

A Guide to setting up a not for profit organisation

1. Introduction

When starting up a new not for profit organisation there are a range of things that need to be considered :-

- **Need for the organisation** – This is about deciding what issue or problem the organisation will address through its work. Evidencing that the organisation is needed – for example, an organisation setting itself up to improve the health of residents in Heywood will need to have proof that the health of the residents does in fact need improving. This involves researching information and collating evidence.
- **Community of Benefit** - Will this be a community who share a locality or geographical location, an identity, culture or faith such as African or Muslim, or an experience such as homelessness.
- **Avoiding duplication** – This involves finding out whether there is already organisations doing this work in the area as duplicating what others are doing causes difficulties when it comes to trying to get support, funding or volunteers and cause the organisation to fail in the future.

Once all of these things have been considered and decided the next step is to start to setup the organisation which involves:-

- Developing Governance of the Organisation
- Developing Mission, Aims & Objectives
- Deciding upon a legal structure

2. Founding Members of the Organisation

Make a list of people or groups who might be interested in getting involved in the organisation. Advertise your intentions to start up a new not for profit organisation, by using posters or leaflets etc. in areas where this target group might go, for example a local community centre, doctor's surgery or school.

Invite the people who have expressed an interest in getting involved with your organisation to a meeting, inform them how you know there is a need for the organisation, what it will do and which community it will benefit. Then ask attendees if they would be interested in being involved as one of the founding members of the organisation's governing body.

The people setting up the not for profit organisation are the founding members of the organisation and it is their role to

- Create a clear shared vision for the organisation
- Develop organisational aims and objectives
- Decide upon a legal structure
- Develop a governing document
- Formulate strategic plan for the organisation
- Formulate organisational policies and procedures to ensure compliance with legislation

3. Creating vision, aims and objectives for the organisation

The creation of the organisations vision, aims and objectives are an important part of the planning process and enable the members of the governing body to collectively detail what the organisation plans to achieve in the future.

Vision – this is a statement of the desired future of the organisation the aspirations around which to focus the organisations attention and energies

Mission – this is the overall purpose of the organisation – why it exists, what it expects to change for the community it will serve

Aims – this is a breakdown of the mission into smaller parts, for example if the mission is to improve the quality of life for vulnerable adults within the Borough of Rochdale the aims would be things like to improve physical health, to improve mental health, to reduce social isolation etc

Objectives – this is a broad description of planned activities for example to provide group exercise activities, to provide group talking therapies, to provide a healthy cook and eat classes, to deliver a volunteer befriending service etc

4. Deciding upon a legal structure

There are 6 main structures of not for profit organisations:

- Unincorporated Association
- Trust
- Company Limited by Guarantee
- Community Interest Company (CIC)
- Industrial & Provident Societies/Co-operatives
- Community Incorporated Organisation (CIO)

4.1 Unincorporated Association

Unlike other legal structures which generally require legal recognition before they come into existence, an unincorporated association exists as soon as; a group of people come together, form some sort of membership to do something for a common purpose which is not for profit, and are governed by rules which lay out criteria for membership, what the group is doing and how they are doing it. The main advantage of the unincorporated association is that it is uncomplicated and flexible; it can be setup and wound up quickly, easily and cheaply without involving legal advisors.

An Unincorporated Association has no legal identity of its own, the law only recognises the individuals who make up the organisation (its members and governing body), which creates a number of disadvantages:-

- It cannot enter into legal agreements, contract or take legal action in its own name. This means that if it rents a telephone or orders goods or services from a supplier, those contracts are entered into by the individuals who sign the contract personally.
- Personal liability of individual members of the governing body
The overwhelming disadvantage of being an unincorporated association is the members of the governing body can be held personally liable for the organisations debts or other claims against it. This means that if it rents a telephone line, hires staff, opens a bank account or orders goods or services from a supplier, those contracts are entered into by the individuals who sign the contracts, therefore breaches of contract or liability for non payment for goods or services will be taken against the individual/s who signed documents starting the contract. Similarly if a person suffers loss or damage and wants to bring legal action against the organisation, the action will be brought against the individual members of the governing body.
- Receipt of gifts or grants
A gift of property, money or grant is given to an unincorporated association in effect creates a trust as the associations members are entrusted to us the property, money or grant for the purposes of the association. Also contracts for grants will be the liability of the individual/s signing it.

