

How to start a community organisation

Many people start voluntary organisations because they want to help their local community by providing a service or project. Starting a community organisation is a great way of enabling social action in your local community, and also helps to bind communities together with a common aim.

However, there are a number of legal and practical steps required to establish an organisation and these can be complex and confusing.

This toolkit will provide some basic information and advice to guide you through the process. It is by no means exhaustive, and further help is always available through Support Cambridgeshire by contacting: info@supportcambridgeshire.org.uk

The toolkit will be of most use if you are in the planning stages of, or have recently started a voluntary organisation. However it is designed for voluntary organisations of all sizes.

What if I need to find out more?

This toolkit is intended as a guide only.

Throughout this toolkit we advise you to seek further advice on particular issues. A list of key contacts is provided at the rear of this toolkit, but Support Cambridgeshire and the partners that

work within the programme are always on hand to help and assist.

Always contact Support Cambridgeshire in the first instance.

How do I use this toolkit?

The Toolkit is divided into a number of distinct stages: Each stage has a section of questions that need to be thought about and answered. There are also some helpful hints and tips.

Stage 1: What sort of group?

You probably know at this point that you want to set up something like a charity or voluntary organisation to help the community or another group of people. The first question you must then ask yourself is:

What is a voluntary organisation and are we one?

Voluntary organisations have a number of common threads which help identify them.

These include:

- **Organised:** The organisation needs to have some form of structure, either formal or informal. You may have a Governing Document, or a set of rules that you adhere to. If your rules are unwritten, you need to think about formalising them sooner rather than later.
- **Private and self-governing:** The organisation is independent from any other, with its own internal procedures for deciding matters. This does not mean that voluntary organisations

cannot be helped by other organisations, such as your local Council for Voluntary Services or programmes like Support Cambridgeshire.

- **Not-for-profit** This is a misleading term. Voluntary organisations can make profits but these are simply called a surplus. The surplus must be ploughed back into the work of the group, and not given to members or directors.
- **Voluntary** The organisation involves some meaningful voluntary activity in its actual activities or in the management of the organisation. This does not mean that all the income of an organisation must come from voluntary contributions, or that everyone that works for it must be a volunteer. The minimum level of voluntary activity is that the management committee or trustee board, who have a legal responsibility to put the organisation's interest ahead of their own, must all be volunteers.

What is the general aim of the group?

You need to think about the overall aim of your group or community organisation. This could be:

- providing a service to others
- providing a self- help group
- delivering a club
- campaigning on issues of local concern
- providing a service to the community, or
- something specific not covered by the above suggestions.

Stage 2: start planning

Your organisation needs an aim and a group of people to run the organisation. It also needs a set of rules and a set of objectives.

Think about the aim of the organisation?

The group needs a purpose or aim. Your aim should describe the people that you want to help and what you hope will change as a result of your group existing. It should be possible to achieve, but also broad enough to deliver every item that the group wants to.

All the members setting up the organisation need to discuss and agree the aim. If you cannot do this, you should not move forward.

Think about who will benefit?

Your organisation will probably be set up to support a group of people in need. In order to make your service effective, you need to know about these people. How many are there? What problems are they facing? Where do they live? What different types of people are in the group (men, women or children).

You also need to think about where you will provide services, and what are the challenges in so doing?

You may need to research the target group, and talk to members from it, before deciding what services to offer.

It is very important when looking for funding that you are able to prove that there is a need for the work, and that it can truly benefit people (often known as beneficiaries).

Think about the evidence you will need?

Example Sources of Evidence could include:

- questionnaires asking people's opinions.
- written and spoken statements from users and community members on what services they need.

- numbers and types of people using the service, and
- information from census records and local councils.

Think about what will change?

Now consider what will change in the lives of your beneficiaries as a result of the organisation you plan to establish. Putting together your description of the beneficiaries and the change you want to achieve will give you your aim.

Do not just list the activities you plan to undertake. Think what it is that will be different as a result of the activities you pursue.

Example If you want the organisation to provide advice on welfare services to members of your community who are normally unable to access to such information your aim might be:

“To ensure every community member has access to the information and advice they need to receive their full welfare entitlements.”

Stage 3: Who is running your organisation?

It is really important to think about who will be running your organisation. This is usually a volunteer led Trustee Board or Management Committee. Any member of the public can volunteer as a trustee or a committee member but they will need to possess certain skills and attributes: Thinking about what you need from your Trustees or Committee is an excellent starting point. Possible skills and experience might include:

- financial and or budget management abilities
- legal or HR related skills
- project management
- community development
- organisational management
- logistics, and
- accountancy.

