

# Community association guidance tool

Advice and guidance to help you ensure  
your organisation is fit for purpose and  
legally compliant



Information gathered from Community Matters, Charity  
Commission and other specialist organisations



Basingstoke  
and Deane

# Introduction

This document was put together to help community associations ensure that they understand their roles and responsibilities as trustees and to ensure that they are running community buildings in line with current charity laws and legislation.

A large part of the guidance in this document has been taken from the Advising Community Pre-Visible checklist which is the process to get voluntary community organisations ready for the main Visible Communities review. Visible Communities is a nationally accredited quality standard for community organisations that is endorsed by the Charities Commission which promotes quality and best practice in the charity and community sector.

You will also be sign posted to all the different documents and sites that are essential for the smooth running of a centre from different organisations such as, the Charities Commission, Code of Good Governance, ACRE, Advising Community, 2011 Census data, HSE, ACAS and other sites.

## How to use this document

The table on the next page has a number of different points that are relevant under the headings “Keeping you Legal” and “Essential to Keeping You and Your Organisation Safe”. Once you have clicked on the point that you would like more information on, it will take you to the section in this document to ask you questions, give the relevant guidance and give you links to further online guidance, specimen documents and other useful tools. The specimen documents are generic for different kind of organisations so you will need to check the details and amend as necessary to fit the way your organisation runs. There is also a list of useful contacts and sites at the end of the document.

If you are still unsure or have any further questions, please email us at [community.development@basingstoke.gov.uk](mailto:community.development@basingstoke.gov.uk) or contact the community development team on **01256 844844**

	<b>Keeping legal</b>	<b>Essential to keep you and your organisation safe</b>
<b>Management committee</b>	<ul style="list-style-type: none"> <li>• Roles and responsibilities of Trustees (management committee)</li> <li>• How and why to avoid conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>• Trustee expenses and payments</li> <li>• Training</li> <li>• Management Committee Checklist</li> </ul>
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<b>Legal responsibility and legislation</b>	<ul style="list-style-type: none"> <li>• Annual returns to Charities Commission</li> <li>• Keeping up to date-legislation changes</li> <li>• What is in your Lease?</li> <li>• Licenses you need</li> <li>• Insurance musts</li> </ul>	<ul style="list-style-type: none"> <li>• Data protection</li> <li>• Safeguarding and Disclosure and Barring Service (DBS) checks</li> <li>• Equalities</li> <li>• Can you trade or do you have a social club attached?</li> </ul>
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# Roles and responsibilities

Does the management committee understand their roles and responsibilities and have a written document setting this out?

Do they understand that they are the organisation's Trustees/Directors if it is a charity and/or company?

Do all trustees sign a declaration form that they are not disqualified to be a trustee or company director?

## Guidance

There should be a written policy and induction process including a committee member's handbook covering the roles and responsibilities of Trustees/Directors/Management Committee Members and essential information on the organisation. They have a duty to be informed and should be given the following as a minimum as part of their induction process.

- A copy of the governing document which sets out the objectives, powers and operating rules
- A written guide to their responsibilities and roles.
- If appropriate a declaration that they are not disqualified from being a charity Trustee/Director which they are asked to sign. If the organisation is a charity or company the management committee are legally accountable and responsible as the managing Trustees/Directors and must not be disqualified from acting as a Trustee/Director.

## Community Matters online Information and Guidance

- Becoming a Trustee what's in it for me
- Committees and committee procedures
- Disqualified or not?
- Committee Members Handbook

## Charity Commission Website

- Charity Commission publication CC3, The Essential Trustee
- Charity Commission sample declaration re disqualification as a trustee
- Charity Commission publication "Hallmarks of an Effective Charity"

## Code of Good Governance

**Principle 1** - An effective board will provide good governance and leadership by understanding their role.

# Conflicts of interest

Does the organisation have ways to avoid conflicts of interest and issues of “connected persons” within the committee?

(Backed up by written procedures)

## Guidance

Trustees/Directors/Management Committee Members have a duty to work only in the best interests of the organisation and any potential conflicts of interest should be known and declared. It is useful to develop a Conflict Of Interest policy stating what might constitute a conflict and how the committee or board will deal with these. Declarations of interest should be on the agenda for every meeting and organisations may wish to formally record each member’s interests. Community Matters model memorandum and articles include a useful section regarding the trustees’ duties regarding conflict of interest and connected persons.

