



HOW?

Starting a new group

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Introduction

What is a voluntary organisation or community group?

This is the catch-all word most often used to describe a type of organisation with the following characteristics;

It is organised. That is there is some form of organisation to it, usually reflected through a document such as a constitution. However this organisation can also be demonstrated in other ways such as having regular meetings, officers, rules of procedure, or some degree of permanence. Ad hoc, informal, and temporary gatherings of people would not be considered voluntary organisations, although they are often the starting point for setting up an organisation.

Independent and Self-Governing. The organisation is independent from any other organisation and has its own internal procedures for **deciding** matters **without** having to consult other organisations or the statutory sector. These organisations may still receive significant support from other bodies (such as local government or health authorities), including officials of other organisations sit on their boards. However voluntary organisations at their heart are private organisations belonging to their members and run by representatives of the membership.

Non-profit-distributing. This prevents the organisation from returning any profits generated to their owners or directors. This is the origin of the idea of the Not-For-Profit, but in fact organisations can accumulate profits but those profits must be used to further the aims of the organisation, not distributed to the organisations' members or board of trustees.

Voluntary. The organisation involves some meaningful voluntary activity, either in the actual activities or in the management of the organisation. This does not mean that all or most of the income of an organisation must come from voluntary contributions, or that most of its staff must be volunteers. Legally the only people required to be volunteers are the trustees and this is sufficient to qualify an organisation as "voluntary."

The aim of this booklet

Because many voluntary organisations and community groups are started by groups of people interested primarily in providing a service, they are often unaware of the legal and practical steps needed to set up a successful organisation which can ensure those services do actually happen and benefit people.

This booklet aims to help those people. It is of most use to people who plan to set up, or have recently started, a voluntary organisation. It should also be relevant to all types of voluntary organisations, giving them a checklist to ensure that the basics are in place.

What if I need to find out more?

It would be impossible to put everything you need to know in one book that would then be easy to use or indeed carry! This is intended as a guide only, highlighting the major issues and points that need to be considered. At the end of the guide is a list of organisations, and people who can give you further advice and support, usually for free. You should feel free to call on them for help.

If your group works, or will be working, for the benefit of people in the High Peak, High Peak CVS can help your group develop. Contact us on 01663 735 350 or email hello@highpeakcvs.org.uk

Stage one: What sort of group

You have an idea for a voluntary organisation, or service / activity that you believe is needed which could be delivered by a voluntary organisation. First think:

What type of organisation is it?

- Providing a service for others without profit
- Self help group
- Club
- Campaigning on issues of concern
- Political organisation
- Business –profit making organisation

If it is any of the first four it fits into the definition of a voluntary and community group, and High Peak CVS team can help you develop your organisation. If it is one of the last two, we can signpost you to more relevant support.

Before you continue....

Stages two and three may seem quite daunting, and not all issues raised are relevant in all circumstances. If in doubt, please ask.

Stage two: Start planning

Your organisation needs an aim, a group of people to work with (members, clients or service users), a set of objectives or targets to meet, and people to run the service and organisation.

The aim of the organisation

The group needs a single purpose or aim. This should describe what you hope will change as a result of your group existing. It should be possible to achieve, but also broad enough to cover everything the group wants to do. For example, if you are a group working for disability access issues, your aim might be “to improve access to services and facilities for people with disabilities across the High Peak.”

All the members setting up the organisation need to discuss and agree the aim. Take time to make sure it covers what you want to do now and might want to develop in the future, and excludes activities you do not want.

Write down the aim of the organisation:

Who will benefit from your organisation?

Your organisation will probably be set up to support a specific group of people or with a shared interest. In order to make your service effective, you need to know a lot 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, children, working, unemployed, etc)? You need to research the potential client group, and talk to members from it, before deciding what services to offer.

Describe the group your organisation will benefit; *“disabled people in Whaley Bridge; parents of children with additional learning needs in High Peak; residents of X estate; those people interested in learning Y skill.”*

How many people (existing or potential) will there be in the group? *Try to give figures that are supported by evidence that either you have collected or you have obtained from another source. Even better give figures from both.*

How will you break down information about the group? *age, common interest / "community of interest", the town or village they live in, type of support needed?*

Describe how you will carry out further research on the groups who will benefit from your service. *For example will you ask users what they want, how will you record and measure the impact of your work, how will you know what you offer will still be needed in two years time. 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.*

This analysis is useful to help you assess the size and need for the service or group, the potential draw on resources and will help provide evidence to funders about the need. It can also help you in deciding what kind of structure the organisation will need.

