

# Protection for Community Board Members

Under the *Associations Incorporation Act*, Incorporated Boards or committees are responsible for managing or governing the organisation on behalf of their members. Board members are provided with some personal liability protection under this Act and this protection includes a level that has been traditionally afforded to company directors.

## HAVE YOU EVER CONSIDERED BEING A BOARD MEMBER?

Are you or have you ever considered becoming a board member of a not-for-profit organisation? If the answer is yes then you are interested in being involved in the management of the organisation. You will also be willing to bring to the position your enthusiasm, your skills, knowledge and a willingness to spend your time volunteering.

## DIFFICULTIES FACING COMMUNITY BOARDS

The not-for-profit organisation that recruited you, may, like others, have experienced difficulty recruiting experienced professional people to sit on their Boards. This could be due to concerns about the level of liability protection people may or may not feel they have if they join a not-for-profit Board, especially if the organisation doesn't have Board insurance.

## PROTECTION FOR COMMUNITY BOARD MEMBERS UNDER THE ASSOCIATIONS INCORPORATION ACT

You may feel some sense of security knowing that all Board members are automatically afforded personal liability protection under the *Associations Incorporation Act*, provided they have acted in good faith and taken reasonable care.

Boards of not-for-profit organisations are able to use the advice of someone with expert knowledge, eg an accountant, and not be held personally liable for the results of that decision. This offers voluntary board members the same protection that is already available to paid directors.

The term "expert" can refer to a person with expert knowledge from whom the Board asks advice. It might refer to an employee who knows about the business of the organisation or someone within the organisation who has experience in a particular field that interests the Board.

*For further information visit*

- Office for Volunteers website [www.ofv.sa.gov.au](http://www.ofv.sa.gov.au)
- or
- the Office for Consumer Affairs [www.ocba.sa.gov.au](http://www.ocba.sa.gov.au)



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