



# Section 1 Getting Started

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## Checklist

### Step 1 Set up a Group

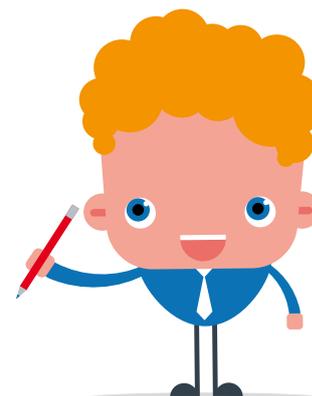
We have:	Yes or No?	Actions we need to take	Completed on (date)
At least 3 unrelated volunteers - the <b>committee</b>			
A signed and dated <b>constitution</b> or <b>governing document</b>			
A <b>safeguarding</b> process - for ensuring that children and adults are not harmed or abused			

### Step 2 Run your group day-to-day

We have:	Yes or No?	Actions we need to take	Completed on (date)
Committee meeting dates, notes and actions			
A bank account			
Insurance			
A <b>cash account book</b> - paper copy or an electronic version (e.g. Excel spreadsheet)			
A ring binder with our receipts, bank statements and other paperwork			

### Step 3 Guide to 'Governance'

We:	Yes or No?	Actions we need to take	Completed on (date)
Can explain what governance is			
Understand the <b>group/organisational structures</b> available and which one is right for us			



## Step 1 Set up a Group

You care about an issue or problem.

You want to do something with others to change the situation and make a difference.

### Examples - Community Groups

- You set up a cheerleading group to give young people fun and confidence in an area where young people have nothing to aim for locally.
- You set up a friendship scheme so that older people in your area feel less lonely.
- You get people together to see if something can be done about your local park which has become a 'no-go area'.

### To set up a formal group, you need to create:

1. A committee
2. A constitution or governing document
3. Rules for ensuring that children and adults are not harmed

#### 1. A Committee

If you want to volunteer or work for the benefit of your community you need to get together at least 3 unrelated people, usually aged 18 or over, who are prepared to manage the group and be responsible for it (legally liable). These people will be your first committee. They will carry out the following roles

- **Chair** - Lead the meeting
- **Secretary** - Take notes, share information
- **Treasurer** - Manage the finances
- **Safeguarding** - contact person to help everyone to protect those you work with, especially children and vulnerable adults, from abuse
- **Equality and diversity** - helping everyone to respect your group members and the community

#### 2. A constitution or governing document

A **constitution** or **governing document** is a set of jointly agreed rules which states what your group wants to change and do and how it will be run.

Discuss the answers to the questions below with your committee.

Write up the answers and you will have your first Constitution. Your local support organisation, page 54, will be able to give you a template Constitution.

As you go through the questions, check to see **if other groups in your area are doing the same as you want to do**. If they are, **you may want to join them instead** or **do something different**.

Constitution Section	Question
Name	What are you going to call your group?
Mission or Overall Aim	What is your purpose or reason for existing? What is the big change (aim) that you want to see happen?
Specific Aims	What other changes do you need to see happen to achieve your overall aim?
People	Who do you want to help?
Location	Where will you be based? Which areas are you going to work in?
Running your group	What will your Committee do? Who else will be in your group? (Members) How often will you meet? How many people do you need to make a decision on behalf of the whole group?
Making changes to the constitution	What rules do you need to make changes to the Constitution e.g. how many people need to vote?
<b>Dissolution</b> - closing down	What will you do with the group's <b>resources</b> (group things you own, like cash and equipment) if you decide to close down?

### 3. Rules for ensuring that children and adults are not harmed - safeguarding

It is ESSENTIAL that you cover this area to make sure that your work protects against harm and abuse.

**Safeguarding** protects everyone, but especially children and young people and vulnerable adults.

All of your group members must be responsible for safeguarding and you must have a named contact person to co-ordinate your plans. The checklist below is adapted from the [Safe Network Standards, 2012](#), designed for use by community and voluntary groups.

