



Discussion Forum

The comments and opinions expressed herein do not necessarily reflect those of the Retirement Village Residents Association (RVRA) or its Members.

Should residents incorporate their social activities group?

If you are handling money, it is an excellent idea, and you should inspect the 'Model Rules' of the Associations Incorporation Act as a guide, if not the ones in the R V Act 1000 and Regulation. Your committee must have protection, from potential trouble makers!

Original Question: Our committee has surveyed resident's interests and is setting up sub-committees to organise and manage activities. We propose to fund this by establishing an activities fund with income from management from the Recurrent Charge (we are negotiating to have an allocated amount in the annual budget for this, and an initial sum has already been provided by the operator), direct costs for specific activities and "donations" made at the regular "Happy Hour" and similar events.

Has management agreed to this? If so, that would be excellent, but you must ensure all the entries are clear in the accounts, so there can be no possible claim for lack of transparency. Apart from the entries showing the contribution to the Residents' Committee's funds, a completely different set of accounts must be maintained!

Original Question: We will have a bank account and appropriate accounting recording, and all expenses for activities are to have the prior formal approval of the committee.

Yes, that's fine. You must have at least two signatures on withdrawals, note all cash inwards, and reconcile the bank account at least monthly.

Original Comment: The question is should we incorporate as a not-for-profit club for this purpose or not?

The definitive answer is -YES. If you are going to be handling money.

Original Question: Can anyone advise the pros and cons of operating unincorporated versus incorporated, your experiences and generally how best to go about this?

NSW Fair Trading will have a fact sheet indicating how to proceed, and you would have an office of that department in Albury! The formalities which would be explained are not very onerous, and would save you from unwarranted criticism or action. You may have to set a small subscription per resident, to comply, but that would be easily resolved.

Let me know if you need any of the above Rules and we can send you an email copy, or direct you to the appropriate website!

Good luck, John, and let us know how you progress in this venture!

Kind regards

Malcolm

RVRA Secretary
