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## **Before you Start - Community Group First Steps**

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### **1. Starting your group**

Want to set up a group? You need to think about the following:

- Where did the idea come from? Was it one person's idea or did it arise from discussions between a number of like-minded people?
- Find out if there are other groups in your area doing the same thing. If there are, do their services exactly match what you are considering or would your group be providing something extra?
- Aim to complement existing services, offer your services to that group, to strengthen their position or if your services don't match exactly, agree a partnership agreement which helps both organisations
- What evidence do you have to show that your group is needed?
- Who else do you need to make this happen?
- Who will be your members?

**You are now ready to start your journey to setting up your new community organisation!**

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### **2. What Is A Community Group?**

A Voluntary and Community Group is defined as a 'group or organisation which works for the public benefit' and has the following characteristics:

- **Structure** – rules around how the group is organised and run. This is called a 'governing document' or constitution
  - **Self-governing and independent from any other organisation** - Voluntary and Community groups are free to appoint their own management committee
  - **Not for Profit** – no one within the group will profit from that group. It is run by volunteers who can be reimbursed for volunteer expenses but apart from that any profits made must be reinvested in the group
  - **Public/Community Benefit** – the activities carried out by the group will benefit a particular group of people within the community
  - **Funding** – voluntary and community groups can apply for funding to get their group started and help with developing their activities
  - **Generating Income** – there are lots of ways of bringing money in - for example, membership fees, donations, fundraising. These aspects are covered in the Fundraising section later on
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### 3. What are your aims?

#### Consider the following:

- What changes do you want to make to help people in the community?
  - How will these changes make a difference to people's lives?
  - Keep the aims broad so that you don't limit your activities
  - Two to three aims are sufficient
  - Keep them short and simple for clarity
  - Who are you going to benefit?
  - Are you setting up to support a specific group of people for example, carers, young people, older people?
  - Where are you going to work?
  - Are you going to work locally or countywide?
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### Forming your committee

Your first committee will probably evolve out of your steering group. You will need at least three people to form the committee (chair, treasurer and secretary) with another two to three people supporting the named roles. As time goes on, there will be a need to get more people onto the committee and some of the original members may drop away, perhaps through lack of time or loss of interest. This is quite normal with any new organisation. The aim should be to continually strengthen the committee by persuading people with particular skills or talents to come on board.

Someone with managerial experience is an asset to any committee, perhaps as Chair. You will need someone with some basic book-keeping experience to be Treasurer. Somebody who is organised and meticulous is needed for the Secretary's post. These three posts are the minimum that any committee needs to operate. You may decide to have other posts as necessary, depending on the exact nature of your group, such as vice-chair, fundraising or social secretary, and so on. Decide how often your committee will meet and make sure there is an agenda for each meeting.

#### **a. What is a committee for?**

The purpose of the committee is to:

- Ensure that the aims and objectives of the group are met
- Comply with the group's legal requirements and ensure transparency
- Support and motivate each other – all committee members have equal responsibilities for running the group
- Ensure the group is run efficiently and fairly
- Plan and make decisions about the group's future
- Make sure that the group is accountable to its members, users and funders
- Raise, manage and evaluate the group's funds

#### **b. What makes a good committee member?**

A good committee member:

- Is familiar with the group's aims and objectives
- Gives their time to the group
- Has the relevant skills and knowledge or is willing to learn to develop these skills
- Respects other people's views
- Ensures that the group operates within its constitution

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### **4. Unincorporated organisations**

An 'unincorporated association' is an organisation set up through an agreement between a group of people who come together for a reason other than to make a profit (for example, a voluntary group or a sports club). You don't need to register an unincorporated association, and it doesn't cost anything to set one up. Individual members are personally responsible for any debts and contractual obligations. Unincorporated organisations can take different forms such as:

- Friendly Societies
- Unregistered voluntary and community groups
- An amateur football team
- Residents Association

#### **Advantages**

- Can be set up quickly and cheaply (no setting up fees unless you involve a solicitor)
- Cheap and relatively easy to run – no need to notify changes in office bearers to any public register
- Offers a democratic structure with reasonably flexible procedures
- If your group's aims and purposes are considered 'charitable' (as defined by law) you can apply for charitable status

#### **Disadvantages**

- The group cannot hold property or enter into contracts in its own name
  - Members may be held personally liable for the organisations debts
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## 5. Incorporated organisations

An organisation that is a corporate body can enter into contracts, hold property, and take part in lawsuits, in its own right. It enjoys limited liability. This means that if it has more debts that it can pay and is wound up, its members as individuals are only liable for their shareholdings or the amount they have each guaranteed.

Incorporated organisations are more complicated to set up, and more closely controlled by the law, than unincorporated associations.

There are four sorts of incorporated structure suitable for voluntary organisations:

- Community Interest Company (CIC)
- Charitable Incorporated Organisation (CIO)
- Company Limited by Guarantee
- Community Benefit Society (formerly the Industrial and Provident Society)

You can find more information about choosing and setting up [Charity](#) and [Social Enterprise](#) structures via these hyperlinks.

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## 6. Opening a bank account

To open an account you can go to the local branch of your bank where you will be asked to fill in some forms. Once this has been done and the forms returned to the bank, they will send you an account number and a passbook/cheque book. You can then start using the account.

Banks and Building Societies generally require proof that your group is a voluntary, non-profit making organisation and not a private business. This could be one or more of the following:

- Charity registration confirmation/Trust deeds (if group is a charity)
- Incorporation documents on Companies House (if you are a CIC or a company limited by guarantee)
- Letter from the chair/secretary of your organisation
- Copy of your organisation's constitution

### What to think about when opening an account:

- Decide on which bank
- Proof of identity – passport, driving license or two utility bills with your name and address on
- Authorisation of cheques – who will the cheque signatories be? They must not be related and you will need at least two signatories
- Accessibility – make sure the bank is easy to get to or offers good online banking
- Night safe – ask the bank for this facility if the group does fundraising events. By disposing of the cash as soon as possible means that no cash is left on your premises
- Ask for monthly bank statements
- Register the group name with the bank or building society
- Procedure for filling out the bank mandates

- Ask about bank charges – you should not be charged as a voluntary and community organisation

## **Bank Accounts for Voluntary Organisations**

Some of the major banks and building societies offer special accounts for small voluntary and community groups and give free banking as long as your account is in credit. The information and offering for each bank changes from time to time so we recommend getting in touch with your local branch to find out more. Banks that offer accounts for charities and voluntary organisations include:

- [Santander](#)
  - [HSBC](#)
  - [Lloyds Bank](#)
  - [Barclays Bank](#)
  - [Co-op Bank](#)
  - [NatWest Bank](#)
  - [Royal Bank of Scotland](#)
  - [Nationwide Building Society](#)
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## **7. Next steps**

Continue to work your way down the WCAVA VCSE Resource List and get in touch with your local Funding and Group Development Officer for support with this.

The next steps in the Starting Up sections include:

- [Charity types - how to choose a structure](#)
- [How to write a charity's governing document](#)
- [Writing your charitable objects](#)
- [How to set up a Charity](#)
- [Setting up a Social Enterprise](#)
- [How to make changes to a Charity's governing document](#)