

Constitutions

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1 | What is a constitution?

Many voluntary groups are relatively small in terms of the amounts of money and staff that they have. These organisations are called **Unincorporated Associations**. This is because they are not incorporated (i.e. they aren't a registered company) and they are a group of people working together to mutually agreed aims. This type of group has a particular kind of agreement governing how it is run, called a constitution. This is a set of agreed rules governing how an organisation will be run, how the members will work together and what they are working towards.

Some groups prefer to remain informal and not adopt a constitution. For others however a constitution is not only an effective tool for running an organisation but actually a requirement because of the activities they are undertaking. For example a group that wishes to register as a charity, or undertake to provide services in a community, or apply for funding will face problems if they do not have a constitution.

A constitution is also a way of ensuring that the public and funding bodies feel confident that a group is being run properly and its money managed properly.

2 | A constitution must have...

Name

Choose your own. It might reflect the area or the field in which you work.

Objects

This section sets out what the group aims to do. If your group wants to register as a Charity then you will need to consider whether or not these

objects will fit in with how the Charity Commission defines Charitable Purposes. Since 2006, there are now 13 headings which cover what the Commission will accept as being charitable.

Powers

This covers what a group can do to achieve its aims. These are things such as:

- Fundraising;
- Networking;
- Hiring equipment/premises;
- Employing staff.

Membership

A group's membership would be made up of people who were interested in working together to achieve the aims of the group. To become a member a person would have to sign a membership agreement and, if the group wished, pay a membership fee. **If** a fee was payable then there would be rules about who **couldn't** be a member. The following groups:

- People under 18;
- People who are bankrupt;
- People who have an unspent conviction;
- People who are unable to look after their own financial affairs would be excluded from membership if the organisation was to be a charity.

Management Committee

This committee has responsibility for management of the group. It is up to the group how many members it has although for most organisations the allowed minimum would be 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:

- **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 individual committee members don't benefit financially from being on the committee.

Officers

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

- **A chair** – who ensures meetings run smoothly and decisions are made.
- **A secretary** – who informs everyone of meetings and takes minutes.
- **A treasurer** – who oversees the money of the group and any payments it makes. The treasurer will report to the committee regularly about this.

Committee 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. All members of the committee must be given at least 21 days notice of a meeting.

General meetings

Every year the group will need to have an Annual General Meeting. The first one being within 15 months of the group setting up. The AGM is a chance for the committee to tell members what's going on and a chance for the members to hold the committee accountable. It is also when the annual accounts are presented.

The constitution should also allow for other general meetings called special or extraordinary general meetings.

Finances

It is good practice to have a bank account with a minimum of two people who should sign the cheque book. These two people must not be related. Further advice and information on setting up a charity bank account can be found at www.charitybank.org and www.unity.uk.com. Alternatively most high street banks will be able to offer advice.

Closing down the group

There must be provision in the constitution to close down the group. A meeting of the membership should be called and a specific majority vote in favour needed. The group must pay all its bills and if there is any money left then it should be given to a group which does similar work.

Making changes to the constitution

You may need to amend the constitution of the group in the future as the group changes, so the process for making changes should be written into the constitution itself, e.g. who votes on this and at what sort of meeting. If the organisation is registered as a charity, the Charity Commission will have to accept any changes as well.

Further help

Ask BVSC Helpline

0121 678 8888
askbvsc@bvsc.org

Development Agencies website

Links and information for developing voluntary and community organisations.
www.birmingham-da.org

Charity Commission

www.charity-commission.gov.uk
Helpline: 0845 3000 218

Governance Hub

www.governancehub.org.uk