

Incorporated Societies Act Changes – what it means to Athletics Clubs – Brief Overview

INTRODUCTION

The following is a brief guide to some of the main changes that will impact the way clubs operate and conduct business with both members and the Registrar under the new Incorporated Societies Act. This is not a complete guide but highlights some of the key points for your club to start considering in respect of either registering or re-registering. More information will be coming from both the WaiBOP Athletics Board, Athletics NZ and/or Sport NZ. It is important to note that all Clubs registered as an incorporated society must re-register under the new Act if they wish to continue or they will be removed (de-registered).

*The coloured boxes refer to specific reference data. However, you may wish to just refer to the **Helpful things to start thinking about sections.***

The period for re-registering has already started from October 2023 and runs till April 2026. However, you will need time to go through the process and make sure you have completed everything required to re-register. See further for what these details are.

CHANGES UNDER THE NEW ACT IN RESPECT OF MEMBERS

Current Act allows for up to 15 members on the Committee, the new change is that it will be reduced to 10 members. However, ALL members must give their consent. This is currently not deemed to be simply paying a membership fee. It is advisable clubs have a form that states the member gives consent to belonging and joining the Club. Note those who have joined prior to the society registering, or re-registering under the new Act will not have to provide such consent.

Members now have an obligation under the new Act to advise the Society (Club) of any changes in name or contact details or other relevant information.

MANDATORY: All clubs need to have a Disputes resolution process written into their Constitution. This could be simply downloading and attaching the Athletics NZ Disputes Resolution into your constitution which makes sense – but you will need to make sure it is fit for your Clubs purpose.

The new Act also allows for members to request any information the Society Holds by placing this request in writing and the Society must provide that information in a reasonable time frame.

HELPFUL THINGS TO START THINKING ABOUT

1. Do you have a good membership application form and process that also ensures the member or applicant agrees to abide by the '**Constitution**' of the club?
2. Do you have a process for dealing with disputes? If not, start considering what this might look like or do some searching on the web as to what other clubs have in place. It is important that it is a process that works for your club and activities.
3. Do you have a Key Contact person for communications in respect of meeting the Act?
4. You will need to hold a Special General Meeting to discuss and pass a new Constitution that meets the new Act. So, allow plenty of time for this to occur.

COMMITTEES – SPECIFIC DETAILS

Every Society (Club) must have a governing body (Committee). There must be at least three people on the Committee and all members of the Committee must be Officers.

- Other people can also be officers even if they're not part of the elected committee. That includes anyone that holds a position which allows them to exercise significant influence over the management or administration of the society.
- You must consent in writing to be an officer and certify that you are not disqualified to be an officer.
- Concept of an 'Officer' is now defined
- There are now 6 expressly noted duties of an officer whereas this was not previously clearly defined. However, these mostly relate to acting in good faith, not putting the Club at risk of Creditors etc
- Must now have a 'dedicated contact person' which was not previously required. Does not have to be an Officer of the Club.
- AGM **MUST** be held within 6 months of the Society's balance date.
- Financial statements only needed to be filed annually. Now they must be filed within 6 months of the balance date
- Societies were not required to file an annual return previously. This will **now be required** at the same time the financial return is filed
- Many societies who were not previously using an approved accounting standard **may** now be required to under the act for financial reporting. Only Small Societies will be exempt. Definitions of what a small society is under a four-tier system. It is possible your Club may be defined as a small society.
- Clubs previously had 'Rules' which differed from the constitution. Now the Constitution is the rules so this needs to be defined in respect of your Club's requirements.
- The new Act includes different mandatory conditions in your constitution than the previous Act of 1908
- Previously the Registrar of Incorporated Societies would do random checks to ensure Club Constitutions meet the conditions under the Act. Now the **Officers** of the Society must ensure the Constitution meets the standards and rules of the new Act.

*More information on the above will be forthcoming as required, however, the Act is now in force and more information can be found on the **NZ Companies Office Website** including the Act itself.*

HELPFUL THINGS TO START THINKING ABOUT

1. Do you currently use an approved accounting system for financial reporting? This **may** or **may not** apply to you under the new tier system. However, given the automation and excellent tracking of systems such as XERO now might be a good time to look at switching to a better system if you are not already depending on your Club needs.
2. The rules of your club – now need to be incorporated **IN** your Constitution. This is an important legal document that sets out your society's purposes, what it does and how it operates. This provides certainty and consistency in the way your society is run and how disputes are handled. This is the reference document for Officers, Committee and Members.
3. You might like to take a look at the Athletics NZ Code of Conduct Document for some reference and have discussion in your club as to what your Club rules should entail.

THINGS TO ACCOMPLISH BEFORE YOU CAN RE-REGISTER UNDER THE NEW ACT

1. Make sure you can meet the minimum number of members
2. Make sure you have a Disputes Process written into your Constitution
3. Make sure your Constitution reflects the rules of the Club for all to adhere to
4. Make sure you have a Main Contact Person
5. Make sure all members have given consent to join
6. Check your registration Process
7. Consider your Financial Reporting system

When changing your Constitution, you will need to do this under the rules that apply in which your original and current Constitution was established. This may involve several Committee meetings and would involve possibly two Special General Meetings depending on the complexity – but it MUST meet the requirements of the new Act. You will need to have the new Constitution registered under the new Act which will involve legal assistance and we encourage all to seek suitable advice or assistance in this regard. If you are registering as a new Club, you will need to do so under the new Act and meet these requirements.

BEST REFERENCE

<https://is-register.companiesoffice.govt.nz/help-centre/getting-started/new-legislation-for-incorporated-societies/>