You can advertise for trustees and committee members – but such volunteers may be available within your local community – so always look there first.

Support Cambridgeshire has a designated website, www.supportcambridgeshire.org.uk which can be used to advertise for volunteer vacancies.

You can also advertise locally through retail outlets, or your local paper may be prepared to place an advert for little or no charge, if you explain your community credentials.

Stage 4: What are your group's objectives for year one?

Your objectives are actions you plan to achieve within a specific time period: In this case, the first year or Year 1. All the objectives should lead to achieving the overall aim you have set for the organisation.

There are two different types of objectives. Firstly, what you need to achieve to run your service (service objectives). A service objective might be ‘to run a seminar on employment challenges within the community for 30 people in July’.

Secondly, what you need to achieve to run the organisation (organisational objectives). For example, to have a constitution agreed by all members by April.

Service objectives: You need to think about your activities and ask the following questions.

- How often will your activities be run – e.g. daily, once a week, twice a month etc?
- When will they be run – what time is most convenient for those you are trying to help?

- Where will they be run – do you need premises? – acquiring them is an objective in itself.
- How many people will use the service – e.g. 30 people attend each session, 300 people attend over twelve months, receive 400 calls to the helpline.
- When will you start the service and how long will it run?
- Who will run the service?
- What will change as a result of the service?

Organisational objectives: you need to think about what the organisation needs in order to work smoothly and effectively. Providing a time line for this will help: Items could include agreeing the:

- overarching aim
- constitution
- budget
- plan for attracting further funding, and
- plan on how to attract the right type of trustee or committee member.

Stage 5: Who is running your service?

You will need to think about whether your service or project can be run by paid staff, volunteers, or a mixture of both. You might want to think about:

- a budget for paid staff.
- what type of volunteers you need?
- what will be your recruitment and selection process?
- how will you supervise staff or volunteers and appraise their performance?
- if you have recruited staff or volunteers working with children have you run background checks on them through the DBS system? These checks are compulsory for people working with children and vulnerable adults.

- how will you provide staff or volunteer development and training? Your staff and volunteers will need support to undertake their work, and will want to develop their own skills in order to improve. All training has costs associated with it both in terms of finances and the time involved.

Hints and tips

Being a voluntary or community group does not excuse you from being a good employer. Failing to act properly is costly in time, money and emotion. Always seek advice about the legal and financial implications of recruiting staff.

To employ staff you will need a:

- contract of employment
- budget for PAYE and National Insurance
- process for supervision
- grievance and disciplinary procedure
- plan for paying any extra costs associated with sick and maternity, paternity or adoption leave, and
- plan for paying any costs related to redundancy.

Stage 6: Structure your organisation

The structure of your organisation is very important. Voluntary organisations need a structure to receive funding, and each type of structure carries with it certain legal responsibilities and implications.

Will your organisation be charitable?

- Charities are for public benefit (whereas clubs are for the members benefit) and are not-for-profit organisations.
- The people in overall charge of charities (the

management committee or trustee board) cannot be paid.

- Charities cannot carry out any political activity.
- It helps with some funders if you are a registered charity .

If your organisation is charitable, it needs to register with the Charity Commission.

Do you want to set up an association, trust, or limited company?

These are the three most common structures for voluntary organisations. All three types of organisation can be charities (a charitable association, a charitable trust or a charitable company).

Associations and trusts

- Associations and trusts are groups of individuals
- All members are equally liable in the event of the group falling into debt
- If the group enters into a contract, individual committee members need to sign the contract on behalf of the organisation
- Associations have general meetings of members each year, where the management committee is elected
- Associations are very simple to establish
- Trusts do not have members or elections: The people who establish the organisation continue to run it until they appoint successors and retire.

Companies

- Companies have 'legal personalities' and can enter into contracts in their own name.
- Companies have limited liability. This means if the company ends up in debt, then the individual members only have to pay a limited

sum (usually £1).

- Companies have to be registered with Companies House.

Information on Charitable Objects

The Charity Commission states that if you meet at least 1 of the 4 charitable heads listed below, you need to register as a charity.

They are very broad in scope and many different activities can be carried out under them. They are:

- advancement of religion
- advancement of education
- relief of financial hardship, and
- certain other purposes for the benefit of the community.

In your charitable objectives you should also be very clear about who the beneficiaries your charity is seeking to help and assist. Remember: Your charitable objectives are important because they are the legal boundaries on what activities your group can deliver. If the trustees of the charity do not respect these boundaries they could find themselves personally liable both to the courts, and financially to the charity and funders for any money misspent, no matter how worthwhile the cause.