There is also a potential for conflict of interest when a former Trustee or Director or Committee Member takes up paid employment with the organisation, or the spouse or partner of a Trustee/Director/Management Committee Member becomes employed by the organisation. A Charity will often need the express authority of the Charity Commission as the Trustees/Directors/Management Committee Members could be seen to be gaining financial benefit

It is obvious that there is the potential for conflict of interest if two connected parties are Trustees, Directors or Committee Members of the same organisation and both are cheque signatories as the organisation would not be showing duty of care over the organisation’s assets if it allowed this situation to arise

### Online Information and Guidance

Duties of Company Directors and Secretaries

Trustee Roles and Responsibilities

Charity Commission publication CC11 “Trustee expenses and payments”.

Charity Commission’s comprehensive publication CC48 “Charities and meetings” for guidance on the law and good practice of charity meetings.

Charity Commission guidance on Conflicts of interest in Charities

Model policies are also available from the Institute of Chartered Secretaries and Administrators (ICSA)

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# Expenses and payments

Does the organisation have written policies covering payment of Trustees/Directors/Management Committee Members and volunteers, which are clearly communicated?

## Guidance

We recommend that organisations develop a written policy covering payment of Trustees/Directors/Management Committee Members and volunteers based on the guidance in Charity Commission publication CC11 “Trustee expenses and payments”

The concept of unpaid trusteeship has always been one of the defining characteristics of charities and charitable companies and contributes to public confidence. A power exists in the Charities Act 2011 to pay Trustees and Directors for services BUT if this power is specifically denied in the organisation’s governing document then it is not allowed to make such payments.

The power to pay Trustees/Directors/Management Committee Members is usually intended to allow payment for particular services in exceptional circumstances. It does not cover payment to a trustee for being a trustee, nor payments for employment under contract. The same rules apply to a person who is ‘connected’ to a trustee. You can see the definition of a ‘connected person’ in section C4 of the Charity Commission’s leaflet CC11.

### **The Charity Commission’s view is that:**

1. Organisations should first check their governing document to see if this power is prohibited
2. Trustees/Directors/Management Committee Members should carefully explore if there are better alternatives.
3. It is inevitable that a conflict of interest will occur and organisations are advised to have a written policy on this
4. Organisations who have to do accrual accounting MUST disclose any payment to Trustees/Directors/Management Committee Members and the amount in their accounts and this practice is strongly recommended for all charities
5. Trustees/Directors/Management Committee Members need to consider the impact their decision to pay a Trustees/Directors/Management Committee Members would have on those with an interest in the organisation.
6. The number of paid Trustees or Directors must be a minority: 1 or 2.

Trustees/Directors/Management Committee Members and other volunteers are entitled to have their expenses met and should feel free to do this. Volunteers should not be out of pocket for carrying out their work on behalf of the organisation. While someone may have the skills and time to commit to the organisation they may be unable to afford travel and parking costs, child care etc.

Claimed expenses should be specific, identifiable and have accompanying evidence e.g. a bus or parking ticket. There should be a clear policy on what can be claimed, the amounts allowable, and the process both for approval of expenditure and how to claim the expenses on an expenses claim form and authorisation

## **Online Information and Guidance**

Volunteers

Specimen Statement to Volunteers

# Training

Are the Trustees/Directors/Management Committee Members and volunteers aware that there is vital training available on finance, first aid, getting involved with your community, legislation, management of community buildings and many more. The courses are available for a very small fee in various venues around Basingstoke and will keep you up to date on essential information to help run your organisation successfully.

It is recommended that the committee keep a record of the training that all the staff and volunteers have attended and when they are due for renewal/updating so that they can see where any gaps in skills/knowledge are.

## Guidance

The Basingstoke and District Learning Partnership Community Learning Programme offers learning opportunities (some with recognised national qualifications) through an ammended programme, these are broken down into several sections:

- **Volunteering and Community Based Skills**

This is the main aspect of the programme. Topics here are aimed at current or potential volunteers wanting to learn new skills.

- **Community School Autumn Programmes**

Here you will find community based courses offered for the Autumn term by local Community Schools which contribute to the partnership.

