

8. FINANCE *(An important section. Money always needs rules! You need to say how you will raise money, bank it, spend it and account for it)*

The degree of detail here is optional. It is, however, useful to note the association's financial year eg. April - March, or January - December, and whether accounts must be audited by an independent auditor. The auditor may be, but does not have to be, a chartered or certified accountant. **N.B. there are special requirements for charities.**

You should also include a section on cheque signatories eg. how many people have to sign the cheques (certain officers?) and an authorised use of funds ie. what money can be used for (in general terms).

You need to spell out the role of your treasurer. Tasks should include keeping records of the money received and paid out, reporting on the state of the finances to the management committee and working with the independent auditor to provide a financial report for the A.G.M.

9. ALTERATIONS TO THE RULES *(You must be able to alter the rules)*

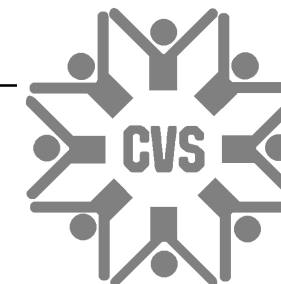
State whether there needs to be a special meeting to change constitution or whether it can only be done at the A.G.M. Say how much notice must be given of a proposal to change the constitution and give the majority needed to vote 'for' the change in the constitution (often more than a simple majority e.g. 2/3 or 3/4). **N.B. Special rules apply here for charities.**

10. DISSOLUTION *(How to wind up the organisation. Unless you write down in the rules just how you close down the organisation and what you do with any spare money, your group would have to continue for ever and ever and ever!)*

As with Section 9, say whether there needs to be a special meeting or whether dissolution can be decided on at the A.G.M. If a special meeting is required how much notice needs to be given? Again, you should also state the majority required to vote for the 'dissolution' if different to a simple majority. However, there must be allowance made for the possibility of winding up due to the lack of interest eg. after a first, inquorate, general meeting there shall be a second meeting at which a simple majority of those eligible to vote shall be sufficient to dissolve the association. You should also explain how the assets of the organisation are to be disposed of after dissolution eg. distributed amongst members, given to another local organisation with similar aims etc. **N.B. again special rules apply for charities.**

SOURCES OF HELP

If you would like more information or help with your constitution, or help about becoming a charity, contact your local CVS. Details from the Information Service, Bradford CVS - address on page 1.



INFORMATION SHEET

REVISED: JULY 2007

Bradford CVS

Bradford Community and Voluntary Service
Voluntary Services Centre
19 / 25 Sunbridge Rd, Bradford,
West Yorkshire, BD1 2AY
Tel: Bradford (01274) 722772
Fax: Bradford (01274) 393938
email: cvs@bradfordcvs.org.uk
Web: www.bradfordcvs.org.uk

THE WRITTEN RULES OR CONSTITUTION

The written rules are promises made in writing between all the members of a group. They say in detail exactly what the members are agreeing to do, and exactly how they want to do it. While the rules should be as simple as possible, they may need to be complicated. Either way, they should be written so that all the members can understand them.

There is a traditional way of putting the rules in writing which lists each rule in a certain order. You do not have to do this, but it will be clearer for your members and easier for all those other people you have to deal with (such as banks, landlords, the Council) if you follow this tradition.

The traditional order of rules is as follows:

1. NAME OF THE ORGANISATION *(The full name of the group)*

Use the phrase "The name of the group is" If the name is long and complex include the phrase "referred to below as the Association" or similar.

2. AREA OF BENEFIT *(This means the geographical area your group wants to cover)*

Be realistic, do not draw too tightly nor so vague as to be meaningless. Examples could be "The area of benefit of the Association shall be the Metropolitan District of Bradford" or "the such-and-such Estate" whichever is appropriate to the scale of your operation.

3. AIMS/OBJECTS *(This is what your group wants to do. It is the most important part of your rules)*

Try to be concise here; you should restrict yourself to about three sentences eg. "to promote the benefit of the inhabitants of and neighbourhood. To provide or improve existing facilities for recreation and social welfare and to encourage a community spirit. To relieve poverty in the area of benefit". Try not to include the means by which the objects will be achieved - these should go in Powers (over).

N.B. This clause is the most important if the group wishes to become a charity. You should bear in mind that any charity must have purposes that fall within the list of 13 “charitable purposes” identified in the 2006 Charities Act; more information on this is available from the Charity Commission (www.charity-commission.gov.uk).

It is very difficult for a registered charity to change its objects, so think very carefully about what you put down.

