

Protection for Community Board Members



Government of South Australia
Department for Communities
and Social Inclusion

Date 7 July 2014



Have you ever considered becoming a board member for a not-for-profit organisation?

If the answer is yes, then you are interested in becoming involved in the management of the organisation. You will also be willing to spend your time volunteering, bringing your enthusiasm, skills and knowledge to the position.

Difficulties facing community boards

At times, not-for-profit community organisations may find it difficult to recruit experienced professionals to sit on their boards. This could be due to concerns about liability and protection, especially if the organisation does not have board insurance.

Protection for community board members

You may feel some sense of security knowing that all board members are automatically afforded personal liability protection under the *Associations Incorporation Act 1985*, provided they have acted in good faith and taken reasonable care.

Under the Act, boards of not-for-profit organisations are able to use the advice of someone with expert knowledge (e.g. an accountant) and not be held personally liable for results of that decision. This offers voluntary board members the same protection that is currently 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.

Further information

For further information, please visit the Office for Volunteers website at www.ofv.sa.gov.au, or Consumer and Business Services website at www.cbs.sa.gov.au.