- **Family Learning Opportunities**

This section highlights the different types of family learning opportunities available in the borough and contact details of the centres which provide these.

- **Courses Elsewhere**

Here you will find details of courses provided by other organisations.

- **Where to get**

This section signposts you to help with queries on areas such as benefits, course bursaries, Disclosure Barring Service (DBS) checks, HR advice and advice on careers.

### Can't find what you need?

The Hampshire Learning Course Finder is also available to help find other courses available across the county.

Ladder 4 Learning Site

Basingstoke and District Learning Partnership Community Learning Programme

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# Management Committee Checklist

## 1.Does your committee/trustees have a copy of your:

Document	Tick once Received and Understood
Roles and Responsibilities of a Trustee (Essential Trustees Guide)	
Governing Document (Constitution)	
Lease	
Annual Report	
Recent Minutes	
Recent Financial Accounts	
List of Trustees and Staff	
Budget	
Standing Orders	
Code of Conduct	
Business Plan	
Marketing Plan	
Health & Safety Policy	
Financial Policy	
Equal Opportunities Policy	
Safeguarding Children, Young People and vulnerable adults Policy	
Data Protection Policy	
Fire Regulations	
Programme of Events	
Has the trustee signed the Declaration of a Charity Trustee?	
Has the trustee undergone Disclosure (DBS) if in a position where needed?	
List of current Sub-Committees/Sections and their membership?	
Terms of reference for your Sub-Committees/Sections?	
Have you set up a standard minute to establish a Sub-Committee/Section?	
Do you have a list that shows when committee members/volunteers and staff and read and understood each policy and procedure?	



## 2. Your Organisation

Have you prepared a vision/mission statement?	
Do you have a history of your Association?	
Do you have a list of your current programme of activities/events?	
Do you produce an Annual Report?	
Do you hold Annual General Meetings?	
Do you have an Organisational Action Plan (Business Plan) that is updated regularly and monitored against your objectives and providing public benefit?	
Do you have a Marketing Plan?	

## 3. Your Regulatory Documents

Do you have an up to date governing document (i.e. constitution)?	
Do you have standing orders (rules) in place that cover procedural matters that your governing document does not?	

## 4. Health and Safety

Do you have Food Safety and Food Hygiene policies and procedures that are regularly reviewed?	
Do you have Health and Safety policies and procedures that are regularly reviewed?	
Do you have Risk Assessments that are regularly reviewed?	
Do you have Fire Regulations policies and procedures that are regularly reviewed?	

## 5. Other Major Policies

Do you have an Equal Opportunities Policy that is reviewed regularly and is it displayed in your centre? Is it given to employees and volunteers?	
Do you have a Safeguarding Children, Young People and vulnerable adults Policy that is regularly reviewed?	
Do you have an Internet and Email Policy?	
Do you have grievance and disciplinary procedures for employees and volunteers?	

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## 6. Lettings

Do you have rules and hiring agreements?	
Do you have Standard Conditions of Hire	
Do you ensure that the hiring form is agreed by both the Hirer and an officer of your Association?	
Do you ensure that every booking complies with your lease/constitution/ the law?	
Do you ensure you have the appropriate licences, i.e. Premises, Performing Rights Society (PRS) etc?	

## 7. Finance

Do you have a Finance Policy that is regularly reviewed that makes sure that the organisation's money is used and accounted for properly and efficiently?	
Does it include Banking Procedures - Internet Banking/income and expenditure controls/cheque and cash payment	
Account requirements – Proper books kept of all transactions/Annual Accounts comply with requirements for external scrutiny in the charity's governing document, presented at the AGM and formally approved? Accounts submitted to Charity Commission on an annual basis once approved.	
Petty Cash – policy and procedure (should not be more than £50 and receipts kept)	
Balance Account statement that is presented at each management committee meeting	
Reserve Policy - cover should include 6 months general expenditure	
Budget - budgets prepared and approved by Trustees to cover income and expenditure? Is performance measured against budgets at regular intervals	
Wages – are you compliant with HMRC regulations?	

## 8. Volunteers

Do your volunteers undergo Disclosure and Barring Service check (DBS) if needed?	
Do you give your volunteers a Role Description?	
Do you interview each volunteer and request references if the role involves sensitive information or situations?	
Do you have a written Volunteering Agreement which is not a legally binding contract?	
Do you have a Volunteering Policy?	
Do you have an induction and training process?	
Do you have an appraisal system?	