4. POWERS *(A difficult idea to grasp, but basically it means giving yourselves permission to do certain things in order to achieve the aims. Writing them down here helps to avoid disputes in years to come)*

Now is the time to be specific. This section will vary a lot from group to group but you should put in here any specific powers which the group wants to have eg. “to provide a free counselling service to young people”. In addition, general powers worth thinking of are:-

- a) Raise funds.
- b) Obtain or lease equipment and premises.
- c) Appoint trustees to hold property.
- d) Employ staff and recruit voluntary workers.
- e) Work in association with other organisations.
- f) Do any other such lawful things as are necessary to achieve the aims. *(This is a good catch-all phrase)*

5. MEMBERSHIP *(This is the second most important rule, after the AIMS. The organisation you are setting up belongs to and is controlled by all the members. You need to be sure that the people who are allowed to join are going to have the aims of the organisation at heart)*

a) Ordinary Members

Explain here who is entitled to be a member and how they become one. Obviously, these may be limited by geography (eg. live in the area of benefit), ethnic or cultural background, gender etc. **but** don't discriminate unnecessarily or unfairly. Membership may also be limited by subscription. If a subscription is required make a note of how and when the year's subscription is decided. **Don't** state the amount of money or you will need to change the constitution to change it!

All ordinary members should have full voting rights.

b) Special Members

Special categories of membership eg. Honorary, Associate, Group, Life, under 18 year olds etc. should be detailed. Be clear what, if any, voting rights these groups have.

c) Termination of Membership

You should also include a rule here which will let you throw out any member who has acted badly or against the interests of the organisation. Explain here who has the right to terminate membership and under what circumstances. You should give the member the right to state their case, either before membership is terminated or as an appeal afterwards.

6. MEETINGS OF THE ORGANISATION *(The members own the organisation. In small organisations the way they make decisions is to come together in a general meeting and vote on things in a proper way. In a large organisation they may decide to elect a management committee to run the organisation on a day to day basis, but general meetings are still necessary for the members to ensure that the organisation is going in the direction they wish)*

a) General Meetings

You should say:

- how many general meetings there **must** be in a year ie. the minimum number you should have, although you can of course have more. This will depend on how the organisation is run - organisations with management committees don't necessarily **need** more than one general meeting, the Annual General Meeting (A.G.M), each year.
- the minimum period of notification for meetings (usually 21 days).
- the quorum, that is the number of members who have to be present for the meeting to be valid. You should consider the quorum carefully, bearing in mind the total number of members and the number who are likely to turn up on a regular basis. It can be expressed either as a number of members or as a percentage of the membership or both.

b) A.G.M.

A.G.Ms are governed by the rules for general meetings. However, you should also include a list of the business which **has to** be carried out at the A.G.M eg. election of committee, receiving of annual report and accounts.

c) Special General Meetings

Sometimes an emergency happens, or the elected management committee has behaved badly. There should be a rule which sets out how to call a special meeting of the members. Regulations for calling a special general meeting should include who is entitled to call the meeting eg. the Chair alone, or acting upon the written request of ... members of the association; and under what circumstances and for what reasons.

N.B. - Only basic information on conduct of meetings need be in the constitution - details can be placed in separate ‘rules of conduct of meetings’, often referred to as *standing orders*.

7. THE MANAGEMENT COMMITTEE *(In larger organisations this is the committee elected at the ANNUAL GENERAL MEETING)*

a) Role

It's a good idea to state the role of the committee eg. “there shall be elected a management committee whose duty it shall be to carry out the general policy of the association and provide for the administration of the affairs, finances and property of the association”. The minimum number of meetings of the committee there must be should go in here and also any points where the committee must refer to membership by general meeting or postal ballot. This last provision can be used to limit the constitutional powers of the committee.

b) Composition

Put in here details about the number of people on the committee, how long they are elected for and what officers you are going to have (the minimum should be Chair and Treasurer, but a Secretary and Vice-Chair may also be useful). You should state how many people you can co-opt ie. those you ask to join the committee who haven't been elected, and say whether or not they will be full voting members of the committee (often they are) and whether other people can attend meetings as observers. People co-opted to fill casual vacancies ie. where an elected member has dropped out for whatever reason, are always full voting members.

c) Conduct

Include here: the quorum for the committee, voting procedures e.g. by ballot or show of hands, the power to exclude observers for parts of meeting, the power to set up sub-committees, the requirement to keep minutes. Again, you can place the finer details in a set of standing orders.

d) Sub-committees

If sub-committees are required give details of their composition and function and any other the general rules eg. must be chaired by an officer or a member of the management committee.