

# Glossary

## Key words and abbreviations

<b>AAS</b>	<b>AASs</b> refers to Australian Accounting Standards and is relevant to the review or audit of an incorporated association's financial statements.
<b>AGM</b>	<b>AGM</b> refers to an annual general meeting.
<b>AIR Act</b>	<b>AIR Act</b> refers to the <i>Associations Incorporation Reform Act 2012 (Vic)</i> .
<b>Annual statement</b>	The <b>annual statement</b> is a document that the secretary of an incorporated association must lodge with CAV within one month of each annual general meeting (unless an extension is granted, or it is a registered charity with the Australian Charities and Not-for-profits Commission that has an exemption from reporting).
<b>ATO</b>	<b>ATO</b> refers to the Australian Taxation Office.
<b>Auditor</b>	An <b>auditor</b> is an accountant (who is independent from the organisation) whose job is to check and confirm the material accuracy of the organisation's financial records (commonly, once a year) and provide an auditor's report. Some organisations are required to have their accounts audited, either under the AIR Act (for example, for 'tier three associations') or for other reasons, such as funding agreements.
<b>Ballot</b>	<b>Ballot</b> is a method of voting in elections for office bearers and members of the committee of an organisation (like voting in an election for government). A ballot is often conducted confidentially, in which case it is called a 'secret ballot'.
<b>Bankruptcy</b>	<b>Bankruptcy</b> is a legal status that offers a person protection from further action against them by creditors (that is, people to whom the person owes money).
<b>CAV</b>	<b>CAV</b> refers to Consumer Affairs Victoria, which is the Victorian government agency responsible for registering and regulating incorporated associations in Victoria.
<b>Committee</b>	<b>Committee</b> is the governing body of an incorporated association, sometimes called the 'board', 'management committee', 'committee of management' or 'council'. The committee is responsible for overseeing the running of the organisation.
<b>Committee members</b>	<b>Committee members</b> are members of the committee of an incorporated association – commonly includes office bearers (for example treasurer or president) and a small group of other people (often called 'ordinary committee members'). Committee members may or may not be members of the organisation (depending on the organisation's rules).
<b>Common law</b>	<b>Common law</b> means the law developed by the courts, sometimes called 'judge-made law' (as compared to legislation or statutes, which is law made by Parliament).



<b>Convene</b>	<b>Convene</b> means ‘arrange’ or ‘call people together’ – for example, the chairperson of an incorporated association may convene a meeting of the committee.
<b>Financial statement</b>	A <b>financial statement</b> is a document (or set of accounts or reports) submitted to members of an incorporated association at the AGM, as required by Part 7 of the AIR Act. The AIR Act requires that the financial statement contains particular information about the financial activities of the organisation in its previous financial year.
<b>Fundraising Act</b>	<b>Fundraising Act</b> refers to the <i>Fundraising Act 1998 (Vic)</i> .
<b>General meeting</b>	A <b>general meeting</b> is a meeting of the members of the incorporated association, which is convened using the procedures for general meetings in the association’s rules. These procedures include giving notice of the meeting to members. General meetings cover both the ‘annual general meeting’ and any ‘special’ general meetings convened throughout the year.
<b>Legislation</b>	<b>Legislation</b> means laws that have been enacted by Parliament. A piece of legislation is called an Act or statute. The names of all Victorian Acts include the year that the law was passed and the letters ‘(Vic)’ appear following the year – for example, the <i>Associations Incorporation Reform Act 2012 (Vic)</i> .
<b>Minutes</b>	<b>Minutes</b> are a formal written record of the matters discussed and decisions made at a general meeting of the members of an association or a meeting of the committee.
<b>Model rules</b>	<b>Model rules</b> are the rules set out in Schedule 4 of the Regulations that can be adopted (in whole or part) by an organisation when it first becomes incorporated (registered), or at a later date. The model rules may be modified over time by legislation (for example, through changes to Schedule 4 of the Regulations).
<b>Motion</b>	A <b>motion</b> is a proposal that a person puts at a meeting, so that some action is taken or decision made about an issue. Technically, when a person ‘moves’ a motion, another person must ‘second’ it. (Sometimes a person then moves to change (amend) the motion, and it is up to another person to second the amendment.) Once the wording of the motion is settled, a vote is taken and, if passed, the motion becomes a resolution.
<b>Office bearer</b>	An <b>office bearer</b> or <b>officer</b> means a person who is appointed to a special position on the committee. The office bearers of most organisations are the chairperson (or president), deputy chairperson (or vice-president), secretary and treasurer.
<b>Office holder</b>	An <b>office holder</b> is defined in section 82 of the AIR Act to include committee members, the secretary and any person (including an employee) who is involved in or influences key decisions that affect the operations or affairs of an incorporated association.
<b>Old Act</b>	<b>Old Act</b> means the <i>Associations Incorporation Act 1981 (Vic)</i> , which has been replaced by the <i>Associations Incorporation Reform Act 2012 (Vic)</i> .
<b>Organisation</b>	<b>Organisation</b> means an organised group of people with a particular or common purpose. In this guide, the word ‘organisation’ refers to a Victorian incorporated association.
<b>Policy</b>	<b>Policy</b> is a particular way of dealing with an issue or area of activity, which the organisation has agreed on. Policies are usually (but not always) written down. An organisation may have policies about, for example, recruitment of new committee members, procedures for meetings or dispute resolution. The policies of an organisation cannot override legal obligations in the AIR Act or the organisation’s rules, but they can supplement them.
<b>Poll</b>	<b>Poll</b> is a method for voting on a motion at a meeting. Technically this is different to a ballot, which is for voting in elections, but sometimes people use these words to mean



the same thing. A poll must be in writing. In a poll, members vote by filling out a voting paper and putting it in a box or container. These papers are then counted by those organising the poll, but not shown to other voters. When a poll is validly demanded, the result on the poll will override a vote on a show of hands.

