

## **Notice of Committee endorsed Special Resolutions to Alter the FIT Rules**

As required by the Act, the Committee now gives at least three weeks' notice of its intention to propose resolutions at the Annual General Meeting as special resolutions to alter the FIT Rules. Details of the amendments are set out in the Flash, in the paper entitled: Item 7 – Committee endorsed Special Resolutions to Alter the FIT Rules.

For the resolutions to be agreed, there must be a quorum in place and the resolutions must be supported by a three-quarter majority of eligible members present and voting.

## **Notice of the 2024 Annual General Meeting**

The 2024 Annual General Meeting will be held on 9 November 2024, commencing at 9 am at EQ in Kent Street, Deakin.

The agenda for the meeting is as follows:

1. Attendance
2. Apologies
3. Minutes of the 2023 AGM held on 11 November 2023\*
4. President's Report\*
5. Treasurer's Report and adoption of audited financial statements\*
6. Appointment of auditor
7. Motions to Alter the FIT Rules\*
8. Election of office bearers and ordinary Committee members
9. Other Business

Note: Documents for the asterisked items will be presented by the Committee before or at the meeting.

## **Females in Training Incorporated (FIT) - Annual General Meeting**

### **Item 7 - Committee endorsed Special Resolutions to Alter the FIT Rules**

The Committee of Females in Training (Incorporated) (FIT) recommends that Members vote in favour of Special Resolutions 1 to 4. There are four motions to vote on.

#### **Insertion of rules that prohibit distribution of income or assets to members while FIT is operating or winding up**

##### **Reason**

This year, there is a new requirement for not-for-profit organisations to lodge a return to the Australian Taxation Office (ATO) self-assessing as income tax exempt. The first return is required by 31 March 2025.

The ATO has advised that an organisation can still self-assess as income tax exempt if it doesn't have clauses in its governing documents that prohibit the distribution of income or assets to members while it is operating and winding up, provided it has not distributed any assets or income to members. However, it has until 30 June 2025 to update its governing documents. Failure to do so will mean that it cannot self-assess as income tax exempt from 1 July 2024.

## Special Resolution 1

That, in accordance with Rule 37 (alteration of objects and Rules), the FIT Rules be amended as follows:

Before Rule 5, insert:

### 4B Not-for-profit

- (a) The **association** is not carried out for the purpose of profit or gain to its members.
- (b) The **association** must not distribute any income or assets directly or indirectly to its members, except as provided in subrule 4B(c).
- (c) Subrule 4B(b) does not stop the **association** from paying a member for goods or services they have provided or expenses they have properly incurred at fair and reasonable rates or rates more favourable to the association, provided they are done in good faith.

After Rule 40, insert:

### 41 Winding up or Dissolution of the Association

The **association** shall not be wound up or dissolved except at a General Meeting comprising at least a majority of current Members specially convened for the purpose and by a Special Resolution carried at this meeting. If a majority of current Members is not present, the General Meeting shall be reconvened after at least two weeks at which time any decisions shall be accepted irrespective of the number of Members in attendance.

### 42 Surplus Property

If upon winding up or dissolution of the **association** there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the Members or former Members. Instead, the property shall be given or transferred to some other association having objectives similar or in part similar to the objectives of the **association** which also prohibits the distribution of its or their property among its or their members. The designated association to receive the property shall be determined by the Members at or before the time of the dissolution or in default thereof in accordance with the Act.

*Note 1* If the **association** does not nominate another association, fund, authority or institution, the surplus property will vest in the registrar-general (see [Act](#), s 92 (1) (c)).

*Note 2* An association may be nominated only if it complies with the [Act](#), s 92 (2). A fund, authority or institution may be nominated only if it is in Australia and is mentioned in the *Income Tax Assessment Act 1997* (Cwlth), sdiv 30-B (see [Act](#), s 92 (1) (a) and (b)).

