



# AssociationsInfo

Member newsletter published by Consumer Protection, a division of the Department of Consumer and Employment Protection



## New chart of accounts to set the standard

Many association members understand the difficulties in maintaining sound financial records, or may have experienced some frustration in dealing with the different accounting systems used by other associations or Government agencies.

In response to these issues, the Western Australian Government is participating in a new project to help streamline accounting practices for organisations across the not-for-profit sector.

A new Standard Chart of Accounts (SCOA) is being developed that can be set up in most accounting software systems and should provide an inexpensive way of improving financial management practices for associations. Additionally, once State Government agencies adopt the SCOA, there will not be the need for associations to keep different sets of accounts to suit the various bodies.

The new chart of accounts is currently available to not for profit organisations in New South Wales and Queensland. The Western Australian Department for Communities is working with the Queensland University of Technology to promote the use of a standard chart of accounts in Western Australia. Adoption of the new system will be voluntary – but experience in other states suggests most organisations will choose to use the SCOA over time.

You can find more information about this project on the Queensland University of Technology website at

<https://wiki.qut.edu.au/display/CPNS/Standard+Chart+of+Accounts>

## Seasons Greetings

The Commissioner and staff of the Associations Branch of Consumer Protection would like to wish everyone a safe and happy holiday period.

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## INC. A Guide for Incorporated Associations

A revised governance guide for associations was released in June this year. **INC. A Guide for Incorporated Associations in Western Australia** outlines associations' legislative responsibilities under the *Associations Incorporation Act 1987*, as well as other laws, and provides helpful advice on good governance practices.

A compact disc containing a free copy of the Guide was distributed to all registered incorporated associations in Western Australia with the June 2008 issue of the *AssociationsInfo* Newsletter. The feedback since then has been very encouraging. Comments received so far indicate that the information in the Guide is comprehensive, relevant and easy to understand.

Thank you for taking the time to provide feedback. It is much appreciated. If you have any suggestions for improvement, please call the Associations line on **9282 0764** or **1300 304 074**.

The Guide is also available online to browse or to download at:  
[www.docep.wa.gov.au/associationsguide](http://www.docep.wa.gov.au/associationsguide)

## Did you know?

### Notices of meetings to members

A notice for a general meeting of members must be given in accordance with the rules (or constitution) of the association.

This includes:

- **giving notice in the correct manner or form** - the rules may specify that notice be given in writing and sent by post, or allow for the notice to be advertised in the newspaper, or allow for it to be sent by email;
- **giving the correct number of days notice** - this can vary for some associations depending on the type of meeting and whether a special resolution is to be proposed at the meeting.

If a special resolution is to be proposed at the meeting, the *Associations Incorporation Act 1987* states that the notice sent to members must specify that the Association intends to pass the resolution by **special resolution**.

If the notice given to members does not meet these requirements, the meeting could be considered invalid and any motions passed at the meeting void.

If you have any questions on this issue please call the Associations line on **9282 0764** or **1300 304 074**.

## Associations Incorporation Act Review - update

The submissions to the Associations Incorporation Act Review and the contribution made by the delegates to the Model Rules Forum were invaluable in enabling Consumer Protection to progress the proposed changes to the *Associations Incorporation Act 1987*.

A significant number of stakeholders who made a submission during the consultation period raised concerns about the proposed level of penalties that would apply where officers and incorporated associations failed to comply with the Act.

Consumer Protection has recently been reviewing the penalty provisions described in the Green Bill to ensure consistency with other jurisdictions in Australia. Some further amendments to the new Bill may be required and it is expected the Model Rules may need to be reviewed to accommodate any further changes once the legislation is finalised. In the meantime, the existing Model Rules may still be used until the review is completed.

## Focus on education

Thank you to those organisations who have invited the Associations Branch to make presentations or to meet with volunteers from different clubs and associations. Recent presentations were made to volunteers from Probus at the Byford Town Hall, various youth and sports clubs in Southern Cross and Bruce Rock and child care groups from across the Wheatbelt.

Free seminars are being proposed for the **South-West** and **Great Southern** regions during the first half of 2009. Seminars will also continue to be held in the metropolitan area. Keep an eye on the website for details of future presentations. Invitation letters will also be sent directly to associations and clubs close to where the presentations are being held.

## Spotlight on: disclosure of a pecuniary (or financial) interest

A pecuniary interest may exist if a member of the Committee of Management receives either a direct or indirect financial benefit from a contract entered into by an incorporated association. The following are examples of where a pecuniary interest can exist:

- the Committee accepts a quote or tender from a building company that is owned or managed by one of the Committee members; or
- the Committee approves a pay increase for an employee who is the spouse or partner of a Committee member.

If you are a Committee member and you believe you may have a pecuniary interest in a contract being considered, you should:

- immediately declare the interest to the rest of the Committee;
- ensure the minutes for the meeting record the disclosure;
- not take part in any deliberations or decisions regarding the contract; and
- in no way attempt to influence the outcome of that contract.

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Disclaimer: The information contained in this newsletter is not intended to be legal advice and should not be relied upon as giving legal advice.