

# STARTING UP A VOLUNTARY OR COMMUNITY GROUP

Article submitted by Klair Price (GRANTfinder Senior Information Researcher)

## WHAT IS A VOLUNTARY OR COMMUNITY ORGANISATION/GROUP?

A voluntary or community group exists to serve the community or achieve specified aims for a group of people or a cause. This document will consider the main type of voluntary and community organisation - an unincorporated association. Unincorporated associations do not need to be registered, nor are they regulated in any way.

HM Revenue and Customs sets out the definition for an unincorporated association. An unincorporated association:

- is not a legal entity;
- is an organisation of persons or bodies (more than one) with an identifiable membership (possibly changing);
- has a membership bound together for a common purpose by an identifiable constitution or rules (which may be written or oral);
- is an organisation where the form of association is not one which is recognised in law as being something else (for example, an incorporated body or a partnership); and
- must have an existence distinct from those persons who would be regarded as its members.

The tie between the persons within the unincorporated association need not be a legally enforceable contract. The majority of community and voluntary groups operate in this way as they are very easy to set up and are informally managed. A voluntary group or organisation of this type is managed by some form of management committee on behalf of its members (if there are any). Typically it has a

constitution document which sets out the rules by which it will operate.

## NEED FOR A ORGANISATION/GROUP

Groups or community organisations are generally formed due to the identification of a need present in the community, in response to a threat that will impact on the community or to improve the conditions for the people within the community. A need present in the community may be combating crime or a social issue, for example tackling youth crime in the area or preventing a high incidence of teenage pregnancies. A perceived threat would be something imposed on the community, and groups in this instance may be formed due to opposing plans for a new road, a landfill site or closure of a community building.

With regard to improving the conditions for people within the community, groups may be formed to solve housing problems, improve the environment or enhance community wellbeing such as renovating a community building, creating a nature reserve or forming a healthy eating group.



## DO YOUR RESEARCH

Once you have identified a need or problem to overcome within your community and have made the decision to set up a community group or organisation, there are several things to consider before setting up your group. The first thing you should do is ensure that there is no

other group or organisation that is already doing similar work to what you are proposing. If there is already an organisation working to your aims then you may be better joining their organisation, rather than duplicating their work as this could restrict your ability to gain funding. You should therefore use local resources such as the library or the local Council for Voluntary Organisation to check for similar groups or organisations in your area. You should also consider if there is enough need for your group within the community or, if it is in response to a problem, whether the group receives enough support from other community members.

## **BEFORE YOU START**

There are several things you should consider before actually setting up your group and good action planning at this stage will ensure a smooth transition from idea to reality. You should try to outline your specific aims in terms of:

- what the group aims to achieve;
- how the group will achieve these aims;
- who will benefit from the group; and
- what geographical area the group will cover.

Whilst you should be clear of these points, at this stage these should be loose ideas rather than rigid rules and goals. It is the different experiences and opinions of the group members that will build on and develop the initial ideas.

## **GETTING STARTED**

### ***Forming your Group***

Once you have identified exactly what you are aiming to achieve, your initial task is to find people who share this interest to become involved in the group. The best way to do this is by speaking to other members of the community who have connections with local people, such as a school teacher or community worker. It is also a good idea to put a notice in the local community centre, post office, place of worship, library or local newspaper, providing details of your intentions and contact details. You can also approach people within the community that may have the skills you require within the group, such as experience within your area of interest or those possessing general skills, such as administration. Once you have gained interest in your cause, you can set a date for a first meeting.

### ***The First Meeting***

Again you should advertise your first meeting with flyers and posters, ensuring that you choose a time and place to suit people that have expressed an interest and also the wider public. You could consider inviting people from organisations working in a similar field or staff from the local authority to contribute ideas and knowledge of working within your proposed sector.



At your first meeting you should aim to set out your aims and objectives and allow the group to discuss them. Although the meeting may be very informal to encourage people to speak freely, you should take notes and produce minutes so that there is a clear record of the items discussed and of the group's plan of action.

### ***Action Planning***

It is essential for the new group to structure ideas and have a plan which is in line with the group's vision. You should work out your priorities of action, the goals to be achieved and the tasks that will be undertaken to achieve them. You should be realistic about the activities your group is able to carry out in both the short and long-term. Initially, you should consider exactly what it is you aim to achieve and what activities or actions you can take to achieve this. You will also need to consider where your activities will be carried out and if you will need to hire premises, such as an office or community hall. You should also consider the costs for carrying out your activities and how you will publicise your activities to your proposed target groups.

