



CONSTITUTIONS

1. WHAT IS A CONSTITUTION?

In basic terms, a constitution is simply a set of written rules or an agreement governing the aims of your organisation, how it will be run and how the members will work together.

Many voluntary groups with small funds and few staff (known as unincorporated associations i.e. not a registered company) adopt a written constitution as an agreement where people are working to mutually agreed aims. When a group first forms, it is not a legal entity, but merely a gathering of individuals brought together to share an activity of interest. As this is the case, the moment your group starts to progress and begins to deal with finance or property, or tries to raise money in the form of grants or loans, a formal statement documenting decision-making processes, responsibilities and rules for all taking part within the group's activities is essential. This will also prevent individual members being exposed to potential risk if, for example, your group runs into financial problems or ceases to exist, by spreading the risk between members.

A voluntary organisation may decide not to adopt a constitution and remain as an informal group. However, in most instances, it is not just an important device to ensure the effective running of your group; it is a requirement. Those who have attempted to apply for funding will be only too familiar with the need for a constitution. Most sources of funding can only be accessed by groups with a bank account, and banks will only allow groups to open an account with a constitution! It is also a "must have" if your group wants to register as a charity with the Charity Commission, or if you wish to undertake services within the community. Not only this, a written constitution will lay the foundations for the structure of your group and will allow it to develop within a concrete framework, ensuring that it stays on track and continues to successfully achieve its aims.

Put simply, a constitution is of vital importance because:-

- without a written understanding, people may become confused and things may not get done;
- it will act as a point of reference and help resolve any problems or controversy that may arise;
- it reassures the public and funding bodies that your group is properly run and that money is effectively managed;
- it illustrates that your group is democratic and accountable, with clear methods by which decisions are made.

2. What is a constitution made up of?

The aim of this factsheet is to help groups that are not registered charities or limited companies, but unincorporated associations. It is not exhaustive but is designed to act as a checklist for the most common features of a constitution and offers a ten-step guide for community groups that do not currently have one. Although every constitution is different and should accurately reflect what a group is wanting to do, most have similarities in terms of their structure, and will more than likely include the following ten points.

- i) Name of your organisation
- ii) Aims of your organisations (sometimes known as “objects”)
- iii) Powers
- iv) Membership
- v) Management Committee
- vi) Officers
- vii) Meetings
- viii) Finance
- ix) Dissolution
- x) Amendments to the constitution

i) Name of your organisation

The name of your organisation should reflect what your group is all about and is a very important factor. You need to bear in mind that every member of your organisation should identify with the name of your group. Also, do you want the subject or the main interest of your group to come first, or the area where you are based? How might the name appear on any literature? Could it be misleading or offensive to people?

Most importantly, is there already a group with the same name located locally? To help you further with this, you can check names of charities and companies on registers at:-

www.charity-commission.gov.uk or www.companies-house.gov.uk

If you choose a name which does not automatically spell out the purpose of your group, you may wish to have a “strapline” explaining your purpose, e.g. A4U providing

- Action
- Advice
- Advocacy for people with disabilities

ii) Aims or objectives of your organisation

To put it another way, why has your group come together? What is it hoping to accomplish? Your objectives should cover not only what you aim to achieve at this point in time, but what you may wish to do in the future. Do not simply list various activities, but keep your aims as wide as possible to enable you to change your activity without amending your constitution, giving you flexibility as you develop. Do not simply state that you want to create a

youth club at a particular address, but talk about integrating people in a wider area. The objectives section is the most difficult to change and, therefore, requires a lot of thought and consideration!

To help you further with your objects, you can check the example objects at the Charity Commission website – www.charity-commission.gov.uk

iii) Powers

The Powers section of your constitution should discuss what the group is allowed to do to carry out its activities and meet its objectives. As with the Objectives section, you should always remember that your group may expand in the future or change as it develops, so keep your powers board.

In general, this section may include details on the powers to:

- raise money;
- employ paid staff or recruit volunteers;
- buy or rent premises/equipment;
- conduct research;
- receive contributions through a membership fee;
- work in partnership with other organisation;
- carry out anything else within the law necessary to reach the group's objectives

iv) Membership

All groups are made up of members who want to work in association to achieve the stated aims. Members essentially own and control the group. But who are you going to invite as members? It may be individuals within a certain area, or defined categories of people with similar interests such as older people, children, disabled people or the unemployed. You must also decide if you are going to charge people to be a member and if so, who is going to fix the price.

At this stage you must address how you are going to appoint new members and how long membership will last (i.e. for a financial year, calendar year or even academic year). It may be that your existing members appoint new members by a majority decision. Furthermore, what does having a membership entitle them to do?

On the flip side, how will you remove people from your group if you need to? Termination of membership may be a necessity if an individual's behaviour is detrimental to the aims of your group, and you may need to call a meeting to resolve the matter.