Which organisations use this type of structure?

It may be appropriate to choose an unincorporated association where some or all of the following apply:

- The organisations does not expect to enter into contracts (own property, employ staff or rent a telephone etc)
- The organisation does not expect to receive donations or apply for grants
- The organisation only wants to be a member organisation

4.2 Trust

A Trust comes into existence when money or property is given to a person to be used for the benefit of a particular community or to fulfil a charitable purpose. Individuals often set up personal or family charitable trusts as a tax effective way of donating to charities.

A Trust cannot be established without legal advice, and is only appropriate for organisations with substantial assets which can be used for the benefit of a community or to fulfil a charitable purpose. The majority of Trusts are grant making bodies.

4.3 Company Limited by Guarantee

A Company Limited by Guarantee is a legal entity which is separate from its members and directors, this means that it can own land and enter into contracts in its own right. This means that the law considers it to be a person, in the same way as an individual and can enter into agreements (including buying properties). A Company Limited by Guarantee is a membership organisation whose members promise (guarantee) to contribute a sum, usually between £1 and £10, if the organisation becomes insolvent and is wound up. This means the members' liability is limited to the amount that they each agree to contribute to the company's assets if it is wound up.

The main advantages of a Company Limited by Guarantee are as follows:

- Limited Liability – contracts are entered into as a legal entity therefore it almost always give limited liability to its members. If the organisation cannot afford to pay its debts is goes into insolvent liquidation and its members are protected from any personal liability for the organisations debts
- Permanence – there is no need to transfer contracts, leases or other legal agreements to new signatories when a member leaves. Also the organisation continues to exist even when members cease to meet until it is formally dissolved

The main disadvantages of a Company Limited by Guarantee are as follows:-

- Cost – the setting up will incur costs for legal advice and incorporation fee, and there is an annual filing fee and an audit will be required
- External Accountability – Accountability to members, funders and the general public through Companies House
- Legislative Requirements – Required to adhere to Company Law, for example failure to comply with legislation could incur fines
- Regulatory Requirements - The governing body need to adhere to detailed company regulations concerning their annual accounts

Which organisations use this type of structure?

It may be appropriate to establish a Company Limited by Guarantee where some or all of the following apply:

- the organisation is to be quite large;
- it will have employees;
- it will deliver services under contractual agreements;
- it will regularly enter into commercial contracts; and
- it will be a substantial owner of freehold or leasehold land or other property.

It is advisable when setting up a Company Limited by Guarantee to seek advice as this type of organisation is subject to Company Law and is regulated by Companies House.

4.4 Community Interest Company

A Community Interest Company (CIC) is a type of Limited Company, with special additional features created for the use of people who want to conduct business of other activity for community benefit rather than private advantage. A CIC is essentially a business with social objectives that trades and whose surpluses are principally re-invested (a Social Enterprise). The difference between a Community Interest Company (CIC) and a Company Limited by Guarantee is that a CIC has a statutory 'asset lock' to prevent the assets and profits being distributed, except as permitted by legislation. This ensures the assets and profits are retained within the Community Interest Company for community purposes, or transferred to another asset-locked organisation, such as another Community Interest Company or Charity.

The main advantage of a Community Interest Company

- relatively easy to setup
- limited liability
- flexibility to pay directors for the delivery of services
- flexibility to trade

The main disadvantage of a Community Interest Company

- cannot register as a Charity or an Industrial & Provident Society so are unable to benefit from tax benefits
- Can be undemocratic
- Is regulated by Companies House and by the CIC regulator
- More expensive than a company as additional fees are paid to the CIC regulator

Which organisations use this type of structure?

