

# DIRECTOR REQUIREMENTS



## YOUR KEY DUTIES



- Be honest and careful in all your dealings
- Understand what your company is doing
- Make sure your company can pay its debts on time
- Ensure your company keeps proper financial records
- Ensure all tax and employee entitlements are paid
- Ensure the business is solvent at all times
- Act in the company's best interests, even if this conflicts with your personal interests
- Use any information only for the good of the company. Using information to gain an unfair advantage for yourself or others could be a crime.
- Disclose any personal interests at a directors' meeting

The legal requirements of officeholders are set out in the Corporations Act 2001. Keep in mind that as the officeholder, you are responsible for making sure that the company meets all its obligations.

## WHAT'S INVOLVED?

A director's job is to manage the business affairs of a company. Your company's constitution may set out a director's powers and functions.



Be cautious of someone who offers to make you a director or secretary on the promise that 'you won't have to do anything'. You could be exposing yourself to legal liabilities.

- Understand what your company is doing at all times
- How will proposed actions affect the company? Are large amounts of money involved?
- Question managers/staff about aspects of the business if required
- Be active and engaged in directors' meetings
- Get independent advice if you need more information to make an informed decision
- Only agree to be a director if you understand your responsibilities and are willing to carry them out

## HAVE YOUR DETAILS CHANGED?

You need to let our team know when your company's details change.

This could be because:

- You've moved to a new address
- An officeholder has left the company
- A new officeholder has joined the company
- The company has changed its share structure



Late fees will be applied by ASIC if they are notified more than 28 days after the change.

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## COMPANY RECORDS

As a director, you must make sure the company keeps up to date financial records that:

- Correctly record and explain the company's transactions
- Outline the company's financial position and performance



By being a Rubiix client, we keep you tax compliant by keeping these records on file.

Your company should always maintain:

- A register of all the company's members
- Copies of minutes from any meetings
- Any documentation relating to share transfers and officeholder appointments

As a Rubiix client, we can maintain these records for you. Contact our team if this a service you would like more information.

## ANNUAL STATEMENTS AND SOLVENCY MINUTES

Each year, we'll send your company an annual statement and ASIC invoice a few days after the company's review date.

A solvency resolution is a resolution by the directors that the company can pay its debts if and when they fall due. It should be made within two months after the annual review date.

When you receive the annual statement, you need to:

- Check your statement to ensure the company's details are up to date
- Advise Rubiix of any changes that need to be made
- Pay your annual review fee by the due date
- Pass a solvency resolution by signing all documents and returning them to our office

If in the directors' opinion, the company may not be able to pay its debts when they fall due, advise Rubiix immediately so that we can lodge a Form 435 on your behalf



## COMPANY HOUSEKEEPING

There are a few things that all companies need to do once they've started operating:

### ***Display your company name***

You must display your company name at every location where you carry on business and are open to the public. Public companies must also display their company name and the words 'Registered Office' prominently at the location of their registered office.

### ***Include your ACN or ABN on all documents***

You must include your ACN or ABN on all your company documents such as;

- The common seal (if the company has one)
- All your company's public documents
- Every negotiable instrument (like a cheque or promissory note), and
- All documents lodged with ASIC.

*If you are unsure of your ACN or ABN, contact our office at any time and we will be able to provide it to you.*