How many members it will allow is at the group's discretion, although the majority of organisations opt for a minimum of three (which is a legal requirement for charities). There is no upper limit on the number of members, but too many could make the group inefficient. Larger groups

may have between ten and 15 members, whereas smaller groups may have between three and five.

v) Management Committee

This Committee has responsibility for the management of the group. It is up to the group how many members it has although for most organisations the minimum (legally for Charities) is three. There is no maximum but it would make the group unwieldy and inefficient to have too many. There are different types of Committee member:

- *Honorary Officers* – usually Chair, Secretary and Treasurer
- *Elected* - by and from the membership. Most Committee members will be appointed in this way.
- *Nominated* - by another group
- *Co-opted* - by the Committee due to their skills/knowledge.

It is in the interests of the group to ensure that the Committee members don't benefit personally because of their position in the organisation.

As well as deciding who will be on your management committee, it is important to consider the following questions:

- When will you elect your management committee?
- How long will they be on the committee before a re-election is needed? (For some this is every year and a re-election takes place at the annual general meeting. For others it may be that a specific number stand down each year.)
- What procedures will you have in place if a member leaves?
- How will you remove a committee member and for what reasons?

vi) Honorary Officers

A Committee has officers who carry out its main jobs. There are usually at least three:

- A chair, who ensures that meetings run smoothly and decisions are made.
- A secretary, who informs everyone of meetings and ensures minutes are taken and distributed.
- A treasurer, who oversees the money of the group and any payments it makes. The treasurer reports to the Committee regularly about this.

You may also need to come to an agreement on how officers will be chosen, whether they will be elected at your annual general meeting or appointed by the committee, and how long will they be in place (for a limited or unlimited period)

vii) Meetings

Meetings of the Committee are held to share information and make decisions and should be governed by the constitution, which can specify the minimum number of Committee members needed to make a decision (quorum) and the minimum number of meetings to be held over a year.

With regard to meetings, you should ensure that you make provisions for both general and committee meetings. General meetings are open to all members within your organisation and at least one should take place per year (usually

known as the Annual General Meeting (AGM)). Your group may also wish to hold a minimum number of additional meetings.

viii) Finances

For the finance section of your constitution you will need to address several factors. To begin, you should consider where you will keep the group's money. It is often a good idea to open a bank account in the name of your organisation. You should also keep a record of all income and expenditure, and have your group's accounts independently examined each year .

Your constitution must list the number of signatories needed. Cheques require a minimum of two signatories, but it is best practice to identify three or four members who are authorised (generally the chairperson, treasurer, secretary and another committee member).

In addition, this section may cover aspects of payment. Can any members or anyone involved with your group be paid for their time and services? This is not common practice, but you may want to consider reasonable expenses

ix) Changing your constitution

It is essential you acknowledge from the beginning that your group may change as it grows, and you may find that you need to make amendments to your constitution. Although this is the case, your constitution represents why people joined your organisation in the first instance, so you should make sure that it cannot easily be changed.

With this in mind, you will need to come to a decision on how any changes will be implemented. In general, changes to a constitution are deliberated at a general meeting consisting of all your group's members, and a majority vote in favour of any amendments needs to be reached. As mentioned previously, your constitution contains the reasons people joined your group in the first place so you need to be sure that your members are in favour of any changes. Sometimes it may be that you decide you need a particular number of members to be present at a general meeting and in agreement before you allow any changes to be made, such as a two-third vote (twice the number of people voting in favour as against).

You must also give details within your constitution of how you will arrange special general meetings to discuss potential changes, including information regarding how much notice you will give your members.

x) Dissolution or Closing down the Group

If for any reason you need to wind up your group, you must adopt rules similar to those you have put in place to make changes to your constitution. This may occur if your group is simply lacking in support or resources, or if your activities have been transferred to another organisation.

Not only will you need to include details on how you will call a special meeting and how many members should be present before you can dissolve your organisation, but you will need to include information regarding what will happen to any remaining assets or money. Usually when a group ceases to exist, debts are repaid and the surplus assets or finances are then distributed or donated to similar groups or local charities. This is basically to reassure the public and any funding bodies that the money is being utilised properly and not just being split between members.

Please see Factsheet 11- Dissolution – Closing Down. Also chapter two – Factsheet 16 – Don't panic - what to do in a funding crisis.

3. FURTHER HELP

Charity Commission 0845 3000 218 or visit the website www.charitycommission.gov.uk where email facilities are available.

Copies of model constitutions at the end of this chapter.

Example Constitution

The following is an example constitution for a local community group or voluntary organisation. It is not intended for groups wishing to become registered as a charity and such organisations are advised to consult the Charity Commission to ensure their constitution conforms to charity law. No example constitution will necessarily fit a group's requirements exactly and you may need to add or exclude various sections depending on your group's activities and objects. The model below will hopefully guide those wanting to write a constitution, but it is important that you tailor it to meet your needs.