- it will have employees;
- it will trade and deliver services under contractual agreements;
- it will regularly enter into commercial contracts
- it will be a the owner of freehold or leasehold land or other property
- It will trade through the selling of goods and services it provides
- It will need to pay its directors

It is advisable when setting up a Community Interest Company to seek advice as this type of organisation is subject to Company Law and is regulated by the CIC regulator.

4.5 Industrial & Provident Society/Co-operative

The industrial and provident structure is only available to genuine co-operative societies wishing to trade or deliver services under contract.

A genuine co-operative has the following features:-

- Carries out a business or trade for the mutual benefit of its members
- Is democratically run by its members, with each member having one vote at general meetings
- Has rules (the governing document) which reflect the principles agreed in the 1966 International Co-operative Alliance Commission and Co-operative principles.

The main advantages of an Industrial and Provident Society are as follows:-

- Limited liability – this means the personal liability of society members is limited to the amount of their unpaid share capital
- Corporate body status – this means it has a legal identity
- The legislative requirements are less detailed than for companies and the risk of non compliance is low

The main disadvantages of an Industrial and Provident Society are as follows:-

- The registration process is slower and more expensive than companies
- There may be difficulties convincing Inland Revenue and Funders that a charitable Industrial and Provident Society is a charity as it will not be registered with the Charity Commission.

Which organisations use this type of structure?

- The organisation will charge for all or some of the services it provides
- It wants to avoid the detailed requirements of Company Law
- It will not be affected by not having a charity registration number

4.6 Charitable Incorporated Organisation (CIO)

In December 2012 The Charity Commission introduced Charitable Incorporated Organisations . Charitable status was previously completely separate from the organisations legal identity, regardless of whether an organisation is an Unincorporated Association, Trust, Company Limited by Guarantee or Industrial and Provident Society. It was not possible to be a charity on its own without also having another legal status.

In England and Wales a not for profit organisation, needs to register as a charity if:

- Its aims are wholly and exclusively for a charitable purpose
- It provides public benefit
- And its income is over £5000

Aims that are wholly and exclusively are for a charitable purpose are defined as follows:-

- the prevention or relief of poverty
- the advancement of education
- the advancement of religion
- the advancement of health or the saving of lives
- the advancement of citizenship or community development
- the advancement of the arts, culture, heritage or science
- the advancement of amateur sport
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity
- the advancement of environmental protection or improvement
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- the advancement of animal welfare
- the promotion of the efficiency of the armed forces of the Crown; or the efficiency of the police, fire and rescue services or ambulance services, and;
- any other purposes charitable in law

A Charitable Incorporated Organisation is a new legal structure for a charity. Currently, an organisation which wishes to limit its liability will have to incorporate (register with Companies House) and then apply for Charity Registration. This means that the organisation would be accountable to two different regulators for two different sets of regulations (namely Company Law and Charity Law). CIO's simplifies this process and replaces it with one regulator, namely the Charity Commission.

The main advantages of a Charitable Incorporated Organisation are:-

- Provides charities with limited liability and some of the other benefits of being a company without the associated burdens or accounting to two different regulators
- Only registered with the Charity Commission, which is free.
- Changes to the governing document are simple and do not cost
- Exemption from income tax or corporation tax on surplus and capital gains tax from the sale of assets
- Council Tax Relief
- Right to reclaim tax paid by donors
- Eligible for zero VAT rate on some goods and services purchased
- Many funding bodies choose (or are only allowed) to fund charities
- Good for the public image which may assist with

The main disadvantages of a Charitable Incorporated Organisation are related to the complexities of Charity Law as follows:-

- Charity's assets can only be used for its objects and within its powers as set out in the governing document
- Members of the governing body cannot profit or benefit from the organisation
- Limits on trading
- Open to public scrutiny
- Must prepare Annual Accounts and Annual Reports