What are your group's service objectives for year one?

Your objectives are actions you plan to achieve within a specific time period – in this case, the first year. 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 teenage pregnancy for 30 young people from our community 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*.

For now, just think about the service objectives.

Write down the objectives for your service.

**How often will your activities be run – daily, once a week, twice a month?
When will they be run?**

Who is running your organisation?

The people in charge of a voluntary organisation are often called a management committee, board, executive committee, trustees or governors. Whatever they are called, they are unpaid volunteers who have responsibility for the group. All share responsibility equally, but often three or four are given specific responsibilities – for example *the chair*, (guiding the organisation, chairing meetings) *the secretary* (arranging meetings) and *the treasurer* (administering money).

Write down who is currently involved, their position in the organisation (if they have one), and their relevant skills. At the end of this guide is a checklist of skills that are useful in running voluntary organisations.

What gaps in skills or knowledge are there, if any?

Write down whom you need to recruit in order to run the organisation efficiently, what skills they need and what jobs they will do

Who is running your service?

The people running the service may be different from the people managing the organisation. For example, an education project may need to recruit teachers to run the service. Given your objectives for the service you want to run, think about who you will need to recruit to offer the service. What skills will they need? Will they be volunteers or paid? Who will manage them?

- What qualification and experience will you look for?
- Will they be paid? If you are using volunteers you must be careful to only pay those expenses that volunteers actually spend.
- What will be your recruitment process be? How will you supervise staff/volunteers and appraise their performance?
- If you have people working with children or vulnerable adults have you considered running background checks (called disclosure) on them through the Criminal Records Bureau? These checks are considered “best practice” and compulsory for some types of organisations.
- How will you provide staff development and training? Your staff (paid or voluntary) will need support to carry out 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. A positive approach to training will also help boost staff morale and confidence.

Stage three: structure your organisation

Think about the structure and management of the organisation. There are a number of options for the structure – work through the questions below to help guide you.

Will your organisation be charitable?

- Charities are for the public benefit (whereas clubs are for the members benefit)
- The people who run charities 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, and send information, such as finances and details of trustees, to them each year

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

All three types of organisation can be charities. (Trusts *have* to be charities)

Associations / Trusts

- Associations and trusts are groups of individuals
- All members are equally liable in the event of the group getting into debt
- If the group enters into a contract (for example, to rent a building) 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 set up and dissolve
- Trusts do not have members or elections – the first people who set up the organisation continue to run it

Companies limited by guarantee

- Companies have 'legal personalities' they 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, and send financial information to them every year.

The choice for the structure of your organisation can be a difficult and complicated one – more information to help can be found in our **HOW?** Guide on the different status's available to voluntary and community groups

DECIDE Are you charitable or not?
Will you set up a trust, association, or company limited by guarantee?

Stage four: Organisational Objectives for year 1

Along with the objectives for the service you plan to run, you need objectives for setting up the organisation. These will be broadly similar for all new groups.

You need to set objectives for setting up the organisation. These should include:

- To get a group together to form the management committee of the new organisation, with the necessary skills
- To agree the organisation's aims and objectives
- To agree a constitution (for an association) or memorandum and articles (for a company)
- To hold regular committee meetings, with agendas circulated in advance and written minutes of decisions

An inaugural meeting can be used to confirm the points above.

- If you are a company, to register with Companies House, using forms 10, 12 and 30(5)a). (Call the help line on 0870 333 3636)
- If you have charitable aims, to send the application with relevant documents to the Charity Commission (Call the help line on 0870 333 0123)
- To set up a bank account with at least two signatories who are members of the committee (most local banks have community accounts)
- To agree financial procedures (how the organisation will record and account for money), and set up cash books and petty cash books to record all income and expenditure

Write down any other objectives for the organisation to be achieved in year one

Stage six: think about funding

First you need to know when you need money, and how much, to run the service as planned. Then decide who will do the fundraising in your organisation. Then you need to look at different ways of funding and research possible funders. You might want to consider charging for some of your service to raise money – but do take advice on this. Then you need to start carrying out whatever fundraising plan you have made.

When do you need the money by? How much do you need?

Who will research the information on funders?

Who will write funding applications and letters?

Decide how much money you will get from which sources. You do not need to raise funds from all the sources below.

Trusts

Lottery

Local government

Central government

Companies

Individuals

Members

Running events

Charging for services – this is an effective way of raising funds that can be spent on any part of the organisation. However you need to consider the effect this will have on those people you are seeking to help, who may not be able to afford the service.

