



What must be included in the rules?

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Name of the society

The name of the society must be included in the rules and must end with the word Incorporated.

The name of a society cannot be the same or deceptively similar to that of any other incorporated society or other body corporate. You should do a free register search on both the Companies Office website at www.companies.govt.nz and on the Register of Societies and Trusts at www.societies.govt.nz to ensure that there is no society or company already registered with a name that is the same or deceptively similar to the name you intend using. The exception is if you obtain the consent of the other organisation to use the name.

The objects (purpose) of the society

All societies must set out their objects in their rules. That is, what is the purpose of the society.

- The objects can be specific (for example, renovating a school swimming pool) or more general (for example, promoting education in New Zealand).
- Ensure that all possible current and future activities of the society will be covered by the objects clause. It could include a general statement allowing the society to do anything necessary to further the society's aims.
- The purpose of the society must be lawful.
- An incorporated society can't have an object that allows financial gain for members.

Membership

The rules must set out who can be members and how they can become members. The rules must also set out how membership to a society can be ended either by an individual member or by the society.

How people become a member of the society

The rules must set out who can be members and how they can become members.

Rules should specify the administrative steps to become a member. For example:

- Do people need to apply in writing?
- Must an existing member nominate new members?
- Can they apply at any meeting of the society?
- Are membership forms and membership fees required?

Will the society have different types of members? For example, active members, life members or honorary members.

Where a society has different types of members, consideration should also be given to whether different types of members should have different voting rights.

Can the society refuse to admit a person as a member, and if so, in what circumstances?

How people stop being a member of the society

The rules must set out how membership to a society can be ended either by an individual member or by the society.

Rules should set out the processes for ending a membership by a member. For example, can a member resign simply by telling the secretary or does it need to be in writing?

Rules should provide how the society can end the membership of an individual, who should have authority to do so and in what circumstances. For example, non-payment of subscription/fees, behaviour that brings the society into disrepute.

Should there be a right to appeal a decision of the society to end a person's membership?

Meetings

The rules must set out requirements for meetings.

How meetings will be held

A general meeting is a meeting that all society members are invited to attend. The rules must set out how general meetings are called, run and how voting is conducted.

- How members are notified of a general meeting
For example, does notification need to be in writing? What sort of notice period is required.
- How the meeting will be run
For example, the number of members required to make a quorum, who can propose agenda items and how.
- Voting rights at the meeting
For example, life members may have two votes, while ordinary members have one.

The rules may also cover:

- Whether there will be different types of general meetings.
- Annual general meetings - usually where office holders and committees are elected, accounts are considered, the year's activities reviewed and plans made for the year ahead.
- General meetings held on a more regular basis. For instance, some societies may hold monthly general meetings.
- Special general meetings - called when required to discuss urgent business such as to alter the rules.
- Other types of meetings that the society may wish to hold. For example, committee meetings.

Appointment of officers

The rules must specify how officers will be appointed. Most rules provide for the election of officers at the annual general meeting. Some societies provide that the officers are appointed on a rotating basis amongst the members.

The officers usually consist of a Chairperson, a Secretary and a Treasurer.

- The Chairperson convenes meetings of the society and ensures that the rules are followed.
- The key role of the Secretary is to keep a register of members, prepare notices for general meetings, keep minutes of all meetings, and keep the official stamp or common seal of the society in safe keeping.
- The role of the Treasurer is to keep proper financial records, to bank all money received by the Society; to pay all accounts, to prepare annual accounts, and to file the annual accounts (financial statements) with the Registrar of Incorporated Societies.

Control and use of the society's common seal

All societies must adopt a common seal on incorporation. The rules of the society will set out when the common seal should be used and how. Generally it is used on legal documents and contracts that the society enters into.

A common seal is usually a rubber stamp that includes the name of the society and the words 'common seal'. Contact a commercial stationer for information about ordering a seal.

Control and investment of the society's funds

The rules must specify how the society's money will be managed.

Rules should cover who:

- has responsibility for the society's cheque book
- can sign cheques
- will maintain the financial records
- will collect money owing to the society, etc.

If the society has surplus funds to be invested, the rules must specify the types of investments are permitted.

Powers of the society to borrow money (if any)

If there is a possibility that the society will borrow money in order to achieve its objects, a rule regarding how money can be borrowed must be included.

How the society's property will be distributed if it's wound-up or dissolved

The rules must contain a provision outlining what should happen to any surplus assets of the society in the event that it's wound up or dissolved.

Consideration should be given to whether surplus assets will be distributed amongst the members or to other societies, perhaps societies with similar objects or activities.