## 9. Employing Staff

Recruitment procedures – take into account equal opportunities	
Do you have Job Descriptions?	
Person Specification	
Advertising the position – how and where?	
Application Form	
Short listing procedure	
Interview invitation – when/where/what to bring/offer link to website for more information on organisation	
Interviewing – questions/scoring system	
Offering the job – written acceptance subject to references and disclosure checks	
Contract of employment – keep up to date with employment law and legislation	
Do you have an induction and training process?	
Do you have regular performance management and competency procedures?	

## 10. Legal Responsibilities

Is your community centre leasehold? Is it due for renewal - does it need updating?	
Have you appointed someone with special responsibility for all insurance matters?	
Have you checked your insurance responsibilities in your lease?	
Do you review levels insured annually in line with inflation, new equipment, new activities, employment etc. and adjust for items no longer requiring insurance?	
Have you read all clauses and small print of any agreement to ensure you have the cover you want/need?	
Do you keep a copy of your insurance policy and schedule off-site in case of emergency?	
Do you maintain an inventory of all furniture and equipment with replacement values?	
Do you ensure continuity of cover and make sure you keep up-to-date with all payments?	
Do you have a written contingency plan to cover major incidents or accidents that may affect operations?	
Do you ensure that the information you give to your insurance company is accurate and up-to-date?	
Do you ensure that all contents insurance is on a reinstatement basis (new for old)?	

Do you have a procedure for reporting and recording accidents?	
Do you inform all volunteers and employees of the extent to which they and their belongings are covered?	
Do you give your insurers details of your hiring agreements?	
Do you display disclaimer notices in communal areas, having taken precautions to make sure the area is safe, to limit liability in the event of a claim?	
Do you ensure that your Hirers have the correct insurance cover for the activities they are providing?	

## 11. Managing Your Building

Do you have a maintenance plan for your building?	
Do you have copies of all maintenance contracts on file? – Electrical equipment/boiler/fire and security alarms/window cleaning/ shutters etc.	

## 12. Legislation

Are you aware of the terms of the Charities Acts 2011?	
Do you comply with the Data Protection Act 2010?	
Are you aware of the Disability Discrimination Act 2005?	
Are you aware of the Equalities Act 2010?	
Are you aware of the terms of the Children Act 2004?	
Have you had Disclosures (DBS) carried out on your Trustees, volunteers and paid staff where needed?	
Are you aware of the Employment Rights Act 2010?	
Are you aware of the Health and Safety at work/COSHH etc.?	

The Institute of Chartered Secretaries and Administrators (ICSA) also has a Charity Checklist available to buy [here](#).

The book provides a clear A-Z guide for anyone responsible for routine charity secretarial and compliance tasks. This book will provide quick access to straightforward guidance on carrying out charity transactions, and to be an accessible guide to the key areas of legal administration of a charity and the main aspects of the regulatory regime in which a charity operates.

Using a clear step-by-step approach, each easily navigable checklist guides you through a range of common tasks. This book will make performing the range of tasks to operate your charity successfully much simpler

# Types of Legal Structure

Does the management committee know what type of structure the organisation has adopted?

## Guidance

There are four main types of organisational structure open to a community organisation:

### **An unincorporated association**

This is the structure adopted by many if not most community groups – many of whom do not even realise they are an unincorporated association! In fact, any group of people who band together in a formal context for some common purpose (not necessarily charitable), are an unincorporated association unless they have adopted some other legal structure.

### **A limited company**

The key feature of a limited company is that it is an incorporated organisation – which means that it has a separate legal identity, distinct from its members or shareholders. There are different forms of limited company.

A company limited by guarantee has no shareholders, but will instead have members who guarantee to pay a stated sum (usually £1) should the organisation become insolvent. Profits ('surpluses'), if any, must be used to further the company's stated objects. This structure is commonly adopted by organisations seeking to achieve charitable and other social or political aims.

A company limited by shares is owned by its shareholders. It seeks to make profits which are then distributed among the shareholders.

Community Interest Companies (CICs) have been designed as a new form of limited company suitable for social enterprises. The assets of a CIC belong to the company rather than the members. This might be a suitable format for a trading arm of a charity, or for an organisation which wished to avoid the restrictions of charitable status.