<b>Proxy</b>	<b>Proxy</b> is someone who is authorised to vote on behalf of another person at a meeting (if that person cannot attend the meeting personally). If proxies are allowed, there must be a provision in the organisation's rules which sets out how proxies operate.
<b>Purposes</b>	<b>Purposes</b> (sometimes called <b>objects</b> ) of an organisation are found in the rules and set out what the organisation has been established to do, and may also identify for whose benefit the organisation operates. Organisations incorporated following the start of the AIR Act must include their purposes in their rules. Before the start of the AIR Act, the purposes of an organisation were set out in a separate statement.
<b>Quorum</b>	<b>Quorum</b> is the minimum number of people that need to be present at a meeting for that meeting to proceed.
<b>Register</b>	<b>Register</b> is essentially a list, or database, containing information about certain matters, members or documents.
<b>Registrar</b>	<b>Registrar</b> refers to the Registrar of Incorporated Associations (incorporated by CAV).
<b>Register of Incorporated Associations</b>	The <b>Register of Incorporated Associations</b> is the register which contains information about every incorporated association in Victoria. It is maintained by CAV. Some parts of the register are available on the CAV website, and you may purchase extracts from it about your organisation or others.
<b>Regulations</b>	<b>Regulations</b> refers to the <i>Associations Incorporation Reform Regulations 2012 (Vic)</i> .
<b>Resolution</b>	A <b>resolution</b> is a decision that is made at a meeting. An ordinary resolution is the result of a motion (or an amended motion) put before, and passed by a simple majority, at a meeting. See below for a special resolution.
<b>Rules</b>	<b>Rules</b> (or a <b>constitution</b> ) are the governing document of an incorporated association. The rules set out the organisation's purposes and the procedures for running the organisation. An association can choose to adopt the model rules (in Schedule 4 of the Regulations) or write its own rules (which must be approved by CAV). Every incorporated association must have rules which cover the matters listed in Schedule 1 of the AIR Act.
<b>Schedule</b>	<b>Schedule</b> refers to a Schedule (and the items, or paragraphs, within it) of the AIR Act or the Regulations.
<b>Secretary</b>	<b>Secretary</b> refers to the secretary of an incorporated association, appointed in line to the requirements of the AIR Act and the organisation's rules.
<b>Simple majority</b>	<b>Simple majority</b> is when more than half (50%) of the people present and voting on a motion at a meeting vote for (or 'in favour of') the motion being passed. At this point it becomes a resolution.
<b>Special general meeting</b>	A <b>special general meeting</b> is a type of general meeting, which is usually convened for a particular reason or purpose (as compared to an annual general meeting which must be held each year). Under the model rules, any general meeting which is not an 'annual' general meeting is a 'special' general meeting.
<b>Special resolution</b>	A <b>special resolution</b> is a resolution required for certain important decisions made by members.



Special resolutions must be conducted in accordance with the procedures in section 64 of the AIR Act, which includes the requirement for at least 21 days' notice of the meeting at which the special resolution will be sought, to be given to members.

To pass the special resolution, at least three quarters (75%) of members who are entitled to vote, and who actually do vote at the meeting (either in person or by proxy, if allowed), must vote in favour of the resolution. This is known as a 'special majority' (in contrast to a simple majority, which only requires more than 50% of the people present and voting to vote in favour of a resolution).

The AIR Act requires organisations to seek a special resolution when an organisation makes the following important decisions:

- changing the name of the organisation, rules or purposes
- amalgamating with one or more other organisations, and
- winding up the organisation voluntarily or seeking cancellation by CAV

**Statutory duties**

**Statutory duties** are legal obligations and responsibilities set out in legislation. For example, the members of the committee and office holders of an incorporated association have statutory duties (relating to how they make decisions about the running of the organisation) under the AIR Act.

**Statutory manager**

A **statutory manager** is a person who is appointed to take over the running of an incorporated association if there are concerns about how the organisation is being managed. CAV can apply to the Magistrates Court to appoint a statutory manager. A statutory manager can be appointed if it is in the interests of the organisation's members, its creditors (those who the organisation owes money to), or the public.

**Tier one association**

A **tier one association** is an incorporated association that has a total yearly revenue (or income) of less than \$250,000, (or an association declared to be tier one by CAV).

**Tier two association**

A **tier two association** is an incorporated association that has a total yearly revenue (or income) of between \$250,000 and \$1 million, (or an association declared to be tier two by CAV).

**Tier three association**

A **tier three association** is an incorporated association that has a total yearly revenue (or income) of greater than \$1 million.

**Wind up**

**Wind up** or **winding up** refers to the ending of an incorporated association – this can be done voluntarily by the organisation or, in certain circumstances, by a court or CAV. When an incorporated association is wound up, it stops existing.