

FACTSHEET – SETTING UP A NEW GROUP

Once you have decided what your new community group is going to do, the next step is to formalise your group with a name and governing documents. If your intention is to set up a Community Interest Company (CIC), see the following Factsheets – **Social Enterprise** and **How to register a Community Interest Company (CIC)**, and come and speak to Bury VCFA for guidance and support.

Choosing a name

The name of your group should be memorable and unique to avoid confusion with other groups in the area. Check online to see if another group or organisation has already used your intended name. If they are based in the same geographical area that may confuse people.

Getting support and creating a committee

You will need a minimum of three unrelated people to act as Chair, Secretary and Treasurer. You may want to include other roles depending on the structure of your organisation.

The constitution or governing document will call this group of people ‘the Board’, the ‘Management Committee’ or the ‘Executive Committee’. These are the people who manage the group and are responsible for decision making and the effects of those decisions. They may or may not be the same people who will deliver the day-to-day services, projects and activities of the organisation.

Depending on your governing document, the committee members may be elected by and from within the membership of your group; appointed by an external body; co-opted by the committee itself, and/or appointed in some other way.

Adopting a Governing Document (constitution)

You will need to write and agree a set of rules outlining exactly what you aim to do and how you intend to do it. For most groups, this governing document is usually called a constitution (or, if registered as a company, the ‘Memorandum and Articles of Association’).

- The constitution will outline how you all agree to work together and other information such as your objects (aims), beneficiaries and area of benefit.
- It will also set out whether the group is charitable and/or not-for-profit, membership, how meetings will be run and how many, how to appoint or elect the management committee, how finances must be dealt with and how to close the organisation down.

See the **Constitutions for Community Groups** factsheet for further information.

Adopting a group structure

The aims (objects) your group has and the way it will be run (who will manage it; how this happens; whether anyone will be paid) determine the most appropriate type of group or ‘structure’ necessary. You will need to:

- Identify early on whether the objects of the organisation are legally charitable
- Consider whether the organisation needs incorporate into a separate legal entity which can reduce the risk of personal liability for members of the organisation and its management committee



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- If you are likely to employ staff, take out a lease or contract then you should consider incorporation (this means giving the organisation a legal identity). You may need to register your organisation as a charity and/or as a company.

To find out more about legal structures, see the following Factsheets: **Choosing a legal structure**, **Legal Structures chart** and **Legal structures – advantages and considerations**.

Opening a bank account

You will need to open a community group bank account to keep any money that the group may raise. The account should be opened in the name of the group and not in the names of any of the individuals or of their businesses. The account will need a minimum of two unrelated signatories, but it is usually a good idea to have at least three or four people who can sign cheques. This means that you will still be able to access your funds if one or more of the signatories is away or ill. See the **Setting up a Bank Account** factsheet.

Insurance

Your organisation will need **Public Liability insurance** held in the group's name. This is to protect your group if an accident occurs when working with members of the public. Brand new groups are unlikely to immediately employ staff but if your organisation has any employees, even part-time, it must also have **Employer's Liability insurance**. See also the **Insurance** factsheet.

Policies and Procedures

All organisations should have policies and procedures in place, e.g. Safeguarding, Equality and Diversity, Health and Safety, Financial Management and Data Protection.

- The number of and type of policies you have should be tailored to your organisation and what you are delivering, e.g. if working with children and young people, you will need an active Safeguarding Policy.
- It is advisable that groups have policies and procedures ready, available and in use as soon as possible. For more information, please see **Factsheet - Policies and Procedures**
- If you employ staff or lease or own a building, your organisation should be incorporated (have a legal structure and identity) and you should always seek HR advice if employing/intending to employ staff.

Developing an Action Plan

It is important for your group to spend some time initially identifying tasks and goals (short term and long term) and working out priorities and allocating tasks.

Doing this will:

- Ensure that everyone knows what they are working towards and no one person gets overloaded with work.
- Make funding applications easier with a clear plan of what, when where and how you want to do things.

Next Steps

Once you have all of these policies and procedures in place, it will be time to start thinking about funding and making grant applications. You will find more information about this in our **Funding and Income** factsheet series.



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