Read the statements and tick them off when you have done them. Even ticking off one statement will help make things safer - but you must try to cover them all.

#### Safeguarding Rules

##### Recruiting new staff and volunteers

- All staff and volunteers have a face-to-face interview before they are offered a role.
- Before they take up their job, all staff and volunteers must have:
  - 2 references
  - two pieces of identification
  - original copies of any qualifications required for the work
  - a **DBS** check - (previously called a CRB check). You need to check the [DBS website](#) or take advice from the support organisations on page to see if this is required
- All staff and volunteers have a trial period with a review before they are accepted in their job.
  - You should read the paperwork carefully to check that nothing looks unusual e.g. no unexplained gaps.
  - In addition, the Government expect you to check that people are allowed to work in the UK.

##### In the role

- All staff and volunteers are helped to settle in, taking part in your **induction**, page 45
- Induction includes safeguarding training so that new staff and volunteers understand how to protect themselves and others from harm.
- All staff and volunteers receive support and **supervision**, page 46.

As far as possible, nobody is left to work alone or in a one-to-one situation with someone using your service.

##### Policies

- Your group should have a **safeguarding policy**, page 49. This includes:
  - details of what to do, and who to contact, if a child or adult is likely to be harmed or is being harmed - or allegations of abuse are made against a member of staff and/or a volunteer.
  - a named contact who has special responsibility for dealing with safeguarding.
- Your group has an **anti-bullying policy** setting out what standards you expect, page 51.
- Your group has a **complaints procedure**, page 51.
- You have a **health and safety policy** and carry out a **risk assessment**, including accident prevention, page 52.

A separate risk assessment is needed for organising events. This should include checking equipment regularly, getting consent, contact details, medical needs etc from parents/guardians.



## Step 2 Run your group day-to-day

### You should aim to:

1. Set up committee meeting dates and take notes and actions
2. Set up a bank account
3. Buy insurance
4. Use a Cash/Account book - paper copy or an electronic version (e.g. Excel spreadsheet)
5. Keep a ring binder with receipts, bank statements and other paperwork

### 1. Set up committee meeting dates and take notes and actions

- Decide how often your committee needs to meet e.g. once a month or once every three months. Remember that you need least three unrelated members on your committee.
- Keep a file that includes:
  - the **Agenda** - the items to discuss.
  - **Notes and action plans** - details of any plans you make and any decisions you take.
- Once each year, you may need to hold an **Annual General Meeting (AGM)**. This is an official meeting for members and the committee.

Your Chair, Secretary and Treasurer give short reports on progress and future plans. You may hear stories from the people you are helping (your **beneficiaries**).

The members vote in the committee for the next year and decide who will perform which role Chair, Secretary, Treasurer, Safeguarding Officer, etc.

### 2. Set up a bank account

- The Bank will need
  - the name of your group.
  - details of your chosen members (**signatories**) who will have access to the account.
  - the signatories' personal identification, e.g. electricity bill, driving license.
  - a copy of your signed and dated constitution or governing document.

Choose two or three unrelated group members to have access to the account.

You will always need a combination of two signatories to authorise taking money out of the account either by cheque or online (if you decide to bank online).

Ask the bank about how withdrawals and deposits can be made and how long it takes so you always have access to your money when you need it.

### 3. Insurance

You will need insurance for your activities. Here are some types that may apply to you:

**Public Liability Insurance** covers costs if you are neglectful and harm someone, for example if your staff or volunteers cause illness, injury or death, or damage to property.

**Professional Indemnity Insurance** is for groups that offer advice or advocacy, to protect against loss or a problem due to incorrect information being given.

**Event Insurance** for large or complex events, you may be able to take out insurance. Consider this on a case by case basis.

If you own or rent premises you may need **Buildings Insurance** and/or **Contents Insurance**.

