

Attachment 1

Information about creating constitutions

New plain language constitution for community groups

This plain language constitution has been produced by the Welsh Office of the Charity Commission in partnership with WCVA and Welsh CVC's, and is designed to meet the needs of small groups who are looking to formally establish themselves with the minimum of fuss. It is based on the participants' combined experience of community development and charity law, together with many years of working with governing documents and community groups.

The project group felt there was a real need for a short, clear constitution that everybody can understand and that will encourage people from all walks of life to be 'on the committee'. The constitution is only 600 words long and covers all the requirements needed for a well run group. It has been designed primarily for groups with an income of less than £5000 a year (below the charity registration threshold), which don't need to be incorporated.

It's hoped that this model constitution will help new groups and those seeking to advise them, it is available to be freely distributed (subject to the terms below) and a short questionnaire is planned for circulation in July 2008 seeking feedback from users. If you need any further information, please contact Harry Iles of the Charity Commission, Enrico Carpanini of WCVA, or your local CVC.



CONSTITUTIONS

What is a constitution?

A constitution is 'a set of rules' or a 'governing document' for a group.

Why have a constitution?

- To ensure an organisation's aims are clear and agreed by its members
- To provide processes for making decisions and resolving disputes
- To gain credibility with banks and funders
- To ensure accountability
- To clarify liability and responsibilities
- To enable an organisation to take advantage of the benefits of charitable status if it wants to
- To enable an organisation to become a member of Community First East Hampshire

What should a constitution contain?

If you are a new organisation click onto this document to give you basic details about what sections your constitution should have.

(See Constitution Information Sheet 2)

Where can I find more information about Governing Documents

The Charity Commission

If you are hoping to become a charity and are also considering what kind of legal structure (e.g. trust, company limited by guarantee etc) to adopt, take a look at The Charity Commission's booklet, "**Choosing and Preparing a Governing Document – C22**". The Charity Commission will send you a hard copy if you ring their helpline on 0845 300 0218. Alternatively you can download it from their website www.charity-commission.gov.uk from the Publications section.

Umbrella Organisations

Many groups and clubs belong to or are affiliated to larger organisations. Some examples are:- The Sports Council, Action with Communities in Rural England (ACRE) or The Girl Guide Association. If you have one, try contacting them or looking at their website to see if they have a template constitution document that you can use.



A Constitution

What is a constitution?

A constitution is “a set of rules”, a form of “governing document” for a group and will probably include the following:-

- What the group is called (name)
- What its purpose is (objects)
- What it can do (powers)
- Who can join it (membership)
- Who will manage it and how they will report to the rest of the group (management committee)
- How will money be dealt with (accounts)
- How can the constitution be changed (amending the constitution)
- What will happen if the group closes down (dissolution clause)

A group’s governing document does not have to be called a constitution but it will still say the same things about the group.

What should a constitution contain?

- The **name** of the group.
- The **objects** of the group. These may be called the “aims and objectives”. They are a few brief statements that say what the purpose of the group is and who or what it is for. All the objects of a charitable group must be charitable – they should be for public benefit and not for private gain or profit.
- The **powers** of the group. This is a list of things the group might need to do to achieve its objects – like employing people, owning property, raising and spending money etc.
- A description of the **membership** of the group that explains who can join the group and how they can join it.

- A description of how the group's **management committee** is selected and how it works, eg how often it meets, how it reports to the rest of the group (there should at least be an annual general meeting), the maximum number of committee members and also the minimum number of committee members needed to be at a meeting to make its decisions valid (a quorum) etc.
- A general statement about **accounting** procedures. This will explain that all money will be used only for the group's aims and objectives, that proper financial records will be kept, a bank account opened and will state whether the accounts will be audited annually. Many organisations have a separate document which describes accounting procedures in more detail.
- **Amending the constitution.** This section describes how your group can change your constitution.
- A **dissolution clause.** This is a statement explaining how the group will decide to close down and what will happen to its money and other assets when it does. A charitable group must use its assets for a charitable purpose, even when it closes down.

When the group has agreed the words in its constitution, it decides to adopt it as its **governing document**. As proof of this, the constitution is usually signed and dated by one or more members of the group's management committee and a record of the decision is kept in the minutes of the meeting that made it.

CONSTITUTION

A **NAME**

The group's name is _____

B **THE PURPOSES OF THE GROUP ARE :-**

C **CARRYING OUT THE PURPOSES**

In order to carry out the purposes, the Committee has the power to :-

- (1) raise funds, receive grants and donations
- (2) buy or sell property, take on leases and employ staff
- (3) co-operate with and support other groups with similar purposes
- (4) do anything else within the law which is necessary to achieve the purposes

D **MEMBERSHIP**

The Committee may admit to membership anybody aged 18 and over who supports the purposes of the group. People who wish to become a member should apply to the Committee. Membership lasts for 3 years and may be renewed. The Committee will keep an up to date membership list.

The Committee may expel someone from membership, provided it is in the best interest of the group to do so, and they are given the right to be heard by the Committee before the decision is made. They can be accompanied by a friend.

E **ANNUAL GENERAL MEETING - AGM**

- telling
- (1) The AGM must be held every year, with 14 days notice given to all members
 them what is on the agenda.
 - (2) There must be at least ___ members present at the AGM.
 - (3) The Committee shall present the annual report and accounts.
 - (4) Any member may put themselves forward for election as a Committee member at
 the AGM.
 - (5) Every member has one vote.
 - (6) Members shall elect between 3 and 10 members to the Committee. They will
 retire at the next AGM and may stand for re-election.

F **COMMITTEE**

- (1) The Committee shall hold at least 3 meetings each year. They will elect a chair, treasurer and secretary at their first meeting.
- (2) At least 3 Committee members must be at a committee meeting to be able to take decisions. Minutes shall be kept for every meeting.
- (3) The Committee must keep accounts which may be viewed by any member on request.
- (4) During the year, the Committee may appoint up to 2 extra members on to the Committee who will stand down at the next AGM but are eligible for re-election.
- (5) The Committee may make reasonable additional rules for the proper conduct and management of the group. These rules must not conflict with this constitution or the law.

G **MONEY**

- (1) Funds must be held in the group's bank account. All cheques must be signed by 2 Committee members.
- (2) Funds cannot be used to pay Committee members except to refund legitimate expenses.
- (3) Funds and property must only be used for the purposes of the group.

H **SPECIAL GENERAL MEETINGS**

Special General Meetings may be called by the Committee for the following reasons. All members must be given 14 days notice and told what change is proposed.

- (1) **Changing the Constitution** - The constitution may be changed by a two thirds majority of members present and voting at a Special General Meeting.
- (2) **Emergency Special General Meetings** – to allow the members to decide on important issues.
- (3) **Winding up** – the group may be wound up by a two thirds majority of members present and voting at a Special General Meeting. Any money or property remaining after payment of debts must be given to a group with similar (charitable) purposes.

