratepayer groups.

Incorporation means that the association's property (lease of premises, money, trophies etc.) will in future be held by the society instead of by the members for the time being. The society will enter all contracts and be liable for debts. The members will only have to pay their subscriptions.

It is essential when applying for funding that your organisation is incorporated.

If you are unsure about the value of incorporation for your association, you should take legal advice.

Prepare a set of rules/constitution

Assuming you decide to go ahead with incorporation, you will need to prepare a set of rules that will state what your society is to do and how it will operate internally. Section 6 of the Incorporated Societies Act 1908 sets out the minimum requirements for every set of rules. The rules will expand on these and may contain other material, but they need to be clear and comprehensive.

There is a basic form of rules available through this website, but you should also have two or three members review a few sets of rules in use for societies with objects (purposes) similar to yours and others that are quite different. This will give you a good indication of how other societies operate and which rules can be adapted usefully for your society's rules. Again, seek legal advice if you need assistance.

The Incorporated Societies Act 1908 requires every incorporated society to have a set of rules. The rules set out how the society is run.

Well drafted rules will contribute to the smooth running of an incorporated society.

The rules should be:

- detailed
- clearly expressed and
- unambiguous/certain.

Poorly drafted rules may lead to disagreements over how the rules should be interpreted and whether or not the society is operating in accordance with its rules.

Rules of incorporated societies

The Incorporated Societies Act 1908 sets out certain matters that must be included in the rules of a society. Rules will also often contain additional clauses covering issues that are specific to

the administration of a particular society. Any other matters can be included in a society's rules, provided they are not inconsistent with the Incorporated Societies Act 1908 or general law.

1. *The rules of a society shall state or provide for the following matters, that is to say:*
 - a. *the name of the society, with the addition of the word "Incorporated" as the last word in that name:*
 - b. *the objects for which the society is established:*
 - c. *the modes in which persons become members of the society:*
 - d. *the modes in which persons cease to be members of the society:*
 - e. *the mode in which the rules of the society may be altered, added to, or rescinded:*
 - f. *the mode of summoning and holding general meetings of the society, and of voting thereat:*
 - g. *the appointment of officers of the society:*
 - h. *the control and use of the common seal of the society:*
 - i. *the control and investment of the funds of the society:*
 - j. *the powers (if any) of the society to borrow money:*
 - k. *the disposition of the property of the society in the event of the society being put into liquidation:*
2. *such other matters as the Registrar may require to be provided for in any particular instance.*
 - a. *The rules of the society may contain any other provisions which are not inconsistent with this Act or with law.*
 - b. *The rules of the society and any amendment of those rules shall be printed or typewritten.*

Other rules that may be useful to include are:

- Membership fees
- Registered office
- Copy of rules
- Management of the society
- A process for handling internal disputes
- Financial year

This is by no means a comprehensive list of rules that a society can adopt.

Choose a name

You will also need to choose a name for your society and that name must be included in the rules. The name you choose cannot be identical or deceptively similar to that of another incorporated society or other body corporate. If you do choose a name that is identical to the name used by another body corporate (for example, a company) it can only be used if the other organisation gives its written consent to the Registrar.

Hold a meeting of members

When you have a suitable draft set of rules, you can circulate these for comment among the members of your association. You will then be in a position to call a meeting of the members to:

- resolve to incorporate,
- approve the rules,
- decide who will be the first President, Secretary and Treasurer, and
- choose who will fill the committee positions that the rules provide.

Complete and file an application

Assuming the meeting described above has been held, 15 people then or later must sign the application form. If a body corporate is one of the applicants, it will count as three members. An example of a body corporate is a company or another incorporated society.

With the application, there is a certificate to attach to the rules to confirm that they were approved for registration. The application and certificate are available through this website.

Send your completed application, certificate and rules to the Registrar of Incorporated Societies along with the fee of \$102.22.

What you need to fill out the form

Name of society	The name of your incorporated society must not be identical or deceptively similar to that of another incorporated society or other body corporate operating in New Zealand. Your application will be returned to you if the name you have chosen is unavailable.
Registered office address	This must be an actual physical address, for example '6 High Street, Wellington'. You cannot use a post office box, private bag or DX address as the registered office.
Address for communication	This is the address to which the Registrar will usually send communications, for example reminders to file annual financial statements. The address for communication can be either a postal or a physical address. Where possible, you should also supply an email address (the email address will not be visible on the website, it will only be used by the Registrar as a point of contact).
AGM filing month	You will also need to advise which month the society will usually hold its annual general meeting (AGM).
Details of the person completing the form	These details enable us to contact the appropriate person if there are any issues with the application. This person will also be sent the certificate of incorporation when the society is registered.

Certificate	<p>A certificate must be completed by an officer of, or solicitor for, the society who should also sign the first page of the rules that are being submitted.</p> <p>The certificate confirms that:</p> <ul style="list-style-type: none"> • a majority of the members have consented to the application for incorporation, and • the rules attached to the application were approved for registration.
Names and signatures of 15 members	<p>The form must be signed by 15 members.</p> <p>Members of an incorporated society can be individuals or corporate bodies (for example, other incorporated societies, companies or charitable trusts). For the purpose of making up the 15 members necessary to file the application, a corporate body counts as three members and individual members count as one member.</p> <p>For example, an application could be signed by:</p> <ul style="list-style-type: none"> • 15 individual members, or • five corporate body members, or • a combination of both.
Individual members must provide their name and address.	<p>An officer or director of a corporate body can sign on its behalf or alternatively use the corporate body's common seal (if it has one).</p> <p>Signatures must be witnessed</p> <p>Each signature of an individual must be witnessed, a witness is able to witness more than one signature.</p> <p>Your application will be rejected if a person signs the form both as a member and as a witness.</p>

How we process your application

If your application is all in order, your society will then be registered as "Your society name Incorporated". We will mail a copy of the certificate of incorporation to the person who filed the application.

The effect of incorporation is that the executive committee 1 consisting of the President and others will run the day-to-day administration of the society and make decisions for it. The members will be entitled to take part in the society's activities and to vote at future general meetings, but they have no administrative role.

Note: The executive committee may also be known by other names depending on what term has been used in the society's rules.

After incorporation

At its first meeting the executive committee will need to decide on a number of things, such as resolving to open a bank account. They will also need to adopt a common seal for the society.

You can obtain a common seal from commercial stationers. It is used when the society signs serious contracts, as evidence of its agreement to honour its commitments.

There could be advantages in applying for an income tax exemption, check *Sport Waikato Tax Information for Clubs* and the Inland Revenue's website. <http://www.ird.govt.nz/sportspeople/sportsclub>

Some incorporated societies may also be eligible to register under the Charities Act 2005 and if you believe this will be the case with your society; Charities Services' website has further information. <https://www.charities.govt.nz/>