To avoid these problems always get advice before writing your charitable objectives.

Hints and tips

Many funders require your group to be a registered charity before accepting applications for funding. However the minimum requirement for charity registration is to have £1,000 income a year, or to show you expect to receive that amount.

For this reason many funders have established small grant schemes that give a few thousand pounds to successful applicants to help

them start their group, without having to be a registered charity. It is therefore worth finding out about these small grants in your area and using them as your initial source of funding. Support Cambridgeshire can assist you with this process of finding small grants to pump – prime your activities: Simply contact info@supportcambridgeshire.org.uk.

Stage 7: Organisational objectives for year one

Together with the objectives for the service or project you wish to establish, you need objectives for setting and establishing the organisation. These will be broadly similar for all new groups, although there may be unique differences depending upon type and location.

You may need to think about the following.

- Obtaining a group of 3 to 6 people together to form the management committee or trustee board.
- Agreeing aims and objectives
- Agreeing constitution (for an association), memorandum and articles (for a company) or a trust deed (for a trust).
- Holding regular committee or board meetings, with agendas circulated in advance and written minutes of decisions circulated to all committee and trustee members.
- Setting up a bank account with at least two signatories who are members of the committee or trustee board (most local banks have community accounts)
- Agreeing financial procedures (how the organisation will record and account for money), and setting up cashbooks and petty cash books to record all income and expenditure.
- If you are a company, make sure you register with Companies House.

- If you have charitable aims, send the application with relevant documents to the Charity Commission.

Hint

Without achieving these organisational objectives your chances of securing funding and successfully delivering services to your beneficiaries are greatly reduced. Many of these objectives also have legal or financial implications that your management committee or trustees need to be aware of.

Stage 8: Develop a budget

Decide on your financial year. Most organisations keep the year 1 April – 31 March. When you produce annual accounts, they will cover all transactions in the financial year.

Decide roughly how much you will spend in the first year on different activities. Consider what your objectives are for year one. How much will it cost to meet these objectives? If you have planned to recruit staff, how much will you need to budget for their salaries and associated costs?

If you do not know, then research your ideas and always be accurate and realistic.

Stage 9: Think about funding

Before you can start running your service you need to know how much money you need and when it will arrive. Fundraising can take a great deal of time and effort so the people responsible need to have the free time and skills to spend on this task.

You might want to consider selling some of your services to raise money but always take advice on the tax implications of this.

You will need to think about:

- when you need the money by?

- how much money do you need?
 - who will research the information on funders?
 - who will write funding applications and letters?
 - decide how much money you need, and from which sources?
- Run your service or project and constantly review.

Where to go?

Support Cambridgeshire has a number of Development workers who have access to Grant Finder can help with finding the right type of funding suitable for your needs.

SupportCambridgeshire4 Communities: A self-help funding portal which can be found at www.idoxopen4community.co.uk/supportcambs

Local and central government have limited funds but it is worth checking with your local council.

Stage 10: Get started

Getting started is perhaps the most exciting phase in any new community organisation's journey because this will realise your ambitions.

Start to achieve the objectives you have set for your service and organisation.

To recap

- Agree an Aim.
- Research the need for the service, research the people who will use your service, and research other similar organisations.
- Get founder members to join your organisation.
- Agree a structure and a constitution for your organisation.
- Plan your service.
- Set a budget.
- Open relevant and appropriate bank accounts.
- Open cash and petty cash books.
- Start applying for funding or fundraise.

Key contact organisations

Advice and Information on all aspects of running and managing a group:

Support Cambridgeshire

The Maple Centre
6 Oak Drive
Huntingdon
PE29 7HN

01480 420603

info@supportcambridgeshire.org.uk

www.supportcambridgeshire.org.uk

Hunts Forum of Voluntary Organisations

The Maple Centre
6 Oak Drive
Huntingdon
PE29 7HN

01480 420601

trisha@huntsforum.org.uk

Cambridge CVS

14-18 Arbury Court
Cambridge
CB4 2JQ

01223 464696

enquiries@cambridgecvvs.org.uk

Cambridgeshire ACRE

72 Market Street
Ely
CB7 4LS

01353 860850

enquiries@camsacre.org.uk

Advice and information on volunteering:

National Council for Voluntary Organisations (NCVO)

Society Building
8 All Saints Street
London
N1 9RL

020 7713 6161

ncvo@ncvo.org.uk

www.ncvo.org.uk

Advice and information on the legalities of your charity or organisation

The Charity Commission

PO Box 211
Bootle
L20 7YX

<http://forms.charitycommission.gov.uk/contact-us/general-enquiries/make-a-general-enquiry/>