CHECKLIST FOR REQUIRED CLAUSES IN A CONSTITUTION FOR AN ORGANISATION APPLYING FOR NPO REGISTRATION.



**PLEASE TAKE NOTE**

The same requirements are applicable for the DEEDS OF TRUST of a NONPROFIT TRUST and the MEMORANDUM AND ARTICLES OF ASSOCIATION of a NONPROFIT COMPANY

Section 12 (2) of the NONPROFIT ORGANISATIONS ACT 71 OF 1997 REQUIRES THE FOLLOWING PROVISIONS IN THE CONSTITUTION OF AN ORGANISATION THAT APPLIES FOR NPO REGISTRATION.

|  |  |
| --- | --- |
|  | State the Name of the Organisation; |
|  | State the organisation’s main and ancillary objectives; |
|  | Make provision for the organisation’s income and property are not distributable to its members or office-bearers, except as reasonable compensation for services rendered; |
|  | Make provision for the organisation to be a body corporate and have an identity and existence distinct from its members or office-bearers; |
|  | Make provision for the organisation’s continued existence notwithstanding changes in the composition of its membership or office-bearers; |
|  | Ensure that the members or office-bearers have no rights in the property or other assets of the organisation solely by virtue of their being members or office-bearers; |
|  | Specify the powers of the organisation; |
|  | Specify the organisational structures and mechanisms for its governance; |
|  | Set out the rules for convening and conducting meetings, including quorums required for and the minutes to be kept of those meetings; |
|  | Determine the manner in which decisions are to be made; |
|  | Provide that the organisation’s financial transactions must be conducted by means of a banking account; |
|  | Determine a date for the end of the organisation’s financial year; |
|  | Set out a procedure for changing the constitution; |
|  | Set out a procedure by which the organisation may be wound up or dissolved; and |
|  | Provide that, when the organisation is being wound up or dissolved, any asset remaining after all its liabilities have been met, must be transferred to another Nonprofit Organisations having similar objectives. |
| Other recommendable relevant clauses that would be include in a constitution are: | |
|  | Specify qualifications for and admission to membership of the organisation; |
|  | Determine the circumstances in which a member will no longer be entitled to the benefits of membership; |
|  | Provide for termination of membership; |
|  | Provide for appeals against loss of the benefits of membership or against termination of membership and specify the procedure for those appeals and determine the body to which those appeals may be made; |
|  | Provide for membership fees and matters determining membership fees and other payments by members; |
|  | Provide that members or office-bearers do not become liable for any of the obligations and liabilities of the organisation solely by virtue of their status as members or office-bearers of the organisation; |
|  | Provide for the appointment of office-bearers and define their respective functions; |
|  | Set out a procedure for nominating, electing or appointing office-bearers; |
|  | Determine the circumstances and manner in which office-bearers may be removed from office and provide for appeals against such removal and specify procedures for those appeals and determine a body to which those appeals can be made; |
|  | Provide that its office-bearers are not personally liable for any loss suffered by any person as a result of an act or omission which occurs in good faith while the office-bearer is performing functions for or on behalf of the organisation; |
|  | Provide for making investments; |
|  | Determine the purposes for which the funds of the organisation may be used; and |
|  | Provide for acquiring and controlling assets. |