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## **Deletion of current Dispute resolution procedures in Rules 15 and 16 and insertion of a new Rule invoking the new Dispute resolution and Disciplinary procedure of the revised Model Rules**

### **Reason**

The FIT Rules currently do not include dispute resolution procedures, despite their being required under s 65B of the Incorporated Associations Act 1991. (The Act was amended in 2018 to include this requirement). In addition, the current Disciplinary procedures in the FIT Rules are now outdated.

However, this is not a legal issue for FIT. The revised Model Rules for incorporated associations in the ACT (as set out in Schedule 1 of the Associations Incorporation Regulation 2023) now include Dispute resolution procedures and revised Disciplinary procedures and these apply to FIT under the application provision of the Model Rules (section 1).

Notwithstanding, in the interests of transparency, it is proposed to invoke the new Dispute resolution and Disciplinary procedures of the Model Rules in the FIT Rules and delete the existing disciplinary procedures under current Rules 15 and 16.

### **Special Resolution 2**

That, in accordance with Rule 37 (alteration of objects and Rules), the FIT Rules be amended as follows:

Rules 15 and 16, delete

After Rule 14, insert:

15 The dispute resolution and disciplinary procedure in Part 1.3 of the Model rules apply to FIT.

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## **Insertion of a provision to enable the FIT accounts to be reviewed**

### **Reason**

Under s 74 of the Act, the accounts of small and medium associations (FIT qualifies as a small association) may be reviewed rather than audited. Under its current rules, FIT must have its accounts audited. While the Committee intends to continue to have the FIT accounts audited, it is prudent to make provision for the less expensive review option.

### **Special Resolution 3**

That, in accordance with Rule 37 (alteration of objects and Rules), the FIT Rules be amended as follows:

Paragraph 20(4)(c), after "audited", insert:

"or reviewed under section 74 of the Act"

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## Other

- Replace current Rule 3 - Application of Legislation Act 2001 with the relevant revised Model Rule provision (which applies the Legislation Act 2001 and the Electronic Transactions Act 2001).
- Insert a Powers provision, as per the corresponding provision in a template Constitution provided by the Australian Charities and Not for Profit Commission (for a charitable purpose company limited by guarantee)  
<https://www.acnc.gov.au/tools/templates/charitable-company-limited-guarantee-constitution-template>
- Update the definition of *the Regulation* in Rule 2 to refer to the current version of the Associations Incorporation Regulation; and insert a definition of *Model rules*.
- Delete the words ‘in person’ from Rule 30 (General meetings – procedure and quorum), for avoidance of doubt as to the status of attendees at virtual or hybrid meetings. Such meetings are provided for in the revised Model rules.
- Amend Rule 37 (alteration of objects and Rules) to clarify that the objects referred to in section 29 of the Act are the objects of an incorporated association and not the objects of FIT.

## Special Resolution 4

That, in accordance with Rule 37 (alteration of objects and Rules), the FIT Rules be amended as follows:

Rule 3, delete

After Rule 2, insert:

### 3 Application of certain Acts

The following Acts apply to the **association**'s rules as if the rules were an instrument made under the Act:

- (a) the *Electronic Transactions Act 2001*;
- (b) the *Legislation Act 2001*.

*Note 1* Under the *Electronic Transactions Act 2001*, s 8, information required to be given in writing may be given electronically. For example, applications for membership may be given by email.

*Note 2* The *Legislation Act* contains definitions and other provisions relevant to the association's rules.

After Rule 4, insert:

### 4A Powers

- a. The **association** has the legal capacity of an incorporated body.
- b. Subject to the Act, the **association** has the power to do anything incidental or conducive to its objectives.
- c. The **association** may only:
  - i. exercise its powers; and
  - ii. use its income and assets (including any surplus),

for its objectives.

Rule 2, after definition of **member**, insert:

**Model rules** means the rules in Schedule 1 of the Associations Incorporation Regulation 2023

Rule 2, amend definition of **the Regulation** to read:

**the Regulation** means the Associations Incorporation Regulation 2023

Subrule 30(2), delete: 'in person'

Rule 37, Insert after 'FIT': ', being the objects of an incorporated association'

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