



## Special Update Feature

### Ten Steps to Writing a Constitution

#### **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 or interest. As this is the case, the moment your group starts to progress and begins to deal with finances 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 paramount 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.

#### **What is a constitution made up of?**

The aim of this article 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:

1. Name of your organisation.
2. Aims of your organisation (sometimes known as 'objects').
3. Powers.
4. Membership.
5. Management Committee.
6. Officers.
7. Meetings.
8. Finance.
9. Dissolution.
10. Amendments to the constitution.

## **The constitution checklist**

### *1) 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 in which 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:

<http://www.charitycommission.gov.uk> or <http://www.companies-house.gov.uk>

### *2) 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!

### *3) 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 broad.

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 different organisations;
- carry out anything else within the law necessary to reach the group's objectives.

#### 4) *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.

#### 5) *Management Committee*

A management committee is essential to manage not only your group's work, but to make decisions and direct policy making. Management committees should include honorary officers, and may also involve others who have been nominated or elected. In the main, there are three types of committee member including those:

- nominated by and from the membership (a large number of members will be appointed via this method);
- nominated by a different group;
- co-opted by the committee due to their knowledge, skills or experience.

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?

#### 6) *Officers*

It is common for committees to have named individuals known as officers, to carry out various tasks on behalf of your group. These may include a president, chairperson, secretary or treasurer. You 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 your committee, and how long they will be in place (for a limited or unlimited period).

The same questions apply to the officers as for the management committee. How will the officers be removed where this is required? How will their vacancies be filled? Also, what will their powers and responsibilities be?

## 7) *Meetings*

Within your constitution, you must state where and how often you will meet to discuss the work of your group and make any decision surrounding it. Small groups may find it more appropriate for decisions to be made by all members together, whereas larger organisations may find it better to elect a committee to make any decisions on behalf of members.

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.

With regard to meetings, your constitution should include the following details:

- \* The minimum number of meetings you will hold and how often you will have them.
- \* How much notice you will give to inform your members when a meeting will be held
- \* The number of members that need to be present to allow a meeting to commence (this is known as the quorum).
- \* Who is able to vote and how voting will occur (such as a show of hands).
- \* The process by which your members will be allowed to call a meeting as opposed to your committee, covering the minimum number of people required in order to request such a meeting.

As well as meeting to deliberate the day-to-day activities of your group, you should always consider the method by which you will meet to discuss the more formal aspects of your group such as your finances, issues concerning the election of committee members, and evaluating and reviewing the work and objectives of your group. This is generally carried out at your AGMs, which should be held no less than 15 months apart.

You can also make provisions about what to do if more meetings are necessary. For example, if you wish to make a major change to your constitution you will need to call a special general meeting. Again, this procedure must include details of who can call a meeting (the committee or a particular number of members), and how much notice you will give, etc.

## 8) *Finance*

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 by an accountant.

Your constitution must list any members authorised to sign cheques on behalf of the group, including 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.

## 9) *Amendments to the 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.

## 10) Dissolution

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.

## Get started!

If you feel you are able to answer the above questions and have the necessary information, you can begin writing your constitution! Get together with the rest of your group to draw up your constitution and make sure everyone has a say in deciding the objectives of your organisation and how it is going to be run. Begin with a clear, simple draft that will allow you to elaborate and expand as you go along and keep in mind that the language you use doesn't have to be complex. It should be written in a way so that everyone can understand the manner in which your group is run and what you are aiming to achieve.

When writing your constitution, as well as considering the day-to-day running of your group, try to plan for unexpected events or circumstances such as resignations, disagreements between members, or even the winding up of your group.

To formally adopt your constitution you must call a special public meeting to finalise the rules and obtain the agreement of the members. As your constitution is the governing document for your group, you need to ask all the committee members to sign and date the constitution (including the location where the agreement was reached) and ensure that the decision is recorded by the Secretary in the minutes of the meeting. All committee members should be given a copy of your constitution when they join to ensure they fully understand the rules of your group.

Don't forget that once you have written your constitution you must abide by it, so don't be afraid to keep writing draft versions until all your members are totally happy with it. If you are thinking of registering as a charity in the future, it may be an idea to submit your constitution in draft form to the Charity Commission for advice. This will allow you to make any suggested alterations.

Further information on how to write a constitution can be also be obtained by asking your local Council for Voluntary Service or by visiting the website for the Charity Commission.

Finally, good luck!

### **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: Member

Signed: Member

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