5. Developing a Governing Document

Once the legal structure of the organisation is agreed, the first task of the governing body is to write a governing document and officially adopt it. A governing document is an organisation's central document and it sets out its purpose, its powers and rules by which it operates. The type of the governing document depends upon the legal structure of the organisation:-

Legal Structure	Governing Document
Unincorporated Association	Constitution or rules
Trust	Trust Deed or Declaration of Trust
Company Limited by Guarantee	Memorandum & Articles of Association
Charitable Incorporated Organisation	Constitution

A governing document is a type of legal contract which sets out:

- The mutual rights and obligations of members and the organisation
- The rights and obligations of the members in relation to each other
- The powers and rights of the governing body

A governing document should also have the following contained within it:

Name of the organisation

This should be chosen by the original founding members.

Organisational Purpose /Charitable Objects (including details of the beneficiaries of the organisation)

The objects set out what the organisation was established to do – if the organisation wants to register as a Charitable Incorporated Organisation then the objects need to fit with the Charity Commission's definition of charitable objects. If the organisation is going to benefit a particular community or a particular geographical area rather than the public as a whole, this needs to be made clear in the objects clause.

Powers

The governing body will need some powers which they can use to help them carry out the objects of the organisation. This covers what the organisation can do in pursuit of its objects and includes things like Fundraising, Hiring equipment/premises and Employing Staff.

For Example, if the objects of an organisation are to care for elderly sick people, the governing body might need to raise funds from the public towards the cost of purchasing and equipping a property for use as a nursing home. Later the governing body might wish to sell that property and purchase another one; or they may need to borrow money to cover the costs of improvements. In order to allow them to do this, the governing document must include powers which allow it.

Appointing a Governing Body

For the majority of not for profit organisations the governing body is appointed by the membership of the organisation at an Annual General Meeting (AGM). Normally the founding members of the organisation act as the first governing body until the Annual General Meeting, which usually takes place 12 months after the organisation was established or registered with the regulatory body (Charity Commission, Companies House, Community Interest Company Regulator or Industrial and Provident Society).

Number of members needed on the governing body

The governing document needs to say how many members of the governing body there will be. The legal minimum is three, however many not for profit organisations have between 3 and 9. For Community Centre's or Village Halls it may be necessary for considerably more than 9 members, so that all local groups which use the centre have the opportunity to appoint members of its own governing body to the organisation.

How will members be appointed to the governing body?

The governing document also needs to state how the organisation will appoint its governing body and how long people will hold office – appointments from 1 to 5 years is normal. In order to ensure continuity of the administration of the organisation it is useful; for the governing document to provide for the members of the governing body to step down in stages as this avoids a situation whereby all members of the governing body step down at the same time. Usually members of the governing body step down in thirds. It is also useful to ensure that there is provision which allows for members of the governing body to be re-appointed as this enables valuable experience, knowledge and continuity to be retained. However it is important not to overlook the opportunity to bring in fresh ideas and skills.

Meetings and proceedings of the Trustees

The governing body will find it hard to run the organisation efficiently unless the governing document provides at least a basic administrative framework. The Charity Commission recommend that the governing document should state the following:

- The minimum number meetings of the governing body this should be no less than twice a year
- How emergency or special meetings are called
- How meetings are to be arranged
- How a members of the governing body are appointed (AGM, Postal Ballot, By existing directors)
- Voting rules
- The number of members of the governing body needed to be present in order to ensure that decisions are valid

Membership

Unincorporated Associations, Registered Charities, Companies Ltd by Guarantee, and Industrial and Provident Societies must have a membership. The governing document must set out who can and cannot be a member. For example the membership of an organisation may consist of interested individuals only, or it may consist of interested individuals and organisations. The governing document should also set out;