Charitable Incorporated Organisations (CIOs) are intended to offer a structure for a charity which has the advantages of incorporation in providing limited liability for the members, but is not subject to the regulation of both the Charity Commission and Companies House.

### **A trust**

Trusts are set up to hold money or property for clearly defined charitable purposes, which are set out in the organisation's trust deed. Many village halls are set up as trusts. A trust does not have members, but is made up of a number of named trustees.

### **An industrial and provident society**

Industrial and provident societies are set up to carry out some industry, business or trade either on a co-operative basis or for the benefit of the community. They are incorporated, with limited liability for their committee members. They cannot register as charities, but must register with the Financial Services Authority (FSA).

### **Unincorporated Associations and the holding of property**

Information sheet 'Trustee Roles & Responsibilities' includes information on the appointment of holding trustees and the services of the Official Custodian for Charities.

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## **Which structure to adopt?**

The decision on which structure to adopt depends upon a number of factors. The general issues involved are summarised in 'Quick guide to the different legal structures'. Since both trusts and industrial and provident societies tend to be set up for specialist purposes, the choice for most generalist community organisations will usually be between unincorporated association and company limited by guarantee status.

## **Managing the incorporation process**

An organisation considering the incorporation process should be warned that the process can be lengthy and complex. It can be advantageous to get advice from a specialist and Community Matters' consultancy service offers an incorporation package including advice and consultancy support throughout the whole process.

### **For more information**

**To find out more about legal structures and charitable status click on any of the following titles to download support:**

- Community organisation constitutions
- Quick guide to the different legal structures
- Incorporation and Community Associations
- CICs - Community Interest Companies
- CIOs - Charitable Incorporated Organisations
- Duties of Company Directors and Secretaries
- Charitable Status and Registration
- The Charities Act 2011
- Technical Guidance Notes for the CIO Model Constitution

## AGM Process

Does the organisation have an Annual General Meeting (AGM) in accordance with its governing document?

Is due notice given of time, place and agenda for the AGM?

Is everyone with an interest in the organisation invited?

## Guidance

The organisation may need to hold an AGM and the governing document will show when this should happen, what should be on the agenda and notification requirements. While the meeting is public, only members have voting rights and sufficient members (see governing document) are required to make the meeting quorate. Members are the prime group with an interest in the organisation but the AGM could also be used to let your partners and funders know more about your work. Partners could include other community and voluntary groups, housing associations, residents groups, Health Organisations, Police, youth workers, faith organisations, and local authorities.

### **Further information and resources.**

Charity Commission comprehensive publication CC48 “Charities and meetings” for guidance on the law and good practice of charity meetings.

### **Advising Communities guidance for AGMs and SGMs (Special General Meetings)**

Community Matters produce a series of model governing documents that have been approved by the Charity Commission and HMRC. Using them can make it easier and quicker for your organisation to complete the registration process. They can also be used for the Commission’s online registration application process:

- Model Constitution for a Community Association
- Model Memorandum & Articles of Association for a Community Organisation
- Model Constitution for a Local Federation
- Model Memorandum & Articles of Association for a Local Federation

### **Community Matters also provide the following models:**

- Constitution for a CIO
- Constitution for a Residents’ or Tenants’ Association
- Constitution for a Small Non-charitable Community Organisation

Other model governing documents are available on the Charity Commission website

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## Election process

Does the organisation have elected officers in accordance with its governing document/constitution (e.g. Chair, Treasurer and Secretary) and any other officers?

Is your organisation clear on who is eligible to vote and how many members need to attend the AGM to be quorate?

## Guidance

The governing document/constitution will state which officers should be elected at the AGM, who is eligible to vote and whether the Chair is elected at the AGM or by the Trustees/Directors/Management Committee Members at their first meeting after the AGM. It will also state the requirements needed to inform members when the AGM will take place and where they need to advertise it.

We suggest that the organisation has a membership list to establish who can vote. Many constitutions say that you need either one third of the membership list or 25 members (whichever number is smallest) to make an AGM quorate. If membership is automatic to your organisation if you live in the area of benefit and there are 2000 people that live in that area you will need a minimum of 25 members to attend the AGM. Some areas will find it difficult to encourage 25 members to attend AGMs especially if your area of benefit is a smaller area. If you do not have the minimum amount of members attend to make the meeting quorate the meeting will have to be adjourned and reconvene at another time set in your governing document/constitution (this is usually 14 days after the initial meeting date).