More information on insurance can be given by local support organisations, page 54.

### 4. Use a Cash/Account book – paper copy or an electronic version (e.g. Excel spreadsheet)

You need to keep a **cash/account book** - a book with columns to record your **income** (the money you receive) and **expenditure** (the money you spend) and the totals.

You can use a computer spreadsheet (grid) to put figures in. This is very useful for planning, updating and printing reports for your committee.

### 5. Keep a ring binder with receipts, bank statements and other paperwork

Keep all of your **bills**, **receipts** and **financial paperwork**, including **bank statements**. Store them in files using file dividers for each month.

For more information, see page 36 onwards.

## Step 3 Guide to 'Governance'

### What is Governance?

Governance covers the way you make sure your group or organisation has the proper leadership and management.

Your committee has responsibility as leaders. Your staff and volunteers are responsible for carrying out their decisions and managing the work.

Committee or board members need to make sure that your group:

- ✓ does what you said you would - keeps on track with your purpose
- ✓ makes the difference that you said you would - is effective
- ✓ consults and responds to your members and the people who are affected by your activities
- ✓ makes your decisions openly - is accountable
- ✓ makes sure you have the resources for the job, e.g. money, staff, time
- ✓ looks after your volunteers and employees
- ✓ spends your time and money wisely
- ✓ follows the law

Focusing on governance saves time as it can make everything clearer and saves wasted effort.

Good governance also reduces risk - groups that fail are more likely to have poor governance. Good governance helps you serve your community better because you take decisions together. You know that you are not just listening to the loudest opinion or hoping everyone is doing the right thing.

### An understanding of the group or organisation structures available

You need to decide which group or organisational structure is best for you. This is important because choosing the right structure lets you set the right level of risk with your **resources** (money, time people) and satisfies legal and tax requirements.

You should review your structure if your circumstances change e.g. you receive a large grant or you take on paid staff.

### How do we know which structure is right for us?

There are 2 **registration bodies** or **regulators** that are commonly used by groups. These are:

- **The Charity Commission** - if you want easy recognition as a charity
- **Companies House** - if you want to reduce risk

You register with either or both of these regulators, depending on your needs. See the next two diagrams on pages 15 and 16 to help you decide:

## Does my group want to register with the Charity Commission?

Do we have charitable aims and exist solely to benefit the public (not specific individuals)?  
Do we have a constitution or governing document and a safeguarding policy?  
Do we have an income of over £5,000 per year?

**NO**  
You can't register

If your income is too low to allow you to register, but your group does have charitable aims and exists solely to benefit the public, you are still a charity in principle.

You can register with HM Revenue and Customs to make sure you get charity tax breaks and gift aid if required.

It is still good practice to have a constitution/governing document and any relevant policies in place so that you will be able to apply to the Charity Commission when your income reaches a high enough level. All funders will ask for these documents when you apply for funding.

**YES**  
You should register

To register with the Charity Commission you will need to complete an application form which they will check to ensure you are a charity. Once you are a registered charity you will need to submit **Annual Accounts** and an **Annual Return** to the Charity Commission each year, proving you run as a charity should.

Registered charities gain a number of financial advantages, including some tax exemptions.

Your charity number from the Charity Commission will make it easier for you to:

- ✓ raise funds from the public, grant awarding trusts and local government
- ✓ represent and help the needs of the community
- ✓ give donors and beneficiaries confidence that your charity is legitimate and working within a regulatory regime.

### Extra information

The leaders/committee/Board/Directors of a charity are called Trustees.

## Does my group want to register with Companies House?

### Explaining incorporation

If you register with Companies House you will become **incorporated** i.e. a company.

If you are not registered with Companies House you are usually unincorporated i.e. not a company.