- Whether any membership subscription is payable
- How people apply for membership and the criteria for acceptance
- Whether members will have any voting rights
- How membership may be terminated (it is good practise that membership of an organisation is only terminated for good and sufficient reason, and that the individual or organisation concerned has had the right to be heard before the final decision is made)

Annual General Meeting

For accountability and involvement of members it is good practice to have an Annual General Meeting (AGM) of the members and governing body. It is not a legal requirement so does not have to be contained within a governing document. However organisations wishing to do this should include:

- The manner and period of notice to be given to members prior to the meeting, the time and place of the meeting
- General nature of the business of the meeting
- Minimum number of members required to be present (quorum – this is normally 1/10th of the membership)
- Arrangements of taking of minutes and voting

Accounts

Governing bodies of not for profit organisations must comply with the accounting regulations relating to its legal structure/identity. It is recommended that governing documents contain reference to the following:

- Keeping of accounting records
- The preparation of annual statements of account
- Preparation of annual report and sending it out
- Preparation of annual returns and submission to the Charity Commission and/or Companies House

Bank Accounts

It is important that the governing document specifically states that the assets are to be held in the name of the organisation (i.e. bank accounts must be held in the name of the organisation, and not one or more of the individual members of the governing body). The Charity Commission also recommend that the number of signatories for cheques is clearly stated.

Governing Body Membership & Personal Interest

Charitable Incorporated organisations and those registered with the Charity Commission (as Companies Limited by Guarantee or unincorporated associations) must include a clear statement about the fact that members of the governing body will not benefit from their involvement with the organisation.

No members of a governing body may:

- Receive benefit in money or in kind from the organisation
- Have a financial interest in the supply of goods or services to the organisation
- Acquire or hold any interest in property (except in order to hold it as a trustee)

Power or amendment and power of dissolution

The governing document needs to include a clear statement about amendments to the governing document and about the dissolution of the organisation.

CVS Rochdale has copies of model governing documents which are suitable for all legal structures.

6. Developing the Governing Body

The governing body of a not for profit organisation is a group of people who are the founding members of the organisation, or who are elected by the organisation's membership.

What is the role of the Governing Body?

The role of the governing body is to provide leadership, strategic direction and ensure that the organisation is effectively and properly run. It is distinct from day to day management and operations delegated to paid staff and volunteers.

What is the responsibility of the governing body?

Every member of the governing body of a not for profit organisation regardless of the organisation's legal status, have a collective responsibility to ensure that:

- The organisation complies with its governing document, charity law, company law and any other relevant legislation or regulation (i.e. anti discriminatory legislation)
- The organisation pursues its objects as defined in its governing document
- The organisation uses its resources exclusively in the pursuit of its objects – the organisation must not spend money on activities which are not included in its objects
- They contribute actively to the meetings of the governing body, and set the strategic direction of the organisation, set overall policy, define goals and set targets and evaluate the performance of the organisation against its agreed targets
- The good name and values of the organisation are safeguarded
- The organisation is effectively and efficiently administered
- The organisation is financially stable
- The organisations property is protected and managed, and that the organisations funds are properly invested
- If the organisation employs staff, to appoint the chief executive officer and monitor his/her performance

An effective governing body will provide good governance and leadership by

- Understanding their role
- Ensuring delivery of organisational purpose
- Working effectively both as a team and individuals
- Exercising effective controls
- Behaving with integrity
- Being open and accountable

Honorary officers

Governing bodies will need some of its members to take on a special role to help it function effectively. These roles are known as honorary officers and generally include Chairperson, Treasurer and Secretary as a minimum. However some organisations have different roles such as Vice Chairperson, Vice Secretary, Membership Officer, Press Officer etc.

Unless the governing body has explicitly delegated decision making powers, the honorary officers should act only in an advisory capacity and should report their activities to the governing body regularly.

Roles & Responsibilities of the Chairperson

Chairing is a key role on any governing body and requires diplomatic and leadership skills. The chairperson must ensure that the governing body functions properly, that there is full participation during meetings, that all relevant matters are discussed and that effective decisions are made and carried out.