Many organisations encourage members to attend the AGM by offering refreshments/cheese and wine or holding an event before or after the AGM.

### Online Information and Guidance

Officers of the Community Association and their duties  
Charity Commission comprehensive publication CC48 “Charities and meetings” for guidance on the law and good practice of charity meetings, includes roles of the secretary and chair.

# Working with local authority and why

Does the organisation understand how their work relates to the aims and objectives of their Local Authority?

## Guidance

Knowing how to relate your activities to the aims and goals of your local authority is crucial to being able to maintain their support, not just for funding or commissioning opportunities, but also for low, discounted rents, 100% relief on rates and other forms of support. Increasingly local authorities want to know how the activities of groups that they support relate and add benefit to their own strategic objectives. Knowing how to clearly articulate what your organisation contributes to these wider aims will be increasingly essential to maintaining on-going support.

Local authorities have a statutory responsibility to improve the well-being of communities and many have created Community Strategies, drawn up following consultation, to support their broader strategic goals (Corporate Strategies). Searching on your local authority's website will show the areas covered by their corporate and community strategies.

It is recommended that you research, consider and map the work, services and activities provided by your organisation which play a part in supporting the local authority to achieve their objectives.

Basingstoke and Deane Borough Council:

- Council Plan
- Basingstoke and Deane Borough Council Vision

Basingstoke and Deane Borough Council (BDBC) encourages all local communities in the borough to get involved in shaping their local areas and is supporting communities to develop their own community plans.

- Community Plans

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# Understanding your community and why

Does the organisation understand their community and its current needs e.g. have an up to date community profile or otherwise knows about the range of different groups, community organisations and active people within its community?

Is there a Community Plan in your area and do you refer to this as guidance to understand what it is that your community wants and needs?

Does the organisation monitor the quality and relevance of the activities and services it delivers, formally or informally?

Does the organisation seek feedback, and act on this information?

Does the organisation ensure that its services are fully accessible and appropriate to their community?

## Guidance

Your organisation exists to meet the needs of the community it serves. For those organisations using the Community Matters constitution this will be to improve the quality of life of people living within the area of benefit by meeting the social welfare, educational and recreational needs. An organisation must be in touch with its community in order to know and understand the current needs of the community.

Community Led Plans set out how local residents would like to see their local area change in the future with regards to short term goals and actions, important issues to be tackled and the long term vision that they wish their community to look like. If there is one in your area it is essential that your Organisation works alongside the Community Plan so that you can be sure that you are providing services/activities that enhance your area of benefit.

Your organisation should be familiar with the demographic profile available from the Local authority which will provide many useful statistics on the community to ensure your activities are appropriate for the age, gender, mobility, culture and age mix of your community and that they are accessible - for example to people with disabilities or whose first language is not English.

Community consultation, surveys and suggestion boxes are important in order to know and understand what the current needs of the community are in order to provide a wide range of appropriate activities and services. Many funders will require community consultation to prove the need for the project for which you are applying for funding.

Any activity or service should be of a high enough quality to be worth delivering and feedback should actively be sought and acted upon in order to check the relevance and quality of the service.

## **Online Information and Guidance**

Creating A Community Profile

Creating A Community Profile - neighbourhood walkabouts

## **Local information**

2011 Census

Ward Profiles

Community Plans

The Advising Communities guidance explains the benefits and how you can carry out a community profile exercise as a stimulus for action, a process of education and a tool for fundraising.

Community consultation, surveys and suggestion boxes are important in order to know and understand what the current needs of the community are in order to provide a wide range of appropriate activities and services.

Community Organisations Starting new groups

Community Organisations and Youth Clubs

Parent and Toddler Groups

Summary of Licences and Permissions

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# Organisational Action Plans (Business Plans)

Does the organisation have an up to date organisational action plan, otherwise known as a “Business plan”, which corresponds with the governing document and is in line with the need of your community?

Does the organisation regularly monitor and review the “business plan” to make sure that the actions are relevant and that the work of the trustees/committee is still on track?

