

Constitution Tips & Tricks

What is a constitution and why do clubs need one?

A constitution:

- Explains in simple terms to your members and non-members what your club is about, why the club was formed, and important management matters.
- Provides rules and guidelines for the day-to-day operations of your club.
- Is a document of authority and is useful when it comes to solving internal problems of the club.
- Can help when seeking grant funding from government agencies and other organisations.
- Is a legal necessity if your group wants to become incorporated.
- Should be reviewed every five years.

Usually, the rules, or the basic principles of the club, can only be changed by a general meeting or an Annual General Meeting (AGM). The rules in your constitution should relate to the administration of the club and not the conduct of activities within the club. The other part of a constitution is the non-administrative regulations, or by-laws—which state what you can and cannot do as a club—and can be changed by the committee. It is wise to have a clause in the constitution's rules which empowers the committee to make, alter or delete regulations or by-laws as circumstances change.

A constitution gives a club structure so that everyone involved is working together to develop the sport and ensure the club is sustainable over time. By sharing a common purpose, structure, policies and procedures, the constitution should make it easier to operate the club and address any issues.

How much detail is required?

The amount of detail included in a constitution depends on the needs or formality at the time of setting up the club. The constitution should be designed so that as problems arise there is a set of guidelines to refer to. As a club changes or grows, it will need to review the constitution and policies and update them according to the changing circumstances.

Minor management matters are usually included within by-laws, regulations or policies which gives your constitution and club flexibility and ease of operations. For example, a club's constitution may need to reduce or increase the number of committee members depending on the availability of volunteers to fill those positions. Details such as membership charges or club colours do not need to be in the rules.

What does being incorporated mean for your club?

A club which is incorporated means it has become a legally recognised body. The majority of non-profit sporting clubs will be incorporated under the *Associations Incorporation Act 2009 (NSW)* which is administered by NSW Fair Trading. Once this happens, the most significant legal advantage is that members are protected in legal transactions and are not personally liable for the club's debts. The club as a legal entity, however, can sue or be sued.

A club should consider becoming incorporated if they plan to engage in one or more of these activities:

- Owning of goods, land, or property
- Entering into contracts, including tenancy and lease agreements
- Holding a liquor license
- Borrowing money
- Accepting gifts and bequests (from wills)
- Charging of fees for non-members to participate in the sport

For a constitution template, which can be useful for clubs who are about to be incorporated or are already incorporated and looking to update their existing constitution, defer to the model constitution set out in Schedule 1. This is prescribed as the model constitution for the purposes of the Act.

<https://legislation.nsw.gov.au/view/html/inforce/current/sl-2016-0538>