

# Constitutions

## What is a constitution?

A constitution is a set of rules that provides the framework for the daily running of clubs or organisations. It details the name, purpose, methods of management and other conditions under which the organisation operates. A constitution can only be changed by a general meeting.

## What are the benefits of having a constitution?

Having the rules of an organisation clearly outlined in a constitution has several benefits, including:

- The objectives and purpose of the group are clear to all members and the public.
- Written rules allow for less manipulation by interest groups within an organisation.
- It provides a legal framework within which the organisation operates.
- Sponsors, councils and government are more likely to do business with groups who are properly constituted.
- Internal disputes can be resolved quickly by referring to the rules.

## What is included in a constitution?

Every constitution must cover certain areas; however, other subject areas can be included according to the organisation's individual needs. The constitution should include enough information to provide a clear course of action to negotiate a situation but not so much detail that it becomes restrictive.

Information that needs to be updated regularly or is expected to change from time to time, eg membership fees, should be included in by-laws or policy documents and the constitution should include a clause allowing committee members to make, alter or delete regulations and by-laws.

A constitution should specify the following clauses:

### **Name**

The name of the organisation.

### **Objects**

The main aims or purpose of the organisation, a list of things that should and/or may be done or achieved. This would usually include affiliation to the relevant state or national body.

### **Powers of the association**

Outline what the organisation may do in regards to property, finances, contracts and so on.

Current as at August 2019



## **Membership**

Outline who membership is open to, types of membership, the processes for applying for, approving and terminating membership, the rights and responsibilities of members, and the keeping of membership records.

## **Board**

Outline the process for electing a board, the powers of the board, the duties of the directors, and the grounds of eligibility and ineligibility to hold positions.

## **Meetings**

Specify when the annual general meeting should be held, how many days' notice of the meeting will be given to members and by what means, as well as provisions for the conduct and content of general meetings.

## **Quorums**

Specify the minimum number of people required in order for each type of meeting to proceed and the action undertaken if a quorum is not achieved (eg postpone meeting).

## **Voting/Elections**

Outline voting powers at meetings and the means by which nominations shall be made and elections conducted (eg secret ballot).

## **Finance**

Outline the process for dealing with moneys received and authorising and paying accounts, the number and position of cheque signatories, petty cash rules, frequency and means of presenting the club's financial position, and definition of the club's financial year.

## **Committees**

Outline the process for appointing a committee or sub-committee to manage a specific function of the club on behalf of the board (such as fundraising or marketing).

## **Auditor**

Outline how an auditor shall be appointed, what they shall examine and how often, and their rights and responsibilities.

## **Dissolution/Winding Up**

Specify the conditions on which the club shall be dissolved and what should happen to any property remaining after the debts and liabilities of the club have been satisfied.

## **Amendments to the constitution and by-laws**

Outline the process for approval of amendments, including the notice given to members and the number constituting a majority for approval of amendments of a particular nature.

## **How should a constitution be written?**

As a constitution contains the rules for the conduct of an organisation's affairs, it is important that it is written clearly and concisely, avoiding ambiguous language. It should be expressed in a declaratory form, ie 'shall' or 'shall not', 'must' or 'must not' and the language and formatting should be consistent throughout.

Constitutions can either be written by members of the organisation or drafted by a legal adviser.

Communities, Sport and Recreation provides template constitutions for sporting organisations that adhere to good governance principles.

These templates are available at the Communities Tasmania website under Sport and Recreation - Information for organisations and clubs.

Alternatively, the organisation can adopt the Model Rules, which provide a generic constitution for organisations.

The Model Rules can be found at the Tasmanian Legislation website at [www.thelaw.tas.gov.au](http://www.thelaw.tas.gov.au)



## How is a constitution adopted?

A proposed constitution needs to be submitted to a meeting of the members for approval. It is desirable that everyone affected by the constitution has the opportunity to discuss and vote on the draft, which should be sent out with the notice of the meeting.

The constitution can be dealt with as a whole, but it is best considered clause by clause, with the motion 'That clause...as printed be adopted' being proposed for each clause and providing an opportunity for amendments to be put forward. When all clauses have been dealt with, a final motion should be proposed: 'That the constitution as a whole be adopted'.

Strictly speaking, an organisation cannot accept members until it has actually come into existence following the formal adoption of a written constitution, as the conditions of membership should be articulated within the constitution.

Further, a board should not be elected until the constitution has been adopted, as the process for elections should be outlined within the constitution. However, if starting a new club, the interim committee and the potential members should participate in the adoption process.

It is recommended that each new member of an organisation is provided with a current copy of the constitution.

## Constitution review

It is good practice for a club or association to regularly review its constitution to ensure it continues to meet the needs of the organisation and its members.

Such a review may result in a club or association deciding to alter or amend its constitution.

## Process to amend a constitution

Amending an association's constitution is done through the passing of a special resolution at an Annual General Meeting or a Special General Meeting specifically held for such a purpose.

Notice of the general meeting must be given to all members entitled to attend a general meeting in accordance with the timeframes specified in the association's current constitution.

The notice of general meeting should also outline the proposed special resolution to make changes to the constitution and the terms of the changes.

To be successful, a special resolution must be passed by 75 per cent of members present and entitled to vote at the meeting.

Clubs and associations should refer to their current constitution for any additional requirements to alter a constitution or provide notice of a general meeting to members.

## Public Officer requirements

The Public Officer is required to notify Consumer, Building and Occupational Services of the constitution amendments within one month of the change by completing a Notice of Special Resolution form, and attaching a copy of the changes.

The form can be found on the [Consumer, Building and Occupational Services](#) website.

## Resources

Communities, Sport and Recreation provides template constitutions for clubs and state sporting organisations.

Templates can be found on the Communities, Sport and Recreation website via the Sport and Recreation – Information for organisations and clubs link.