

FACTSHEET 1.

What is an Incorporated Association?



What is an Incorporated Association - An incorporated association is a group of 5 or more people who come together for a common purpose.



An association is intended to operate without any proceeds going directly to the members (not for profit).

An incorporated association is its own legal entity which is able to operate in its own name. It can - enter into contracts, have insurance, apply for government grants and obtain land, mortgages and loans. It can sue and be sued, employ staff and is treated the same as a 'person'. The members are required to follow the legislation from the jurisdiction they are registered in and the association continues even though the membership may change.

An incorporated Association cannot - distribute profits or assets to its members, even if winding up. An association is also not permitted to operate for the purpose of securing financial benefits for its members.

There are many other types of legal entities.

Unincorporated Association, Company limited by guarantee (LTD), Company (Pty Ltd) and Aboriginal Corporations

UNINCORPORATED ASSOCIATIONS



COMPANY LIMITED BY GUARANTEE

PROPRIETARY LIMITED COMPANY

ABORIGINAL CORPORATION



Risk: It is important to recognise that each entity status carries its own risk. Please seek independent legal advice to determine the best option for you and your association.



Purpose: The purpose of your association may be any of the following: religious, educational, benevolent or charitable. To provide medical treatment or attention, to promote or encourage literature, science, art or a cultural activity. To provide recreation or amusement, to beautify or improve a community centre.

If the association has a different purpose, have a chat with the NT Government Associations Compliance Team.

Name: The name selected by your association has some requirements. It must be different from business and organisation names listed on the [Australian Securities and Investments Commission website](#).

Your association's name must not use any unauthorised names based on the [Associations Regulations 2004](#). For example: names containing "Commonwealth", "Federal", "United Nations" "ANZAC", "Bank", or "Co-operative".

Your name must include the word 'incorporated' as the last word of the name.

If you want to use an unauthorised name you must contact the NT Government Associations Compliance Team for approval.

When considering if becoming incorporated is for you, please remember that certain information from your association is available to the public. This information includes your association's name, financial statements, constitution as well as the name and addresses of your public officer.



Obligations: As an incorporated association you are required to adopt and follow a constitution, ensure the NT Government Associations Compliance Team is notified of any changes to the constitution, keep your public officer up to date, lodge annual financial statements, hold your AGM within 5 months of the end of financial year, maintain minutes, financial records, membership records and your membership register.

Incorporated associations have proven to be a low cost and effective method

for bringing together groups of like-minded people for a common purpose. They provide associations with a legal structure and level of governance that protects its members and encourages participation. Incorporated associations have been successfully created in the Northern Territory to support sporting club activities and community based hobbies and interests.

If you want information on starting an association and becoming incorporated, please chat to the NT Government Associations Compliance Team at associations.compliance@nt.gov.au

Quick Summary

An incorporated association is its own legal entity. It can:

- operate in its own name
- enter into contracts
- have insurance
- apply for government grants
- obtain land, mortgages and loans
- employ staff

An incorporated association is obligated to:

- adopt and follow a constitution
- ensure changes to the constitution are notified to the associations team
- keep your public officer up to date
- lodge annual financial statements
- hold an AGM within 5 months of the end of financial year
- maintain minutes, financial records, membership records and a membership register.

