



Running a society

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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:

- For information about a society's tax obligations, refer to the Inland Revenue Department www.ird.govt.nz.
- Contact the Department of Internal Affairs for information about running events involving gambling (for example housie) or applying for community grants www.dia.govt.nz.
- Contact your local council for information about running events and compliance with local bylaws, for example holding a street fair.
- For information about selling liquor at society functions, refer to the District Licensing Agency associated with the District or City Council nearest to where the event will be held.

Operating in line with the rules of the society

One of the advantages of being an incorporated society is that the society has a set of rules that determine how it should be run. The things that must be covered in a society's rules are outlined in our resources about rules of incorporated societies.

[Read about rules of incorporated societies now.](#)

If a society wants to change the way it is administered or functions, then the rules can be changed at any time (as long as this is done in the way the rules specify).

The rules must include an objects, or purpose, clause. This sets out the reason why the society has been incorporated. The society should always ensure that the activities it undertakes fall within the scope of the objects clause.

[An incorporated society's rules can be viewed online for free.](#)

What if the society is not being run in line with its rules or legislation?

A society may experience internal problems or disputes about how it is being run or the way in which its rules are being interpreted and applied. These problems need to be dealt with by the society itself. The Registrar is not empowered to intervene in disputes or provide interpretations of rules. The Incorporated Societies Act 1908 does give the Registrar certain powers to investigate alleged breaches of the Act, but not breaches of a society's rules.

In situations where you may be concerned that the activities of the society breach other New Zealand laws, it may be appropriate to forward your concerns, along with any supporting evidence, to the appropriate authority. For example, in the case of possible criminal activity you should contact the police.

Holding meetings

Societies must hold meetings. Where all members of the society are invited to attend a meeting, it is called a general meeting. Depending on the structure of the society, it may also hold committee or sub-committee meetings to deal with specific issues. Ordinary meetings are held when members of the society get together to participate in society activities.

General meetings

An incorporated society is required to hold at least one general meeting a year, at which the members approve the society's annual financial statement. This meeting is usually known as the annual general meeting (AGM). In addition to approving the annual financial statement, the meeting will elect officers (for example, a secretary) and approve any necessary rule changes. A society's rules may allow for other general meetings to be held during the year - for example, special general meetings may be needed if the society has to consider some urgent or important matter that can't wait until the next AGM.

The society's rules must describe several requirements for general meetings. In particular:

- How notice of a general meeting should be given to members
- How business at a general meeting is to be conducted.
For example, requirements for proposing resolutions or nominating people for election.
- How members may vote.

If the rules are no longer appropriate, they should be amended. Any amendments to a society's rules are only valid once registered by the Registrar. Until then the existing rules must be followed.

There are a number of commercial publications available from bookstores that deal specifically with how to run a meeting, including taking minutes, recording resolutions and how to debate issues.

Restrictions on money-making activities

An incorporated society is a non-profit organisation. The Incorporated Societies Act 1908 specifies that a society must not undertake activities for financial gain (referred to in the Act as 'pecuniary gain'). In this sense, financial gain is the making of a profit with the intention of passing that profit on to some or all of the society's members.

A society may, however, make money (for example, through entry fees or other fundraising) and retain that money and use it to further its objects. The Act specifically provides for several situations that may otherwise be considered financial gain:

- The property of a society can be divided amongst its members when the society is dissolved.
- If the society is established to protect or regulate a trade, industry or similar undertaking that the members are involved in. The society itself cannot take part in the trade, industry or similar undertaking.
- Members of a society can receive a salary as an employee or officer of the society
- If the member would have been entitled to the financial gain whether or not they were a member of the society.
- Members of the society can compete with each other at members' only society events for trophies or prizes, other than money prizes.

If the society is found to be engaging in operations involving financial gain, both the society and the members are liable to be prosecuted and fined. In addition, all members involved can be personally liable for any debts and obligations incurred by the society.

Funding

From time to time incorporated societies may decide to apply for funding to assist with the operation of their organisation. There are many organisations who may be able to assist with funding, each with different criteria to meet.

If you're not sure where to start try visiting the [CommunityNet Aotearoa](#) website and search for funding information.

Entering into contracts

An incorporated society is a separate legal entity. It can enter into a contract as if it were a natural person that is, an individual. The Incorporated Societies Act 1908 provides some specific requirements for a society entering into a contract:

- If the contract is the type of agreement that would need to be in a deed if it was between individuals, then the society must also have a written contract and it will need to be executed under seal. For example, an agreement to sell or buy land.
- If the contract is the type of agreement that would need to be in writing if it was between individuals, then the society will also need a written contract signed by a person (usually an officer) with the express or implied authority of the society.
- If the contract is the type of agreement that would not need to be in writing if it was between individuals, then the society is not required to enter into a written agreement if it is entered into by a person (usually an officer) with the express or implied authority of the society.

Societies should consider the following when entering into a contract:

- Is the purpose of the contract authorised by the rules and objects of the society?
- The rules may allow a society to borrow money, but is the money going to be used for a purpose covered by the objects of the society?
- Who is authorised to enter into the contract on behalf of the society?

What records should you keep?

In addition to maintaining a register of members, societies should consider what other types of information or records they need to retain. What your society may need to keep will be affected by its size and structure and by the activities it undertakes.

Financial records

Documentation that should be retained to enable a society to complete its financial records would include:

- a numbered receipt book and duplicate copy
- a bank deposit book
- all current and used cheque books
- all bank statements
- all invoice and payment authorisations
- a receipts and payments journal
- a petty cash payments book.

All these items are readily available from a commercial stationer.

A register of members

The Act requires that every society keep a register of all its members. For each member the register should record:

- their name,
- their address, and
- the date they became a member.