An essential part of action planning is deciding which members of the group are best placed to carry out which responsibilities and the members of the group that will form the management committee.

## Assigning Roles

Responsibility for the group should be shared amongst members that are prepared to take on specific roles. This enables others working on the project to know who does what within the group. With regard to the action planning process you should consider who in the group has the experience and capability to carry out the stated activities.

Generally, at least three people will be needed to form the management committee: a chairperson; a treasurer; and a secretary. The role of a treasurer may not be necessary in some cases, such as groups forming in response to a perceived threat.

The main role of the chairperson is to:

- organise meetings and set the agenda alongside the secretary;
- ensure that meetings run smoothly by keeping to the agenda and time restraints and by allowing all group members to express their views;
- ensure that decisions are made fairly amongst the group and settle any disputes that may arise;
- assign tasks and responsibilities to other group members, ensuring that they have been carried out; and
- be the spokesperson for the group both internally and externally.

The treasurer's role consists of:

- keeping a record of the group's money by tracking incoming money, its source and any outgoings;
- settling debts and making payments;
- logging and evidencing all receipts and invoices;
- preparing budgets for future expenditure and setting figures for necessary income;
- producing financial information to group members, such as balance sheets; and
- ensuring surplus money is invested appropriately.

The role of the secretary is to:

- discuss with group members the issues to be raised in meetings, setting the agenda alongside the chairperson and distributing it to group members;
- dealing with all matters concerned with arranging the meeting, such as organising the room and sorting out refreshments;

- take minutes at the meeting and circulate these; and
- carry out general administrative duties.

Once you have formulated the structure of your management committee you can also assign tasks to other group members in terms of fundraising, project management, project delivery etc. You may also want to formalise your group by compiling a constitution.

## A Constitution

Whilst some smaller groups prefer to remain informal, others may want to adopt a constitution to set out and formalise the rules for running their group. The constitution will outline the group's aims and objectives, how these will be achieved, who is responsible for the group (ie the management committee), rules concerning how new committee members will be elected and volunteers recruited, and how the money will be managed (see GRANTfinder's Special Feature - *Ten Steps to Writing a Constitution*, December 2007).

Certain groups will need to have a constitution and the status of being a formally constituted group, such as those providing services in the community or those applying for funding. The constitution in these instances provides evidence to the public and funding bodies that the group is run properly and that it manages its money appropriately.

If you are a group that will require funding to undertake your activities, a constitution is an essential document when applying to external funders.

## Funding your Group

From the outset, you should plan the amount of funding your group will need to carry out its activities. This can either be straightforward or complex, depending on the scale of funding needed and the requirements of the group. If your funding needs are great then you may want to consider writing a fundraising strategy, as this will enable you to set out the exact financial requirements of your group and the actions, timescales and resources that will be implemented to enable the funding needs to be met (see GRANTfinder's Special





Feature - *A Guide to Writing a Fundraising Strategy*, May 2008).

Funds may be obtained through fundraising events or applying directly to external funders. A fundraising event is an excellent source of publicity for any new group and can strengthen ties within the community and generate interest. Events can also be held regularly and provide a good source of income for your group (see GRANTfinder's Special Feature - *Top Tips on Organising an Event*, March 2009).

Grants are usually the main source of income for community groups and are provided by a myriad of sources, from central, regional and local government, the European Commission, or various other national and local bodies such as Regional Development Agencies, charities and community foundations. It is important to find the right grant before starting work on your application, and it is essential to keep informed about the grants that are available to you. GRANTfinder can assist with locating the right funding providers for your group and its projects and our Special Feature - *A Beginner's Guide to Successfully Securing Grant Funding* (December 2006) will help you to write a winning application.

The ability to secure funding may also be assisted if the group is accountable and holds regular meetings and an annual general meeting.

### **Holding Meetings**

General meetings are where all members of the group, or a stated minimum amount of members, meet to make decisions and review the progress of the group. You could also set out what percentage of members present will be necessary to agree a decision. You should formalise how often your group will hold its general meetings, although general meetings should also be called to deal with problems as and when they

arise. Usually, for fundraising purposes you should hold general meetings every quarter.

You should also hold an annual general meeting, the first of which is usually a year after the group formalised. The group's activities over the year, the past year and its accounts can be presented at the meeting. Annual general meetings should be well published and give members a set notice period prior to the meeting. Some funders also require the group to hold an inaugural public meeting. Minutes should be kept for all meetings and circulated amongst all members.

