
Governance: The Constitution or Rule Book.

A guide about how to understand and use the constitution in your art centre.

What you will need

- Art Centre Corporations Rule Book
 - Access to the CATSI web site at <http://www.orac.gov.au/>
 - Information from your art centre such as an audit report, procedures manual, business plan or other
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GLOSSARY: Words you need to understand

Act	A decision made by a Federal, State or Territory parliament which becomes law.
Annual General Meeting	A meeting of members, open to the public, held once each year after the financial audit. It is a law set in the constitution or rule book.
Auditor	A person qualified to check that the financial management of your organisation is correct.
Constitution (Rule Book)	A set of rules agreed to by the organisation which also abides by the law.
Directors	People who make up the governing body of a corporation (the board). They have authority over the corporation and are ultimately responsible for it.
Financial Report	A report which explains if the art centre has enough money in the bank to pay its bills, including artist payments.
Governance	Managing the activities, and planning the business of the art centre within the rule book (or constitution) of the organisation and the law.

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- Members** People who have an interest in the business of the art centre and who fit the description for membership in your rule book.
- Minutes** A written record of decisions made at a meeting.
- Motion** An idea on the agenda for discussion at a meeting. A motion requires a discussion to see if most of the members support the idea, then it needs a mover and a seconder.
- Mover** A member who puts a motion to a meeting.

Office of the Registrar of Indigenous Corporations

The office which supports and regulates the corporations that are incorporated under the *Corporations (Aboriginal and Torres Strait Islander Act) 2006* or CATSI Act.

- Policy** A set of written rules that the board of directors has agreed to which guide how the art centre is managed.

- Quorum** The minimum number of members required at a meeting to make decisions. The Rule Book (or constitution) will say what the minimum number (quorum) is.

Rule Book (Constitution)

A set of rules agreed to by the organisation which also abides by the law.

- Secunder** A person who also agrees to put a motion to a meeting.

- Secret Ballot** A vote where members write down on a piece of paper if they agree or disagree with a motion put to a meeting. This means that nobody knows how each member voted.

Special General Meeting

A meeting of members to make a special decision as required under the constitution or rule book.

The Corporations (Aboriginal and Torres Strait Islander) Act 2006

Also known as the CATSI Act, these laws guide the rule book for Aboriginal and Torres Strait Islander corporations.

Vote Members agree or don't agree to a motion in a meeting. For a meeting to agree with a motion, half the members plus one must agree to the motion. If this does not happen the motion is defeated.

Art Centre Constitution

Incorporation status

Find out if your art centre is incorporated. If it is, it will have a written constitution or **rule book**.

Obtain a copy of your art centre's constitution or rule book.

You can do this by visiting the website for Office of the Registrar of Aboriginal Corporations (ORAC): <http://www.orac.gov.au/>

Some of the important things in the rule book that every member should know are set out in the following steps.

Your art centre manager or coordinator should know all the rules and be able to explain them to you.

Membership

Your association's constitution will describe who is eligible to be a member. For example, *all practicing artists in your community and associated homelands*.

Your constitution describes how people can become a member. They might need to apply in writing.

The Register of Members (members list) must be kept up to date. In other words, new members must be added and members who no longer work at the art centre, or who have passed away, should be noted as no longer being a member.

The updated member's list must be supplied to the Office of the Registrar of Indigenous Corporations each twelve months.

Your constitution or rule book will set out how a person's membership can be cancelled. For example, the rule book might say that if a person significantly interferes with the operation of the corporation or its meetings, then they may be removed as a member.

Directors

Directors are elected by the membership.

Some people are not eligible to become directors. Those people who are disqualified from acting as a director under the CATSI Act can only become a director with permission from the Registrar of Indigenous Corporations or the courts.

Annual General Meeting – once a year, whole membership

All incorporated art centres must have an Annual General Meetings (AGM). The AGM is held between the end of June and the end of November.

The following things must be presented and considered at an AGM.

- AGM minutes from last year's meeting.
- audited financial reports.
- election of directors.
- appointment and payment of auditors.
- checking and updating of members list.
- questions to management and auditor.

General Meeting – special purposes, whole membership

General Meetings are held to discuss business which affects the corporation's rules or when big decisions need to be made.

In order to change your art centre corporation to come under the new act (CATSI), you must hold a general meeting and invite all your members to attend and to vote.

Any proposed changes must be lodged with the Office of the Registrar of Indigenous Corporations and requires the Office's approval.

It is important to note that some rules are changeable and some are not. Check with an expert or the Office of the Registrar for clarification.

Directors Committee Meetings – regular meetings of the directors

Your constitution rule book tells you that directors must hold meetings at least once every three months, but may choose to hold them more often.

These meetings can be open to the members and staff. They can provide a time and place to discuss the daily activities and business of the art centre.

These meetings also give an opportunity to all staff, including the manager, to provide reports and comment about the art centre activities.

Resources for more information

If you are in doubt about the meaning of anything in the constitution or rule book, always seek advice from someone at Office of the Registrar of Aboriginal Corporations (ORAC) or visit their web site: <http://www.orac.gov.au/>

Top ten practical tips for good corporate governance (ORAC)

1. Keep register of members up-to-date

Make sure the register has the following information for every person who is or has been a member:

- the person's name and address.
- the date that person became a member.
- the date that person ceased to be a member (if applicable).

(Note: the Register of members is a continuing record and if kept correctly, it will help to resolve any disputes about who is a member).

2. Know your role and responsibilities

Make sure the board fully understands its role and responsibilities.

3. Know your constitution

Know your constitution. Encourage your members to learn about it.

4. Know your money position

Make sure you know about the money position, or use your auditor more often (say every three months) to check that your staff are managing the money properly (a good auditor will do this for the board).

5. Taxes

Make sure that tax matters are handled correctly, in particular the Goods and Services Tax (GST), Pay As You Go (PAYG) and Fringe Benefits Tax (FBT). Make sure the Superannuation Guarantee contributions are paid for all your staff.

6. Attendance

Make sure someone from the board is at every meeting when the funding agency or agencies come to visit.

7. Insurance

Make sure the corporation's property is insured. Check that insurance policies are renewed on (or before) the due date.

8. Assets

Be careful to only use the corporation's assets in line with funding conditions (most will say that personal use is not allowed). Better still, make a policy about this for everyone to see and use.

9. Minutes of meetings

Make sure you keep minutes of every meeting of the corporation. Minutes should say what type of meeting you had (AGM, SGM or board meeting, what day it was held, who came, and what decisions were made).

10. Hold an annual general meeting

Make sure you have an AGM every year (usually before 30 September).