Stage seven: get started

Use this document as a plan to help you organise the first year. Start to achieve the objectives you have set for your service and organisation. To recap

1. Agree an AIM
2. RESEARCH the need for the service, RESEARCH the people who will use your service, and RESEARCH other similar organisations. If necessary, revise the AIM to reflect the RESEARCH.
3. Get founder members to JOIN your organisation
4. Plan your SERVICE. Agree objectives and delivery
5. Agree a STRUCTURE, STATUS and CONSTITUTION for your organisation, then follow it
6. Set a BUDGET for your service and organisation
7. Open BANK ACCOUNTS
8. Open cash and petty cash BOOKS
9. Start FUNDRAISING
10. RUN YOUR SERVICE

Appendix 1: skills useful in running a voluntary organisation

The following is a list of skills that would be of use in running your organisation. This is not a comprehensive list, and you should not feel that your organisation is failing if you cannot meet them all. Instead look to see how you can train or recruit people with those skills, identify how crucial they are to your group and over what time period this development will happen. High Peak CVS offer a wide range of free training, and can also signpost you to other organisations that provide training or can help you recruit volunteers, such as the local volunteer bureaux. Remember the essential qualities for running any voluntary organisation are commitment and a willingness to contribute. With those two anything can be done.

Skills/Knowledge

Giving direction and planning

- Setting aims and objectives
- Devising a mission strategy
- Devising policy
- Strategic planning
- Equal Opportunities

Assessing Progress

- Monitoring progress
- Reviewing Work
- Appraisal
- Evaluation

Working in teams and committee skills

- Speaking
- Listening
- Taking Notes
- Reading and using written information
- Decision making
- Summarising
- Chairing meetings
- Setting agendas
- Taking minutes

Specialist Skills

- Legal
- Marketing
- Publishing
- Contracting

Knowledge of the organisation

- Its area of work
- Its beneficiaries

Finance and Resource Management

- Costing Projects
- Budgeting
- Understanding Management Accounts
- Monitoring cash flow
- Investing assets and excess cash
- Business planning
- Insurance
- Managing a building

Fundraising and Promotion

- Reading and filling in application forms
- Negotiating grants
- Finding new donors and supporters
- Organising fundraising activities and events
- Liasing with the media and getting publicity
- Dealing with local government
- Dealing with central Govt
- Lobbying and campaigning
- Promotion

Managing people

- Managing staff and being a good employer
- Managing volunteers
- Employment law and practice
- Motivating staff, volunteers, supporters and donors
- Recruiting staff
- Negotiating
- Discipline and grievance procedures

Appendix 2: Policies

Much like skills, there are a huge range of policies that could be considered essential. In fact there are too many for a group that is just starting up. One of your jobs as a committee is to decide which of these policies you need to have in place and which you will develop over time. It is better to focus on having the essential ones in place, than to have none at all or to rush through a number of policies that are inadequate and have not been understood by committee or staff.

For instance if you are not planning on employing staff for a while, then many of these policies will not apply to you. This list is meant as a checklist for new groups and the more established groups to measure their progress. High Peak CVS can help you write many of these and provide models for you to use.

Equal Opportunities policy that covers:

- Recruitment and selection of staff
- Recruitment and placing of volunteers
- Conditions of employment
- Recruitment of members
- Recruitment of Management Committee
- Promoting and Publicising the organisation
- Recruitment of users
- Provision of activities or services
- Dealing with racist, sexist or other personally abusive actions by staff, volunteers, users, members, committee members and visitors

Financial control policy that covers:

- Financial Decision Making- who makes which decisions
- Budgets- how they are drawn up, budgetary controls, how variances (expenditure or income above and below budget) are dealt with
- Expenditure- Who can authorise it
- Cheques- Who can sign
- Cash- Petty cash procedures need to be drawn up
- Record keeping and who has access to it
- Gifts and Payment of services

Personnel policies– *Many of these will be covered by using a model contract that can be obtained from High Peak CVS:*

- Recruitment and selection for employees, trainees and volunteers
- Induction programme
- Probationary period
- Pay
- Pension schemes

- ❑ Expenses procedures
- ❑ Timekeeping and hours of work
- ❑ Sickness
- ❑ Holidays and leave
- ❑ Maternity and paternity
- ❑ Compassionate or discretionary leave
- ❑ Arrangements for supervision and appraisal of staff
- ❑ Access to training
- ❑ Disciplinary procedures
- ❑ Grievance procedures
- ❑ Retirement and redundancy procedures
- ❑ Confidentiality of information and data protection
- ❑ Relationship between management committee, managers and union
- ❑ Background checks on teachers and those working with children

Premises Management policy that covers:

- ❑ How premises can be used and who can and cannot use them
- ❑ Security- access to keys
- ❑ Responsibility for cleaning
- ❑ Health and Safety requirements
- ❑ Procedures for bookings, deposits, security
- ❑ Insurance to cover liability of people using the building.