## **MANAGING MONEY**

Once all your planning activities have taken place your next step is to open a bank account. One of the main criteria for applying for funding is that the bank account requires two signatories. You should, however, enable a third person to be a signatory to cover sickness or holidays etc. Signatories should be from the management committee, one of whom should be the group's Treasurer.

An essential part of managing your group's money is to have a detailed budget outlining the cost to deliver each activity and the group's income. It is important that you write a realistic budget, stick to it and be sure to obtain all receipts and invoices for payments. Again in order to obtain funding, many funding providers specifically request a copy of a budget or some form of financial documents or statements as part of their grant-making process (see GRANTfinder's Special Feature *Beat the Budget Blues – How to Write a Winning Financial Plan*, March 2008).

In the case of carrying out fundraising activities and receiving donations, you should seek assistance from your local tax office in terms of whether you need to pay Corporation Tax on the profits. You should also check the thresholds for paying VAT, details of which are also available from HM Revenue and Customs.

## **MANAGING PEOPLE**

From the onset, community groups tend to be run by the management committee and its members. As the group develops and progresses there may be a need to recruit volunteers or sessional staff, which places less restrictions on the group than if it had applied for funding to employ a member of staff.

There are several things to consider when involving volunteers within your group such as: who can

volunteer; recruiting volunteers; and good practice policies which will help you to retain your volunteers (see GRANTfinder's Special Feature - *Engaging Volunteers – All You Need to Know*, June 2008). The regulations for employing staff are more demanding and complex and you will be responsible as an employer for Employer's Liability Insurance and for paying tax and National Insurance Contributions. Business Link offers advice on the responsibilities of employing staff.

If your group works with children you will need to have a Child Protection Policy in place and you will need to carry out Criminal Bureau checks for all staff and volunteers. These checks are also necessary if your group works with vulnerable people. You may also need to take out Public Liability insurance as this will insure against damage to 'third parties' or the general public and this may or may not, depending on the insurance company, extend to members, casual volunteers or paying customers. The insurance also covers public activities and events.

## KEY POINTS TO REMEMBER

Before setting up your group you should be clear about your aims and how these will be achieved. You should then set about finding others that share your goal and have an interest in being involved in your group. Careful advertising and liaising with prominent figures in the community will ensure you will gain from different experiences and opinions within your group.

Your first meeting will be an opportunity to formalise and structure the aims and objectives of the group. This should include working out an action plan of your priorities, the goals to be achieved and the tasks to achieve them.

The next step is to share out the responsibilities of the group amongst members, assigning the stated tasks to group members and deciding upon a management committee. You should also formalise your group by compiling a constitution, as this will not only set out the rules for running the group, but it will also be a necessary document for obtaining funding for your group.

Careful planning with regard to how your group will fund its activities is of paramount importance to the success any community group. Depending on the funding requirements of the group, a simple plan may be sufficient or a full fundraising strategy may be necessary for groups with heavy funding requirements.

Another requirement which is often necessary to obtain funding is holding general meetings. You

should formalise how often these will take place and you should plan an annual general meeting a year after the group was formed.



Once you have completed the action planning stage, you need to open a bank account and ensure the group manages its money in accordance to a detailed budget. Again this may be a key document that influences your ability to gain external funding.

And finally, you should consider how your group will function once it develops and progresses. You should consider the options of recruiting volunteers, sessional staff and employed staff. Above all you should ensure you have the policies, procedures and insurance in place to carry out the activities of your group.

## If you have found this article useful, you may wish to read the following Special Features:

- Ten Steps to Writing a Constitution (December 2007)
- A Guide to Writing a Fundraising Strategy (May 2008)
- Top Tips on Organising an Event (March 2009)
- A Beginner's Guide to Securing Grant Funding (December 2006)
- Beat the Budget Blues - How to Write a Winning Financial Plan (March 2008)
- Engaging Volunteers - All You Need to Know (June 2008)

## USEFUL WEBSITES

HM Revenue & Customs: <http://www.hmrc.gov.uk>

Business Link: <http://www.businesslink.gov.uk>

Criminal Records Bureau: <http://www.crb.gov.uk>

Council for Voluntary Organisations: <http://www.ncvo-vol.org.uk>

Wales Council for Voluntary Action: <http://www.wcva.org.uk>

Northern Ireland Council for Voluntary Action: <http://www.nicva.org>

Scottish Council for Voluntary Organisations: <http://www.scvo.org.uk>