The role of the Chairperson is time consuming with work between meetings, external representation of the organisation and where the organisation employs staff working with them.

The responsibilities of a chairperson can be summarised under the following 3 areas:

- **Ensuring the governing body functions properly**

The chairperson is responsible for making sure that each meeting is planned effectively, conducted according to the governing document and that matters are dealt with in an orderly, efficient manner.

The chairperson must make the most of other members of the governing body and offer leadership which involves regularly reviewing the performance of the governing body and identifying and managing the process of ensuring the relevant skills, experience, knowledge and expertise are available within the governing body. This includes leading on the process for renewal of governing body members through recruitment, selection etc.

- **Ensuring the governing body makes sure the organisation is managed effectively**

The chairpersons role is co-ordinate members of the governing body to ensure that appropriate policies and procedures are in place for the effective management of the organisation.

- **Representing the organisation as a figurehead**

The chairperson is required to represent the organisation as a figurehead and be it's spokesperson at functions or meetings.

Where staff are employed:

- Liaising with the chief executive to keep an overview of the organisations affairs and provide support as appropriate
- Leading the process of appraising the performance of the chief executive
- Sitting on appointment and disciplinary panels

Roles & Responsibilities of the Treasurer

The treasurer acts as a watchdog over all aspects of financial management working closely with the governing body to safeguard the organisations finances. Although the treasurers role is to ensure that these responsibilities are met, much of the work may be delegated to a finance sub group, paid staff or volunteers. Each governing body will develop its own way of doing things, and the way in which work is shared out can also depend on the skills, interests or amount of time that a person has to offer. The treasurer role is meant to act as an information reference point rather than doing all the work themselves as it is not good practise for all tasks associated with the finance of an organisation to be performed by one person without supervision from others (whether this is staff, volunteer or member of the governing body). For this reason, it is good practice for both small and large organisations to setup a finance subcommittee to manage and monitor finances. Even if the treasurer and finance subcommittee carry out much of the work, final responsibility for the organisation's finances rest with the governing body as a whole. All members are accountable.

Responsibilities of a treasurer can be summarised within the following areas

- General Financial Oversight
- Funding, Fundraising and Income generation/sales
- Financial Planning & Budgeting
- Financial reporting

General Financial Oversight

- Overseeing and presenting budgets, accounts and financial statements to the governing body
- Liaise with designated staff, volunteers or sub group of the governing body about financial matters
- Ensure that the governing body has ensured that appropriate financial systems and controls in place and that record keeping and annual account meet the conditions of funding bodies and regulatory bodies
- Ensure that the governing body is making sure the organisation complies with relevant legislation

Funding, Fundraising and Income Generation

- Advise the governing body and support them to develop an organisational funding and income generation strategy
- Ensure that the governing body make sure the use of funds comply with conditions set by funding bodies or commissioners
- Ensure that the governing body make sure that fundraising and income generation complies with relevant legislation
- Ensure that the governing body make sure there is effective monitoring and reporting

Financial Planning and Budgeting

- Prepare and present budgets for new or ongoing work for approval by the governing body
- Advise on financial implications of strategic and operational plans
- Present revised financial forecast based on actual spend

Financial Reporting

- Present regular reports on the organisation's financial position
- Prepare accounts for audit and liaising with the auditor as required
- Present accounts at the AGM if applicable
- Advice on the organisations' reserves and investment policy

Banking, book keeping and record-keeping

- Manage the organisations bank accounts on behalf of the governing body
- Ensure that the governing body have set and implemented appropriate systems for book keeping
- Ensure that the governing body make sure that everyone handling money on behalf of the organisation keeps appropriate records and documentation

Control of fixed assets and stock

- Ensure that the governing body make sure that proper records are kept and ensure adequate insurance is in place

The overall role of a treasurer is to maintain an overview of the organisations affairs, ensure its financial liability and ensure that proper financial records and procedures are maintained.