#### Does your group want do any of the following?

- Employ people
- Have contracts and/or leases
- Buy property
- Run community assets (buildings or land)
- Manage large sums of money

**NO**

You may not need to register

An **unincorporated organisation** might be most appropriate. This is a collection of individuals that come together to form a group. The leaders of the group are your committee and they are responsible for everything that the group does. There is no protection from debt caused by the group - the committee would have to pay as individuals.

This model is easier and cheaper to set up and run because there is less paperwork as you are not registered with Companies House. However there is more debt risk for the committee and some funders will not give large amounts of funding to unincorporated groups.

#### Good to remember

Keep an eye on the size, income and level of risk of your group. You can change and become incorporated whenever you like.

**YES**

You should probably register

A company is an **incorporated group/organisation**. An incorporated organisation has its own legal identity, so the individual committee members who are responsible for running the group are not legally responsible for debts/liabilities unless they have acted improperly. Any debt is held by the organisation, not the individuals who run it.

To become a company you should create a **Memorandum and Articles of Association** (this is a specific type of constitution or governing documents). You need to complete an application form to become a company and pay a fee to Companies House.

Every year you submit **Annual Accounts** and an **Annual Return** to Companies House by the deadline, or you will be fined.

#### Extra Information

The leaders or the Committee of a company are called Directors and may be referred to as Board members.

## Choosing your company type

There are two types of company:

1. A **Company Limited by Guarantee** is the most commonly used structure for not-for-profit organisations such as charities. It is usually run by a committee who have been voted in by the members of the company.
2. A **Company Limited by Shares** is run by its shareholders.

You will have different Memorandum and Articles of Association depending on which type of company you are. Your local support organisation can help you with these registration processes, page 54.

### Important to know - Charitable Incorporated Organisation (CIO)

A Charitable Incorporated Organisation is a new legal form (2012) for a charity. A CIO:

- is an incorporated form of charity which is not a company.
- only has to register with the Charity Commission and not Companies House.
- can enter into contracts in its own rights and its trustees will normally have limited or no liability for the debts of the CIO.

The CIO was created in response to requests from charities for a new structure which could provide some of the benefits of being a company, but without some of the administrative burdens.

## Social Enterprise

You may have heard about social enterprise. This is an approach that features trading goods or services to make **surplus** (profit) to reinvest back into social causes. For more details see [Social Enterprise UK](#). This type of organisation has a trading income and should be less dependent on grant funding.

There is a special legal structure that only social enterprises can use called a **Community Interest Company (CIC Regulator)**. There are other types of structures you may also choose to adopt.

For an explanation of which legal structure to choose, search the [Department for Business, Innovation and Skills](#) website, and speak to your local support contact, page .

Social entrepreneurship is also gaining visibility and is a growing movement. There are some good local networks you can join to find out more. Contact your local support organisation for details, page 54.

### Real Examples - Choosing Governance

- A group of single dads decide to develop a garden at their local children's centre. They stay **unincorporated** but put in place safeguarding and health and safety policies.
- A local food bank becomes a **charity**. Its goals of sharing food through volunteers are clearly charitable. It **can apply for grants** and **take advantage of tax benefits**.
- A disability sports organisation is a private business. It sets up a **Community Interest Company** (social enterprise approach) so it can offer reduced rate coaching to people on lower incomes and can feed the **surplus (profit)** back into the business, not to shareholders. It **does not receive tax benefits** but raises support by **marketing the benefits** of the **extra social value** it brings.

### Frequently asked questions - Committees and Governance

#### How do I find committee or board members?

- Advertise through local networks.
- "Sell" your organisation and the benefits of taking part– the opportunity to make a difference, give something back, peer learning, CV material

#### How do we choose who is suitable?

You need Board members with the right skills and knowledge for your organisation – leadership, business skills, community understanding, theme understanding e.g. health, young people, education. Team players are always helpful.

#### How do we know who is responsible for which area?

Find governance training for your Board and staff - so you can build a shared understanding of how you should work together. Local support organisations, page 54 will have details.