## Guidance

Every Community Association should, ideally, have an organisational action plan (business plan). A “Business Plan” is the document that focuses on the activities, systems and skills required to achieve objectives that reflect your organisation’s purpose or mission. This will encourage the Management Committee to think realistically not only about what it seeks to achieve but also about the resource implications in terms of money, personnel, time, work space, skills and equipment etc.

Producing a “business plan” is often best done by the whole committee and, if applicable, by involving paid staff. This will give everyone a sense of ownership.

When writing the plan you should be aware of your local demographics and it is essential to refer to your local Community Plan if there is one in your area. It is also essential to monitor your progress on your Plan and initiatives to ensure you are producing positive outcomes for your community and can prove that you are working to further your aims and objectives. This evidence is also useful when applying for funding, it shows potential funders the impact of your work and that what you are doing is beneficial to the charity objects.

Other ways to monitor your progress are to record the footfall in your facility and the percentage of time your facility is hired out. This will highlight if there is an increase of usage in the facility, evidencing the need for the facility and the services that it offers. It will also make you aware if there is any drop in usage so that you can investigate. The Community Development Team at BDBC has templates to monitor these and the Learning Partnership also has training available to help with the process.

For Basingstoke and Deane Borough Council owned buildings, the Association is requested to submit a 3-5 year business plan and then the annual review of the business plan along with any other requested documents.

### **Online guidance and sources of information**

Business Plans

Outcomes and Objectives

Office of National Statistics (ONS) - 2011 Census

Basingstoke and Deane Borough Council - Ward Profiles

Local Community Plans

# Complaints procedure

Does your organisation have a complaints procedure that sets out the standard terms for a good complaints handling policy and details the procedure for processing complaints and dealing with the person making the complaint and, if relevant, the person complained against?

## Guidance

Your organisation should have a procedure for any complaints so that it can offer a fair and high quality service.

The procedure ensures that everyone knows how to make a complaint and that it is handled in a consistent and timely manner.

### **Advising Communities**

Model complaints policy and procedure

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# Annual returns to charities and local authority

Does the organisation make all the required annual or periodic returns to the Charity Commission, Companies House and Local Authority and notifications of changes (where applicable) including notification of any change of Trustees/ Company Director?

(Section 173 of the Charities Act 2011 states that failure to submit annual documents to the Commission is a criminal offence unless the person charged with submitting the documents took all reasonable steps for securing the filing of documents in time.)

## Guidance

Charitable organisations must ensure annual returns, annual reports and accounts are sent to the Charities Commission through their website on time, and that they are notified if any of the Trustees change.

You must refer to the Charity Commission guidance on “Public Benefit” when writing your annual report.

Only registered charities with incomes over £25,000 are required to submit their accounts to the Charity Commission. Limited companies and Community Interest Companies (CIC) have to return a copy of their annual accounts to Companies House. They must also notify Companies House if any of the Directors change

If your community facility is owned by BDBC, you may have certain requirements as stated in your lease or licence to occupy. If your organisation has been granted a subsidised rent then you are required to produce the following documents on a regular basis:

- A 3-year business plan including financial planning, also clearly demonstrating the benefit to the community and how the reduction in rent will add benefit to the community.
- A copy of the annual report and independently examined/audited accounts dependant on what the governing document states.
- Maintenance contracts to be in place for major mechanical/electrical equipment e.g. heating systems and copies of the contracts given to the community development team.
- The organisation should use the Charity Commission Report Model.
- The organisation should make use of Independent Examiners, to reduce costs (legally they do not need to use auditors but again, if stated in your governing document you must do so).
- Annual Returns should be completed on time for submission to the Charity Commission and deadlines for submission adhered to.
- The organisation should ensure compliance with relevant VAT regulations – all expenditure should go through the Community Association accounts, except where it is in connection with supplies made directly to the social clubs.
- The organisations should undertake an annual review of their pricing policy to ensure that prices charged cover the organisation’s running costs.



Where applicable there should be clear contracts between the community associations and social clubs.

- There should be separate lines in the accounts showing clearly – a) rent transfer and b) annual surplus transfer.

