



“Incorporated Association”? What’s that??

Here at The Good Shepherd we are an “incorporated association”. That’s what the “Inc.” stands for at the end of our registered name (“The Good Shepherd Orthodox Church Inc.”). So, what is that?

Here’s an explanation from Business Victoria:¹

An incorporated association is a registered legal entity usually established for recreational, cultural or charitable purposes. It must have at least five members and all profits are put back into the association's activities. This structure offers many benefits to suitable organisations. Incorporation makes an association a legal entity and gives it a legal structure independent of its individual members, making it easier for the organisation to enter into contracts.

Incorporation allows your association to:

- continue regardless of changes to membership
- accept gifts, bequests and grants
- buy and sell property
- enter into enforceable contracts
- sue or be sued
- invest and borrow money.

A “for profit” company distributes profits to its shareholders. Incorporated associations, however, are “not for profit”, meaning that individual members cannot benefit from financial surpluses (i.e., when income is greater than expenses). All surpluses are put back into the association, and they are not subject to tax.

So why do organisations like ours incorporate? The most important reason is that incorporating provides some personal protection for those who run the organisation. Specifically, provided they act in good faith, the ***members of the committee of management cannot be held personally responsible for debts or liabilities*** incurred by the association, whereas members or office-bearers of unincorporated associations ***can*** be sued or held personally liable for the debts of the organisation.

¹ <https://www.business.vic.gov.au/setting-up-a-business/business-structure/incorporated-association#:~:text=An%20incorporated%20association%20is%20a,recreational%2C%20cultural%20or%20charitable%20purposes.&text=Incorporation%20makes%20an%20association%20a,organisation%20to%20enter%20into%20contracts>

So what's the down side? Incorporation brings with it obligations – things we have to do:

- We must have a set of rules that are consistent with the relevant law and cover all the matters required by that law.²
- We must have a meeting of the members once a year – the ***Annual General Meeting***, or ***AGM***.
- At that meeting a full financial report must be presented to, and approved by, the members. That report must then be provided to the Australian Charities and Not-for-profit Commission (ACNC), which liaises with Consumer Affairs Victoria within the Victorian Government's Department of Justice and Community Safety.

Clearly the benefits outweigh the obligations. It's a good deal ... and that's why we are an incorporated association!

In terms of compliance with other Australian legislation, The Good Shepherd Orthodox Church Inc. has an Australian Business Number. Additionally, The Good Shepherd Orthodox Church Inc. is a registered charity with the Australian Charities and Not-for-profit Commission (ACNC). However, we do not have Deductible Gift Recipient status, so you cannot currently claim a tax deduction for your donations.

If you have any questions about the status of The Good Shepherd Orthodox Church Inc. as an incorporated association, you may contact the Parish Council Secretary:

welcome@thegoodshepherd.org.au

² [Associations Incorporation Reform Act 2012](#)