The Registrar can require a society to provide a list of all members and for that list to be verified by an officer of the society.

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.

What documents must you file with the Registrar?

A society is required to file a number of documents with the Registrar of Incorporated Societies (the Registrar). Some must be filed every year (for example, the annual financial statement) while other documents are only required to be filed as changes happen (for example, when the society's addresses, officers or rules change).

After the annual general meeting (AGM)

It is usual to file the following updates with the Registrar of Incorporated Societies after each annual general meeting.

- [Annual financial statements](#)
- [Changes to officers \(if any\)](#)
- [Changes to rules \(if any\)](#)

Annual financial statements

Every year an incorporated society is required to register a copy of its annual financial statement (accounts). This will usually happen after the annual general meeting (AGM). If a society fails to send a copy of its annual financial statements to the Registrar, he may assume it is no longer operating and may then take steps to remove it from the register. Once an incorporated society is removed from the register it will no longer be a separate legal entity.

- [Read more about annual financial statements](#)

Filing online

- [Annual financial statements can be filed online using the registry key](#)
- [Read more about how to file online](#)

Filing paper documents

All financial statements that are filed manually must be accompanied by appropriate certification. Use our Financial Statement Cover Sheet when you file a paper copy of your financial statement - the cover sheet includes the appropriate certification of your financial statements.



[Download a cover sheet to include when you file your financial statements \(Form IS4\) \[PDF 62KB\]](#)

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Updating organisational details

Addresses

Changes to the registered office must be notified to the Registrar. To ensure that the Registrar can readily contact a society, it is important to advise the Registrar if the society's address for communication changes.

Officers

Most rules provide for the election of officers at the annual general meeting. If your officers have changed, you can notify the Registrar of Incorporated Societies, however, it is not mandatory to do so.

Note | Updating officers details can only be done when [filing online](#). You can't update these details using a paper form.

Filing online

- [Update a society's officers and addresses online now \(you will need the registry key\)](#)
- [Read more about how to file online](#)

Filing paper documents



[Download the form you need to update your society's details \(Form IS3\) \[PDF 59KB\]](#)

Alteration to rules

Alterations to the rules of a society will not take effect until they have been registered and until that time they cannot be used to run the society.

- [Read more about changing the rules of an incorporated society](#)

Filing paper documents

You can only advise such changes using paper forms, there is no online service for filing changes of rules.



[Download the form you need to update your society's details \(Form IS3\) \[PDF 59KB\]](#)

How do you change the name of a society?

The name of a society is established by its rules. The process to change the name is the same process used to change other rules of the society.

Use Form IS2 (Certificate for alteration of rules) to register the change of rules and the change of name. Please ensure you tick the box in the checklist on Form IS2 to confirm that the alteration of rules includes a name change for the society.

Once the rule change with the new name has been registered, a new certificate of incorporation stating the new name will be sent to the incorporated society.

There is no fee for filing a change of name - it is FREE.

- [Read more about how to change the rules of a society](#)

Choosing a new name

Before finalising your society's new name you need to be sure that the name you choose will be allowed to be used by your society.

Although you do not reserve the name (as you must do for a company) you should conduct some searches to make sure the name is available.

The name you choose for your society cannot be identical or deceptively similar to that of another incorporated society or other body corporate. If you do choose a name that is identical to the name used by another body corporate (for example, a company, incorporated society, charitable trust) it can only be used if the other organisation gives its written consent to the Registrar.

How can you check that the name is available to use?

Search the register on this website

Using the search options provided on this website you can search for an incorporated society or a charitable trust.



[Conduct a free online search now.](#)

Search the Companies Register

Using the search options on the Companies Office website you are able to complete a much broader search by checking for possible matches with a wide range of body corporates or entity types, not just for existing incorporated societies or charitable trusts.

[Read more about searching the Companies Register.](#)

[Search the Companies Register now](#)

Other restrictions on names

The name can't contain certain words or symbols

- Symbols, such as @ cannot be used in the name.
- The name you choose cannot contain certain words (for example, ANZAC, Royal) the use of which are prohibited by other pieces of legislation.
[Learn about names that contravene other legislation on the Companies Office website](#)
- The Registrar may also decline names that are in his opinion undesirable.

How do you change the rules of a society?

An incorporated society can alter its rules. It's worthwhile reviewing your society's rules every few years to ensure that they are still relevant to your society. The society may want to consider taking legal advice in relation to any rule alterations that it wishes to make.

An alteration to the rules of a society must be done according to the procedures outlined in the existing set of registered rules that govern the society. Any changes to the rules must also comply with the Incorporated Societies Act 1908.

An alteration takes effect when it has been registered by the Registrar of Incorporated Societies. Until the alteration is registered the existing rules must be followed. You can check to see when rule changes are registered by searching the register of incorporated societies. [Learn how to search the register.](#)



[Conduct a free online search now.](#)

How to file a change of rules

- Use the Registrar's form 'Certificate for alteration of rules' when filing a change of rules.
[Download form IS2: Certificate for alteration of rules \[PDF 49KB\]](#)
- You must supply either a complete copy of the updated rules with the alterations highlighted or a copy of the particular rule (or rules) that were altered.
- The copy of the alteration to rules must be signed by three members of the society.
- The certificate for alteration of rules needs to be signed by an officer or solicitor of the society.
- If the rule alteration includes a name change of the society, you should check that the name is able to be used by your society. Please also ensure you tick the box in the checklist on Form IS2 to confirm that the alteration of rules includes a name change for the society. [Read more about changing the society's name](#)
- It is FREE to register an alteration of rules.

Two ways to file

There are now two ways to file rule changes with the Registrar -

1. [using an online form](#) or
2. by the traditional method of posting them in.