Service delivery policy that covers:

- ❑ Working methods and procedures- who does what, when and how, job boundaries, who is accountable to whom, including who is responsible for future fundraising
- ❑ Child Protection policy including rules governing behaviour and appropriate handling of children
- ❑ Working with parents and carers and responding appropriately to comments and complaints made by them.
- ❑ Opening hours, when the organisation's services are available, whether the organisation can be closed (for maintenance) and who decides it, what happens if a worker does not arrive for a shift
- ❑ Standards- how much work is to be done and the expected, how quantity and quality are monitored, what happens if work does not meet the required standards
- ❑ Health and Safety- Requirements for premises, staff, volunteers, children – including first aid and what to do with children who are unwell. Also if you provide food, being sure to check on dietary requirements of children.
- ❑ Confidentiality
- ❑ Access and use of services for children and people with disabilities
- ❑ Access for speakers of other languages
- ❑ Policy on charging for activities, goods, services of facilities
- ❑ Equipment; who can use it, safety regulations, responsibility for repair and maintenance
- ❑ Stock- who can use it

- Outside contacts- who can negotiate or speak on behalf of the organisation, who can talk to the media
- Complaints procedure / policy

OFSTED Requirements:

- You must register with OFSTED if you work with children 8 years old and under, holding sessions lasting for over 2 hours at a time.

Contacts

High Peak CVS: High Peak Council for Voluntary Service

Community Space
1a Bingswood Estate
Whaley Bridge
High Peak
SK23 7LY
Tel: 01663 735 350
Website: www.highpeakcvs.org.uk

High Peak CVS exists to help all voluntary and community organisations in the borough establish and develop. It gives free advice and support on a range of matters from finance to fundraising and training, as well as publishing information of interest to these groups and representing their interests to statutory bodies such as councils and health authorities

CEMVO: Council for Ethnic Minority Voluntary Sector Organisations

Boardman House
64 Broadway
Stratford
London
E15 1NG
Tel: 020 8432 0307/0308
Website: www.emf-cemvo.co.uk/

CEMVO works to support to voluntary organisations working with ethnic minority communities through grants, professional support, training and resources.

Charity Commission

Harmsworth House
13-15 Bouverie Street
London
EC4Y 8DP
Tel: 0870 333 0123
Website: www.charity-commission.gov.uk

The government department responsible for registering and monitoring charities. It is likely that many supplementary schools will be charities, and once their income is above £1,000 a year, they are legally required to register with the Charity Commission.

Companies House

PO BOX 29019
21 Bloomsbury Street
London
WC1B 3XD
Information & Telesales: 0870 3333636
Website: www.companieshouse.gov.uk

If you want to set your organisation up as a company, then it must be registered with Companies House.

Criminal Records Bureau

PO Box 110,
Liverpool
L3 6ZZ
Information line: 0870 90 90 811
Registration application line: 0870 90 90 822
Website: www.crb.gov.uk

The government body responsible for providing the disclosure service on employees / volunteers for organisations working with vulnerable adults or children. More information about understanding CRB and Disclosure can be found in our **HOW?** Guide.

Inland Revenue

IR Charities
Room 140
St Johns House
Merton Road
Bootle
Merseyside
L69 9BB
Tel: 0151 472 6036/6037
Website: www.inlandrevenue.gov.uk/charities/index.htm

The Inland Revenue is responsible for ensuring that organisations pay all the tax that they owe. As the situation with charities can often be confusing they have set up a specific charities department that you can contact. They also provide advice on how charities can reclaim tax on donations that they receive from individuals.

HOW? guides are written by High Peak CVS, for use by voluntary and community groups across the High Peak.

High Peak CVS works to ensure that local voluntary and community groups can access as much support, advice and information as possible. We help groups in many different areas, such as funding, charity registration, practical services including printing, training and links to training and with legal issues. We have resources, including a meeting room, computers and OHP for use by groups.

**To find out how we can help you, please contact us on 01663 735 350 or email hello@highpeakcvs.org.uk
Visit us at www.highpeakcvs.org.uk**

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