



# Wesley LifeForce Suicide Prevention Networks



## Fact Sheet 1: Should your network incorporate? A checklist<sup>23</sup>

Things to consider	If you incorporate	If you do not incorporate
<b>Membership</b>	Your network must have at least five members (six in WA seven in Qld.)	Your network can have any number of members
<b>Not-for-profit status</b>	Your network must operate not-for-profit and can trade only if: <ul style="list-style-type: none"><li>• its main purpose is charitable</li><li>• its rules ensure its assets will be distributed for charitable purposes if it is wound up or dissolved</li><li>• its rules contain a clause authorising trading</li></ul>	Your network is not restricted from trading or doing business for profit
<b>Legal status</b>	Your network becomes a 'legal person' (that is, a legal entity that stays the same even if its members change). It can do the following things in its own name: <ul style="list-style-type: none"><li>• accept gifts or bequests</li><li>• buy and sell property</li><li>• invest and borrow money</li><li>• open a bank account</li><li>• sue and be sued</li><li>• take out public liability insurance</li></ul>	Your network cannot do any of the things described, at left
<b>Legal protection for members</b>	Members and office bearers are protected against personal liability for the network's debts and other legal obligations	Members could be personally liable if the network incurs debts or has legal problems
<b>Statutory obligations</b>	Your network must comply with requirements for accounting, auditing and annual reporting. Failing to do so can result in prosecution, penalties or deregistration	Your network will not have the expense of meeting statutory obligations
<b>Costs</b>	Your network must pay fees for incorporating and lodging some administrative forms. There are also costs involved in meeting ongoing statutory obligations, such as auditing	Your network will not have the expense of meeting statutory obligations
<b>Disputes</b>	Your network must either have its own procedure for resolving internal disputes, or use the procedure in the model rules for incorporated associations	Your network is not required to have or use a dispute resolution procedure
<b>Contracts and agreements</b>	Your network can enter into contracts and agreements in its own name. This offers more certainty to potential contracting parties such as lenders, lessors, employees and suppliers of goods and services	Your network cannot enter into contracts or agreements in its own name
<b>Grants</b>	Your network will be eligible to apply for a larger range of government and non-government grants	Your network will not be able to apply for grants that require applicants to be incorporated

<sup>23</sup> Based on Should Your Club Incorporate? Consumer Affairs Victoria <http://www.consumer.vic.gov.au/clubs-and-not-for-profits/incorporated-associations/should-your-club-incorporate>