

# STEP-BY-STEP GUIDE FOR VOLUNTARY AND COMMUNITY GROUPS



These pages will talk you through what you need to have in place to set up a voluntary and community group, and the options that are available to you.

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## Opening a Group Bank Account:

### Choosing your bank

If money is going to be coming into and out of your group, it is a good idea to set up a group bank account. You will need to set up an account in the name of your group, not a personal account which the group would have access to (funders would not consider this)

Most high-street banks and financial institutions offer group bank accounts (although they are often called different things by different banks). There are also specialist voluntary sector bank account providers. It is up to you to investigate each option and make the best decision for your group.

Whoever you choose to bank with, they will probably require you to have:

- A copy of your governing document
- Signatories who will have access to the account
- Minutes of your first meeting
- Names of people associated with the organisation
- Completed copy of the form, signed by appropriate people

It may also be useful to bring any leaflets or publicity material about the group

### The people you need in order to get an account

The bank will probably also expect you to have a Chair Person, Secretary and Treasurer who are likely to be 'named' on the forms.

The bank will ask you to appoint what it calls the 'signatories' for your organisation. These are the people who sign the cheques and are usually the treasurer and up to 3 other committee members, staff or volunteers. These are usually appointed by you for a year at a time. When first appointed, signatories will need to give proof to the bank personally that they are who they say they are. If you change your signatories at any time the new people you appoint will also have to go through this procedure.

## Comparing the options

You need to compare what the banks offer to see which option is best for your group. Look at charges they make, and any restrictions on how the accounts operate. Ask the bank if you are unsure or book an appointment to go and talk to them about your needs. Always check with the other committee members before signing on the dotted line!

## Checking out your signatories (nearly there!)

The bank has a legal obligation to make sure that each signatory is exactly who they say they are so they will run some checks on your signatories.

Each 'signatory' has to come to the bank *in person* with two kinds of identity documents. The bank will provide two (very long) lists of acceptable documents and each signatory *must* provide one kind of document from each list. Talk to the advisor if there are any problems.

*Examples to prove signature:* Passport, driving licence, immigration papers, employers ID cards

*Examples to prove address:* Utilities bill; driving license, NHS medical card

Once the bank has verified the signatories the account will be active.

## Examples of points to watch for on bank conditions

- Signatories who are related or living at the same address may not be accepted.
- Look out for any charges and compare these
- The number of free cheques you can write each month may be limited.
- The amount of coins that can be paid in or taken out over the counter at any one time can be limited.
- You may get a cheque book but almost certainly not a cheque card.
- Building societies have a different method of issuing cheques.

## What is an AGM?

An AGM (Annual General Meeting) is a yearly meeting open to all members of your group (and others from outside the organisation if you wish) to hear from your committee about the achievements of the group during the year.

Registered charities must hold an AGM each year, but it is good practice for informal groups to do this as well as you can tell your members what you have been up to.

## What is involved in an AGM?

The essential functions of an AGM are to:

- Approve the minutes from the previous AGM

- Receive or approve the audited accounts
- Receive a report on the activities of the organisation (given in the Annual Report)
- Deal with any other matters specified in the governing document

Other functions of the AGM are:

- to elect committee members
- to appoint independent examiners (or auditors)
- to consider any resolutions put forward by members

The above things are necessary for your formal part of your AGM, but lots of groups also add in additional activities, such as networking sessions or informal training, to celebrate their work and talk about what they have been doing.

#### **Before the meeting:**

- Arrange a suitable time and date well in advance
- Book a venue
- Organise refreshments as appropriate
- Prepare the organisations accounts and submit them in time to be audited, and for approved accounts to be sent to members
- Ensure notice is given of the AGM in accordance to what the minimum notice period laid down in your group's constitution
- Check rules of your election process and produce voting forms as necessary – remember to leave time for postal votes if you have them
- If your group is a company limited by guarantee, ensure that the auditor is informed of the meeting (this is a legal requirement)
- Consult your constitution to ensure you are meeting the rules laid out in it

#### **At the meeting:**

- Record attendance
- Have the original copy of account present to be seen
- Ensure you keep minutes (notes of the meeting)

#### **After the meeting:**

- Make all necessary changes to the minutes from the previous year

- Update any lists from the committee
- Write up the minutes and circulate to members
- If you are incorporated, send all necessary information to Companies House
- Any other tasks as identified at your AGM

### Producing your Annual Report

The annual report is a way of communicating information about your group to your users and members. It should explain your organisation to the outside world, and explain your aims, achievements and commitments.

Annual reports also make you accountable as they give outside stakeholder's information about your accounts and financial dealings.

### Closing Your Organisation:

This information sheet is for **unincorporated associations only**. It is not intended to be used by:

- Registered Charities
- Incorporated Organisations (e.g. Companies)
- Community Interest Companies
- Industrial and Provident Societies

Sometimes it is necessary to wind up a group. There are lots of names for this process (closing down, dissolving, dissolution, winding up), but whichever terms you use, it is the process of ceasing activity of the group.

There is no standard procedure for closing an unincorporated group but it is something you should have written into your constitution so use this document as your guide.

### Things to consider when closing:

**Liabilities** – it is the responsibility of the management committee to make sure that debts and liabilities of the group have been addressed

**Employment** – If you employ staff, you need to ensure that any action you take is in accordance with employment legislation. The individuals on the management committee are individually liable if any action is taken against them for unfair or inappropriate dismissal

### How to go about closing your group

The first thing to do is check the rules laid out in your constitution. This document should contain a 'Dissolution clause' which lays out your agreed rules for closing your group.

The standard procedure that groups would adopt is:

1. Management committee meet and agree to close the organisation (make sure you have this meeting minuted)

2. Management committee call a 'Special Meeting' (sometimes known as an Extraordinary General Meeting – EGM)
3. At the EGM, a vote should be taken to pass the motion on closing the group. A majority (as set out in the constitution) should agree, and this should be minuted. TIP: make sure that the meeting is 'quorate' (i.e. you have an agreed minimum number of people there) or the decision could be overturned
4. If the members agree to closure, it should be minuted. It should also be noted how assets will be distributed or liabilities dealt with. Normally a nominated person (usually the Treasurer) will be put in charge of ensuring all debts, liabilities and assets are identified and dealt with appropriately)

**If there are enough funds in the organisations to meet the financial obligations:**

- Financial obligations should be paid/met in full
- Contracts should be terminated
- Assets distributed in accordance with the group's decision

**If there aren't enough funds in the organisation to meet the financial obligations:**

- The management committee should seek help to ensure that the assets are properly disposed of to reduce risk of personal liability on the management committee
- The final accounts should then be prepared before formally closing the group.
- All appropriate agencies should be told:
  - employers
  - unions
  - service users
  - funders
  - insurance providers
  - bank account holders (you will need to close your group bank account)
  - creditors
  - other organisations connected to yours
  - any other appropriate individuals (website providers, suppliers etc)
- A final committee meeting should then be held to formally agree to the winding up of the group.

**For Further Support:**

Contact RVS: [info@rvs.org.uk](mailto:info@rvs.org.uk) or call 01252 540162

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