



Your rules/constitution (hereinafter called **constitution**) should be reviewed every two to three years to ensure that it reflects your current objects, activities and operations; does not risk any endorsements or concessions you currently enjoy; and complies with current legislation.

Whilst your entire constitution should be carefully read to ensure that it reflects the current position and future direction of your organisation, the table below sets out some of the more important clauses that should be given particular attention to when reviewing your constitution.

Need to change?

Objects

1. Do the stated objects still reflect the objects and activities of the organisation?
It is essential that it accurately reflects the organisation's objects and describes the organisation's activities. However, it must also meet the ATO criteria to enable you to be eligible for endorsements and tax concessions.

Members

2. Has there been a change in membership classes or eligibility for admission as a member?
3. How are disputes between members and between members and the organisation resolved?

Members' meetings

4. Has there been a change in the legal requirements and procedures at members' meetings?
5. Does your constitution allow you to use the latest technology to conduct your members' meetings?
6. Does the chair have a casting vote?



Board

- | | |
|---|--|
| <input type="checkbox"/> 7. Appointment of board members
<i>Has the procedure changed? How are board members appointed?
Can independent directors be appointed?
Are any directors representative of a subgroup, region, area of expertise, etc?
Minimum and maximum number of board members.
Are certain qualifications or expertise required?
Are directors required to be members?</i> | <input type="checkbox"/> 11. Expulsion of directors
<i>What are the circumstances for expulsion of a director?</i> |
| <input type="checkbox"/> 8. Office bearers
<i>Who are the office bearers?
What is the length of their term?</i> | <input type="checkbox"/> 12. Vacancies
<i>How are they dealt with?</i> |
| <input type="checkbox"/> 9. Term
<i>Is the term of board members still appropriate?
What is the maximum number of consecutive terms a director can hold office for?</i> | <input type="checkbox"/> 13. Alternate directors
<i>Are they permitted ?</i> |
| <input type="checkbox"/> 10. Board meetings
<i>Notice required.
Who is the chair and does the chair have a casting vote?
How many meetings is a director permitted to miss before they are expelled?</i> | <input type="checkbox"/> 14. Delegated authority
<i>Can subcommittees be established?
What is the procedure for their establishment?
How are they to be constituted?</i> |
| | <input type="checkbox"/> 15. Remuneration
<i>Are directors remunerated for their roles as directors of the organisation?
Can directors receive payment for services provided to the organisation?</i> |



Indemnities

16. Are the indemnity and insurance clauses adequate ?
*It is important to ensure that the indemnity and insurance provisions adequately protect directors and officers in carrying out their duties on behalf of the organisation. Inadequate indemnity and insurance provisions can expose directors and officers of the organisation to legal action which can result in their personal assets being at risk.
If in doubt about whether these provisions are adequate, consult your lawyer. This is particularly important if these provisions have not been reviewed/updated for some time.*



Winding up

17. Do your winding up provisions comply with the legislation and with ATO requirements for eligibility for endorsements and concessions?
Your tax concessions and/or charity or other endorsements could be put at risk if they do not comply with ATO criteria.