



What can an incorporated society do?

There are some restrictions on what an incorporated society can do. Its activities must:

- be lawful
- not make money to be distributed amongst its members, and
- be in accordance with its rules.

Lawful activities

As with any person or organisation, an incorporated society must comply with the laws of New Zealand. This includes not undertaking criminal activities, meeting any tax obligations and complying with any Government agency requirements that may apply to the society's activities.

Some activities undertaken may require approval or a licence from either a central or local Government agency. For example:

- Fundraising that involves the sale of liquor (contact the District Licensing Authority at your local Council)
- Running housie, casino evenings or raffles (contact the Gaming Licensing section in the Department of Internal Affairs)
- Holding street stalls (contact your local Council).

Restriction on distributing money to members

An incorporated society can raise money to help achieve its purpose (as set out in its rules). It is not able to make money (profits) to distribute to its members. For example, a society can raise money to send a sports team to a tournament (if that type of activity is allowed by its rules), but it cannot raise money and give it to its members to use as if it were their own.

An incorporated society can employ people, including society members, and pay them for the work they do or it can make payments to members to which they would be entitled if they were not members of the society.

Activities in accordance with the rules of the society

The rules of the incorporated society must include a section detailing the 'objects' of the society. This is the purpose of the society or the reasons why it is being established. Any activity carried out by a society must fall within the objects for that society as set out in its rules.

The rules will also set out how the society is to be run.