

## FACTSHEET 8.

# Dissolution or transfer



### The association's assets

**Prescribed property** refers to assets or property valued at \$25,000 or more, that was given to the association by the NT or Federal Government or purchased from funding. The association must seek consent from the Commissioner of Consumer Affairs to transfer the association and the assets if it includes prescribed property.



**Disposal of assets and transfer of property** to another Incorporated Association can occur at any time. However if the land, assets or property is prescribed, then the Minister or the body that funded the purchase of assets must provide consent.

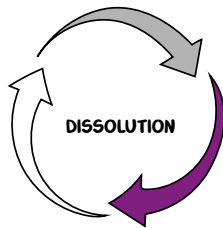
Remember, it is illegal to transfer or give the associations assets to your members.



### Dissolution

Your association can choose to dissolve or wind up for a number of reasons

- lack of members
- loss of interest
- the purpose for the association is no longer required



When an association determines to cease operating it is recommended that you contact the NT Government Associations Compliance Team at [Associations.Compliance@nt.gov.au](mailto:Associations.Compliance@nt.gov.au) for help before you take any action.

There are several methods to dissolving or winding up the entity:

- The Association may determine to dissolve through a special resolution by its members
- if the association is not operating then the Commissioner of Consumer Affairs may direct that the association be dissolved
- the Supreme Court also has the power to dissolve the association.

### Process for dissolving or winding up the entity

1. The membership votes in favour of the special resolution to dissolve. During this resolution the membership also confirms the decision to pay all the bills and liabilities and determines where to distribute the assets

OR

2. If there are no longer any members for a special resolution to be conducted then the remaining committee / public officer contact the NT Government Associations Compliance Team.
3. All bills and liabilities must be paid, all of the accounts closed and a storage location for the association's records can be determined. If there are any grants these must be acquitted as well.  
The authorised person or public officer should then contact the NT Government Associations Compliance Team. The team will draft a dissolution statutory declaration for the authorised person to confirm as true and correct and for signing.

Once the signed document is received the NT Government Associations Compliance Team will then begin the process to dissolve the association. It is important to note that an incorporated association with any assets remaining will not be dissolved.

## Support for your association during this process

The NT Government Associations Compliance Team will assist with drafting the required statutory declaration, ensuring that the association's correct legal name is recorded, the location where any association records will be kept and that there are no longer any assets or liabilities. Please contact [associations.compliance@nt.gov.au](mailto:associations.compliance@nt.gov.au) for assistance.



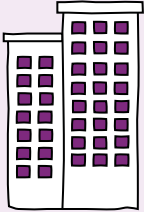
Once the signed statutory declaration is received by the NT Government Associations Compliance Team, the process to dissolve the association can commence. There is no cost to the association for this process.

The first stage is the initial gazette notice where the "Notice of Intention to dissolve" is placed. The authorised person will be informed when this occurs and will be provided with a copy.

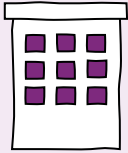
Three months later, a second gazette notice will be prepared by the NT Government Associations Compliance Team. This is the "Notice of Dissolution" which notifies all parties that the entity is now dissolved.

The authorised person will be informed once this final step has been completed and a copy provided with advice that the legal entity has been ceased.


Assets are not permitted to be given to members of the association.



**COMPANY PTY LTD**



**ABORIGINAL CORPORATION**



**COMPANY LTD BY GUARANTEE**

### Transfer

The association may apply to transfer to another structure such as

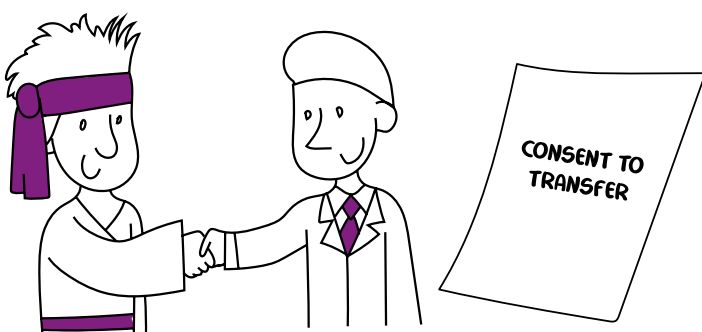
- Company (Pty Ltd)
- Aboriginal Corporation (ORIC)
- Company limited by guarantee (Ltd)

If the association determines to transfer to another structure, the association is not able to transfer back to being an incorporated association in the Northern Territory. Please contact the NT Government Associations Compliance Team for further information.

## Process for transferring to another structure

1. The association must seek consent from the Commissioner of Consumer Affairs to transfer the association and the assets, if it includes prescribed property
2. Members should then resolve to transfer at a meeting.
3. Provide the minutes from this meeting to the NT Government Associations Compliance Team

Advise the NT Government Associations Compliance Team once the transfer is complete.



## Things to consider:

- you are not permitted to use the words "Association" or "Incorporated" in your name
- if the association has prescribed property the association must seek consent from the Commissioner of Consumer Affairs to transfer the association and the assets
- if no land or prescribed property is held then consent is not required
- any transfer ensures that the original entity continues. This means the association still holds the assets and is responsible for all liabilities. Should there be any proceedings or court action against the association, then this action continues as well
- the transfer may be stopped by a member of the association or by a creditor if an application is lodged with the Supreme Court.
- A checklist to dissolve or to transfer is available on the webpage.

# Quick Summary

## There is a process for transferring, dissolving or winding up the entity:

- associations can transfer to another entity structure such as company or ORIC, however will not be able to use the word “Association” or “Incorporated” in the new name
- transfer of assets may require consent by the Commissioner of Consumer Affairs or Minister
- assets cannot be given to your members
- if there are remaining members in the association, a meeting will need to be held to vote to dissolve and to decide where any remaining assets need to go
- if there are no remaining members, it is the responsibility of the Public Officer to start the dissolution process
- an association with any assets remaining will not be dissolved
- the NT Government Associations Compliance Team can assist with this process.

