

Template: Incorporation

The process to incorporate an association is relatively simple. The major steps are:

- check the availability of your intended name;
- advertise your intention to incorporate;
- develop a set of rules for the good management of your association;
- apply for incorporation on the prescribed form; and – once your application is approved, a certificate of incorporation will be forwarded.

Each of these steps, as applicable in Western Australia, is described in more detail below.

Advertise

Before you advertise, contact the Department of Commerce and request confirmation that the intended name of the association would be available for registration under section 8(1) of the Associations Incorporation Act (1987). Submit an enquiry on Form 8 – ‘Enquiry as to Availability of an Association Name’) which can be downloaded at www.docep.wa.gov.au/consumerprotection/PDF/Associations/AssociationsForm8.pdf, and faxed back to DOCEP on 08 9282 0948.

A person applying for incorporation of an association must place an ‘Advertisement of Intended Application for Incorporation’ (Form 2) in a newspaper circulating in the area where the association is situated or conducts its affairs. The advertisement must be published not less than one month and not more than three months before the application is lodged with the department. A copy of the advertisement from the newspaper is to be attached to the application. Form 2 is found at www.docep.wa.gov.au/consumerprotection/PDF/Associations/AssociationsForm2.pdf.

Develop a set of rules

The Act requires an incorporated association to have its own set of rules which govern the day-to-day management of the association. A copy of these rules (often referred to as a constitution) must be lodged with the department. The department has developed a model set of rules taking in all the requirements specified by the Act.

These model rules may be downloaded from the DOCEP website:

www.docep.wa.gov.au/consumerprotection/Content/Business/Associations/model_rules-Incorporation.html

Make application

Complete all details on Form 1 – ‘Application for Incorporation of an Association’, downloaded at www.docep.wa.gov.au/consumerprotection/PDF/Associations/AssociationsForm1.pdf. Make sure that the name of the association concludes with the word ‘Incorporated’ or the abbreviation ‘Inc.’ and that the name is shown in exactly the same way in the association’s set of rules. Lodge the completed form with the department; ensure that you attach/include:

- a copy of the newspaper advertisement;
- an endorsed copy of the association’s rules; and
- the application fee plus any other fees payable.

Your certificate

Once your association is incorporated a Certificate of Incorporation will be issued. This is evidence of the association’s corporate status and should be kept securely. It will be needed in order to open bank accounts or to access grants from certain funding agencies.

ABN – do I need one?

The ABN is a unique 11 digit identifying number that businesses use when dealing with other businesses. For example, you generally need to put your ABN on your invoices, or other documents relating to sales that you make. If you don’t, other businesses may withhold 46.5 per cent from any payment to you. You also need an ABN in certain dealings with the Tax Office and other areas of government.

Registering for an ABN is not compulsory, but you will need one to register for the GST and to apply for funding.

Reasons to have an ABN:

- helps you claim goods and services tax (GST) credits;
- lets you claim fuel tax credits you qualify for;
- if not quoted to businesses you deal with, may result in amounts being withheld from payments to you under pay as you go (PAYG) withholding;
- allows businesses to easily confirm your details for ordering and invoicing.

Applying for your ABN online:

Go to www.abr.gov.au and click on ‘Apply for Australian Business Number (ABN)’. Provided your details can be validated, you will receive your ABN immediately. Written confirmation of your ABN registration will follow. An ABN is free.

GST – should I register?

If your not-for-profit organisation has a GST turnover of \$150,000 or more you must register for GST and you'll need an ABN to do this. If your business has a lower GST turnover, it's up to you whether you register.

Visit www.abr.gov.au and click on 'Apply for Goods and Services Tax (GST)' to register.

Generally, registered businesses:

- include GST in the price of sales to their customers
- claim credits for the GST included in the price of their business purchases.

So while GST is paid at each step in the supply chain, businesses do not actually bear the economic cost of the tax. The cost of GST is borne by the final consumer who can not claim GST credits.

Your GST turnover is your gross business income (not your profit). If you are not registered for GST, you must check regularly whether you have reached the GST turnover threshold. If you reach the threshold, you must register for GST within 21 days to avoid penalties and interest.

For more information, visit:

www.ato.gov.au/businesses/pathway.asp?pc=001/003/103.