



Community & Voluntary Service

Mid and North Bedfordshire

How to Develop a Constitution

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 - this is called a constitution. A constitution also governs how an organisation's 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 also a requirement because of the activities they are undertaking. For example, a group that wishes to register as 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 well.

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 what the Charity Commission defines as charitable. They have 4 general headings:

1. The furtherance of education
2. The furtherance of religion
3. The relief of poverty
4. Anything else that is of benefit to a large proportion of the population.

It is important, however, to make sure that your objects give you flexibility for the future. Remember, if your constitution doesn't say you can do it, then you can't do it!

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 is made up of people who are interested in working together to achieve the aims of the group. To become a member a person has to sign a membership agreement and, if the group wishes, pay a membership fee. The following groups are excluded from membership if organisation wants to be a charity:

- People under 18 years old
- People who are bankrupt
- People who have an unspent conviction
- People who are unable to look after their own affairs

Management Committee

This committee has responsibility for the management of the group. It is up to the group how many members it has, although for most organisations the minimum (legally for charities) is 3. 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 the committee members don't benefit personally because of their position in the organisation.

Officers

A committee has officers who carry out its main jobs. There are usually at least 3:

- A *chair*, that ensures that meetings run smoothly and decisions are made
- A *secretary*, who informs everyone of meetings and ensures minutes are taken
- A *treasurer*, who oversees the money of the group and any payments it makes. The treasurer reports 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.

General Meetings

Every year the group will need to have an Annual General Meeting (AGM). The first one must be held within the first 15 months of the group setting up. The Annual General Meeting 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 to be held.

Finances

It is good practice to have a bank account with a minimum of 2 people who should sign the chequebook. These 2 people must not be related. It is also a good idea to have a pool of signatories who can sign cheques so that if one person is not available it is still possible for the group to get its cheques signed.

Changing your constitution

It is a very good idea to make provision in your new constitution to amend and change it later. Your group is likely to grow and develop over the years and to be unable to change or amend the constitution could become a significant problem. If you include a simple clause from the start, your constitution can grow and develop with the group. The amendment clause would usually allow amendments to be made with a 2/3-majority vote at a general meeting of all members.

Closing down the group

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

3: Further help

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Charity Commission - www.charity-commission.gov.uk

Reference Books:

- **Charitable Status – A Practical Handbook** – Andrew Philips – Directory of Social Change – www.dsc.org.uk - £12.95

CVS – Mid & North Beds has the aforementioned book in our reference library & this can be loaned to CVS members

See Other Related CVS – Mid & North Beds Information Sheets:

- **How to Become a Registered Charity**
- **How to Develop Your Charities Objects**
- **The Charities Act 2006**

This is one in a series of fact sheets produced by CVS – Mid & North Beds, on subjects of interest to voluntary and community groups. It is intended for guidance only and is not a comprehensive statement of the law.