Roles & Responsibilities of the Secretary

The role of the Secretary is to support the chairperson in ensuring the smooth functioning of the governing body by:-

- Ensuring meetings are effectively organised and minuted
- Maintaining effective records and administration
- Upholding the legal requirements of governing documents
- Communication and correspondence

It is important to note that although the role of the secretary is to ensure that these responsibilities are met, much of the work may be delegated to paid staff or volunteers.

The secretary often acts as a point of information for the Chairperson and other members of the governing body, clarifying best practice and decisions, confirming legal requirements and retrieving relevant documentation.

The main responsibilities of the Secretary are as follows:-

Ensuring meetings are effectively organised and minuted

- Liaising with the chairperson to plan meetings
- Receiving agenda items for members of the governing body
- Circulating agenda's, minutes and reports
- Taking minutes
- Checking that agreed actions are carried out

Maintaining effective records and administration

- Keeping up to date contact details for the members of the governing body
- Filing minutes and reports

Where there are no staff or volunteers to delegate to the following also apply

- Keeping up to date contact details for members of the organisation
- Compiling lists of names and addresses that are useful to the organisation
- Keeping a record of the organisation's activities
- Keeping a diary of the organisation's activities

Upholding legal requirements

- Acting as custodian of the organisation's governing document
- Checking quorum is present at the meetings
- Ensuring the governing body make sure selection/election of new members to the governing body are in line with stipulated procedures
- Ensuring that the governing body make sure the organisations activities are in line with its objectives
- Sitting on appraisal, recruitment and disciplinary panels as required

Communication and Correspondence

- Responding to all governance correspondence
- Filing all governance correspondence received and copies or replies sent
- Where there are no paid staff, keeping a record of any of the organisations publications and reporting the activities of the organisation and future programmes to members, the press and the public (unless there is an information or publicity officer)

Company Secretary

Since April 2008 Private Companies are no longer required to have a Company Secretary so it is important that if you do not wish to appoint one that the Articles of Association reflect this. If your organisations does wish to appoint a Company Secretary their role is different from that of an honorary secretary. A Company Secretary is the chief administrative officer of the company, responsible along with the Board of Directors for certain tasks under the Companies Act :-

- Filing Annual Returns
- Establishment and maintenance of the company's registered office as the address for any formal communications
- Ensuring the companies stationary carries its name, registered number, country of registration and registered address
- Company's statutory books and records – register of present and past directors and secretaries, minutes of general meetings and board meetings
- Keep legal documents including Certificate of Incorporation, recording the formation of the company and The Memorandum & Articles of Association.
- Taking responsibility for other legal matters – advising the directors on their duties, ensuring that they comply with company legislation such as data protection, equality legislation, health & safety
- Act as a signatory on behalf of the board to sign leases, bank accounts and statutory documents
- Arranging insurance
- Involvement in negotiations with outside advisers, including accountants and lawyers

7. Incorporation

Incorporation is the forming of the organisation as a legal entity:-

Type of legal entity	Regulatory Body	Website Address
Charitable Incorporated Organisation	Charity Commission	www.charity-commission.gov.uk
Company Limited By Guarantee	Companies House	www.companieshouse.gov.uk
Community Interest Company	Companies House and CIC regulator	www.companieshouse.gov.uk www.cicregulator.gov.uk
Industrial & Provident Society	Financial Services Authority	www.fsa.gov.uk

Most incorporation can be done online.

8. Opening a Bank Account

Once you have a group set up you will need to open a bank account. The account should be opened in the name of the group and should have 2 signatories for all cheques. It is often a good idea for groups to have 3 or 4 signatories on an account of whom any 2 can sign cheques to cover when committee members are on holiday or unable to sign cheques for the group.



For Further Governance Advice, Information and Support contact CVS Rochdale :

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