Anything Community Group Constitution

1) NAME

The name of the group shall be the Anything Community Group, hereafter referred to as the Group.

2) OBJECTS

The objects of the Group shall be:

- to improve the area known as Anytown for the benefit of the inhabitants of the area;
- to encourage the goodwill and involvement of the wider community;
- to foster community spirit and encourage civic pride.

3) POWERS

In furtherance of the objects, but not otherwise, the Management Committee may exercise the power to:

- (i) Promote the health and wellbeing of the residents of the area and to work together as residents irrespective of age, sex, ethnicity, ability, religion or political view.
- (ii) Promote environmental improvement and conservation by educating, encouraging and assisting the local population in environmental practice, working in partnership with similar groups and organisations.
- (iii) Invite and receive contributions and raise funds where appropriate, to finance the work of the Group, and to open a bank account to manage such funds.
- (iv) Publicise and promote the work of the Group and organise meetings, training courses, events or seminars etc.
- (v) Work with groups of a similar nature and exchange information, advice and knowledge with them, including cooperation with other voluntary bodies, charities, statutory and non-statutory organisations.
- (vi) Employ staff and volunteers (who shall not be members of the Management Committee) as are necessary to conduct activities to meet the objects.
- (vii) Take any form of action that is lawful, which is necessary to achieve the objects of the Group.

4) MEMBERSHIP

- (i) Membership shall be open to anyone who has an interest in assisting the Group to achieve its aim and is willing to adhere to the rules of the Group.
- (ii) Where it is considered membership would be detrimental to the aims and activities of the Group, the Management Committee shall have the power to refuse membership, or may terminate or suspend the membership of any member by resolution passed at a meeting. Members shall have the right to appeal via an independent adjudicator determined by mutual agreement of the management committee.
- (iii) Any member of the association may resign his/her membership by providing the Secretary with written notice.

5) MANAGEMENT COMMITTEE

- (i) The Group shall be administered by a management committee of no less than three (3) people and no more than fifteen (15), who must be at least 18 years of age. Members will be elected for a period of up to one year, but may be re-elected at the Group's AGM.

6) OFFICERS

- (i) The Group shall have a committee consisting of:

The Chairperson
The Treasurer
The Secretary

and any additional officers the Group deems necessary at the meeting required to carry out the required activities.

7) MEETINGS

- (i) The committee shall meet at least three times a year. Meetings shall enable the Group to discuss actions and monitor progress to date, and to consider future developments.
- (ii) All members shall be given at least fourteen (14) days' notice of when a meeting is due to take place, unless it is deemed as an emergency.
- (iii) Two-thirds of committee members must be present in order for a meeting to take place.

- (iv) It shall be the responsibility of the Chairperson to chair all meetings or a designated deputy in his/her absence. All meetings must be minuted and accessible to interested parties.
- (v) The AGM shall take place no later than three months after the end of the financial year. At least fourteen (14) days' notice must be given before the meeting takes place.
- (vi) All members are entitled to vote at the AGM. Voting shall be made by a show of hands on a majority basis. In the case of a tied vote, the Chairperson or an appointed deputy shall make the final decision.

8) FINANCE

- (i) Any money acquired by the Group, including donations, contributions and bequests, shall be paid into an account operated by the Management Committee in the name of the Group. All funds must be applied to the objects of the Group and for no other purpose.
- (ii) Bank accounts shall be opened in the name of the Group. Any deeds, cheques etc relating to the Group's bank account shall be signed by at least two (2) of the following committee members: Chairperson; Treasurer; Secretary.
- (iii) Any income/expenditure shall be the responsibility of the Treasurer who will be accountable to ensure funds are utilised effectively and that the Group stays within budget. Official accounts shall be maintained, and will be examined annually by an independent accountant who is not a member of the Group. An annual financial report shall be presented at the AGM. The Group's accounting year shall run from 01 April to 31 March.

9) ALTERATION OF THE CONSTITUTION

- (i) Any changes to this constitution must be agreed by a majority vote at a special general meeting.
- (ii) Amendments to this constitution or dissolution of the Group must be conveyed to the Secretary formally in writing. The Secretary and other officers shall then decide on the date of a special general meeting to discuss such proposals, giving members at least four weeks (28 days) notice.

10) DISSOLUTION

- (i) The Group may be dissolved if deemed necessary by the members in a majority vote at a special meeting. Any assets or remaining funds after debts have been paid shall be returned to their providers or transferred to local charities or similar groups at the discretion of the Management Committee.

This constitution was adopted at an AGM held at Anytown Civic Centre on 1 May by:

Signed: Chairperson

Signed: Treasurer

Signed: Secretary

Signed: Members