

Understanding Organisation and Management Structures

The purpose of this quick guide is to explain the different types of organisational and management structures that may apply to your organisation. This information will help you to decide how your organisation should be set up to ensure you and your volunteers have a safe and effective working environment.

Unincorporated associations

Many volunteer groups across Australia are not a separate legal identity and are referred to as unincorporated associations. This means even though they might have a name, a website, a president and even an office, in the eyes of the law the organisation does not exist as a separate legal entity from the individuals who carry out its business.

An unincorporated association cannot enter into contracts in its own right, for example, they could not enter into a lease and may need to rely on an individual member to do that in their own name. Unincorporated associations are also unable to buy insurance. The group may have difficulty attracting funding grants, as unincorporated associations are not accountable to any public governance standards. Perhaps the most crucial issue is members, volunteers and organisers of groups with no separate legal identity can be held personally liable when things go wrong.

Incorporated associations

For most organisations, the choice of structures is between company status and incorporation. Limited companies are highly regulated; incorporated associations are lightly regulated. Setting up a company is complicated and expensive; incorporating as an association is comparatively cheap and simple. Unless your organisation is very big, or carries on a lot of business, you could look to become an incorporated association.

Incorporation is a system of state government or territory registration that gives an association or community group certain legal advantages in return for accepting certain legal responsibilities. An incorporated association is a registered legal entity (usually for recreational, cultural or charitable purposes) with at least five members and all profits applied to the purposes of the association. It receives recognition as a legal entity, separate from its members and offers some protection for office holders from any debts or liabilities incurred by the group, as long as the association doesn't make a profit for its members.

For more information - <https://communitydirectors.com.au/help-sheets/incorporated-associations>

Auspicing

“Auspicing” is an alternative to incorporation where an incorporated organisation “auspices” an unincorporated association. To “auspice” means to provide support, sponsorship or guidance. Auspicing can open fundraising doors for groups that are small, do not wish to incorporate, or form temporarily in response to an issue or event. In an auspice agreement, the larger organisation that is eligible for government funding or philanthropic grants may apply for these funds on behalf of the smaller, ineligible organisation. The larger organisation then takes legal and administrative responsibility for this money, although the auspiced organisation may carry out the work it is intended to fund. Auspicing agreements vary widely, as do the responsibilities for each party.

Organisational Structure

Organisational structure is the name of the system used within an organisation to define levels of authority within an organisation. It identifies the roles, the teams, and the reporting lines for each position within the organisation. Different levels of authority are often referred to as a hierarchy which means some positions have more decision-making authority within the organisation than others. Usually the more senior a position (the higher in the organisation hierarchy) the more authority is attached to that position and often more staff or volunteers who report to that position.

Management Structure

What a Board (including volunteer board members) does is governance; what the staff or volunteers do is management. The functions are separate and different, but they should operate in partnership.

The Committee of Management or Board

The committee of management, sometimes also called the board of an incorporated association has total authority, under the law, until some of that authority is given away (delegated) to others. It is at the head of the group or organisation's structure of governance.

Final decisions on important issues must always pass by the committee of management or board. It is up to the committee of management or board to create the other organisational structures that will make it possible to carry out the mission.

The Committee of Management is usually responsible for:

- establishing a clear mission and vision
- identifying the organisation's core values
- defining the organisation's programs and service
- obtaining needed resources and community support

The Committee of Management or Board (continued)

- providing financial oversight and ensure the organisation meets its legal and financial requirements
- establishing risk management practice
- selecting leaders for management positions, including but not limited to the Chief Executive Officer, and monitoring their performance

Staff and volunteers are usually responsible for:

- providing information to the board, including recommendations for action
- supporting the board's planning function
- determining community needs
- operating programs and reporting on their successes and challenges
- evaluating performance
- organising the organisation's events, fundraising activities, etc. once approved by the board
- managing volunteers and staff (other than the CEO)
- implementing board decisions
- conducting day-to-day financial operations
- monitoring and managing daily operations

Joint responsibilities usually include:

- discussing ideas and forming long-term goals
- planning organisational strategies
- designing programs to achieve the group's mission
- proposing fundraising ideas
- ensuring risk management programs are implemented
- ensuring that achievements are recognised and documented
- promoting the organisation

For more information see

<https://communitydirectors.com.au/help-sheets/board-and-staff-relationships>

The Chief Executive Officer

The Chief Executive Officer (CEO) (may also be known by other titles such as General Manager, Chief Executive or other equivalent title within the organisation) and the committee of management share responsibility for leadership within the group or organisation but they fulfill this responsibility in different ways. While the board has ultimate power and carries most of the legal responsibility for the group or organisation's actions, the CEO's power is more immediate, involving day-to-day influence.

Common chief executive officer responsibilities include the management of:

- human resources / people and culture
- planning
- finances and budgeting
- representing the organisation
- articulating the vision
- providing the link between the staff, volunteers and the board

The committee of management is responsible for selecting, setting up remuneration and monitoring and reviewing the CEO's performance throughout the CEO's tenure. For more information - <https://communitydirectors.com.au/help-sheets/the-ceo-and-the-board>

The Leader of Volunteers (Volunteer Manager/Coordinator)

For many volunteer engaging organisations a specific leader of volunteers role will be in place to provide management and support for the organisation's volunteer team.

Even if it's not a stand alone role, an assigned member of staff or a senior volunteer may be appointed as a primary person for volunteers to liaise with, take instruction from and raise any concerns or issues.

Leaders of volunteers are generally responsible for ensuring an organisation has enough volunteers to fulfill its mission. As such leaders of volunteers may be tasked with the following volunteer related activities:

- recruitment
- training
- supervision
- reporting
- program planning, implementation and evaluation
- exits and dismissal



The seven State and Territory volunteering peak bodies acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. We pay our respect to Elders past and present.

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