

## What does that term mean?\*

There are many words used when talking about governance and this Factsheet helps you understand them.

**ACNC:** The Australian Charities and Not-for-profit Commission is a federal body which regulates all charities

**Agenda:** The document that sets out what will be discussed at a meeting

**ASIC:** The Australian Securities and Investment Commission is a federal body responsible for the regulation of companies

**Board:** The body responsible for managing a company

**Charity:** A specific type of not-for-profit (NFP)

**Committee:** The body responsible for managing an Incorporated or Unincorporated Association

**Committee member:** A person serving on a committee who is responsible for making decisions on behalf of the Association and who is bound by legal duties

**Company:** An organisation registered with ASIC

**Company limited by guarantee:** A Company with no shares meaning profits are directed back to the corporate purpose. Sometimes this legal structure is used by NFPs instead of being an Incorporated Association under state or territory law. The guaranteed amount (nominal) is the limit of member liability if the company is wound up and deregistered.

**Conflict:** A personal or professional interest that may impact your ability to decide in the best interests of the organisation because you are concerned about how the decision might impact this interest

**Constitution:** The governing rules of the Company or Association

**Director:** A person serving on a board who is responsible for making decisions on behalf of the Company and who is bound by legal duties

**Duty** (or director duty): A legal obligation either in legislation or under general law which sets a standard for how Board Directors or Committee Members should behave

**Incorporated Association:** an organisation registered in its state or territory and formed for a stated purpose which does not involve returning profits to members, rather using profits towards the purpose. It is legally recognised as an entity separate to its members

**Member:** a member of a Company (by buying shares, or for a Company limited by Guarantee, by joining and agree to abide by the Constitution and member policies) or Association (by joining and agreeing to abide by the Constitution and member policies)

**Minutes:** The meeting record detailing who was present or absent, the date, location and time of the meeting and what was discussed, decided and actioned at a meeting

**Not-for-profit or NFP:** An organisation (of varying legal form) which has a stated purpose and returns profits to the fulfilment of that purpose

**Policy:** A document which helps good governance. For example, it may explain how members are expected to act or how decisions are made for the organisation.

**Unincorporated Association:** An organisation formed by like-minded individuals which is not incorporated in the state or territory it operates. It has no legal status