Example of a Charity preparing their annual report and accounts

### **Online Information and Guidance**

Charities Act

Charitable status and registration

Duties of Company Directors and Secretaries

Reporting and Accounting by Charities

See the Charity Commission guidance

Charity Reporting and Accounting: The essentials CC15b

Companies House has a comprehensive selection of guidance leaflets

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# Keeping up to date

Does the committee know where to find information to keep them informed and up to date?  
Particularly:

- Charity Law
- Company Law
- Equalities legislation
- Employment issues
- Licences
- Charity Accounting
- Safeguarding children, young people and vulnerable adults
- Health and Safety
- Funding Opportunities

## Guidance

How does the management committee stay up to date? The Trustees/Directors/Management Committee Members have numerous responsibilities and legal duties, to the Charity Commission for managing the charity, to Companies House for the managing of a company (if relevant), as employers, for health and safety etc. These responsibilities are subject to change and it is important that the management committee stay up to date as they have a duty to be informed. Trustees/Directors/Management Committee Members should ensure that any relevant information received is cascaded to all staff, volunteers, members, and/or reported at committee meetings and any relevant changes are reflected in policies, contracts and procedures.

Trustees should regularly visit the Charity Commission website as their page is updated as soon as any changes are made to legislation etc.

Especially important areas to remain current on are:

- Charity Law
- Company Law
- Equalities legislation
- Employment Issues
- Charity Accounting
- Safeguarding children, young people and vulnerable adults
- Health and Safety
- Licences
- Funding Opportunities

**Information could be found through, for example, such mechanisms as:**

Charities Act 2011

Learning Partnership Programme

Advising communities advice line, e mail newsletter, or the website

Newsletters from solicitors and accountants.

Membership of a national body.

Support from the Basingstoke and Deane Community Development Team

Support from Basingstoke Voluntary Action.

Charity Commission website

ACAS- Advisory, Conciliation and Arbitration Service provide a helpline 08456 061600 together with a range of low cost publications and a range of training courses

Health and Safety Executive (HSE) 08701 545 500

Also see sections in this review re. Data Protection, Financial Management and Training, for further information

# What is your lease?

Does the organisation have the legal right to occupy/manage the building they occupy? For example: freehold, lease or licence

## Guidance

The organisation needs to have the legal right to permanently occupy the building by having the freehold (owning the building), a lease or a licence to occupy. The Charity Commission would question any organisation spending charitable assets on repairs and refurbishing a building for which they have no occupancy rights. For any capital funding application a long lease or freehold would normally be required.

### **Useful online Information and Guidance**

Advising communities publish model leases approved by the Local Government Association.

Transfer of Property between Local Authorities and Community Organisations.

Negotiating Leases

Model Lease - Incorporated Community Association

Model Lease - Unincorporated Community Association

# Licences

Does the organisation have the relevant licences and permissions to cover all its activities? For example: A premises licence for the provision of alcohol & entertainment

## Guidance

It is a legal requirement to have the appropriate licences /permissions for activities. There are exemptions for small scale charitable gambling activities and organisations should contact their local authority for advice. Local authorities are now able to issue licences and permissions for Premises Licences, Personal Licences, Gaming Machines and Small Lotteries. Note: Bingo is usually played under the rules of The Gaming Act part 12 or 14 unless there is a Premises Licence that includes the sale of alcohol; in which case it may be played under s249 of the Act. Organisations should seek advice if they are unsure of what they need.

The documents which allow organisations to use the buildings they occupy may contain certain conditions. The organisation must check if there are conditions which prevent:

- the consumption or sale of alcohol on the premises.
- a sub-lease or licence of parts of the building (say, to a social club); or

If the document contains these types of conditions, the organisation may take legal advice about if and how they can be changed.

### Online Information and Guidance

The Licencing Act 2003

Alcohol in Community Buildings

The Gambling Act 2005

Bingo

HM Revenue and Customs Trading and business activities

Charity Commission – Providing Alcohol on Charity Premises

Charity Commission leaflet cc35 “Trustees, trading and tax”

Basingstoke and Deane Borough Council information and Guidance

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# Music licences

Do you or anyone connected with your building use live and/or recorded music. If so, do you have the correct licences to do so?

## Guidance

It is a legal requirement to have the appropriate licences and permissions.

A PRS annual licence or occasional permission is required if you play live or recorded music at public events as copyright fees are due to authors and composers. A PPL annual licence is required when you play recorded music when members of the public are present as copyright fees are due to the record producers.

In 2012 PPL UK took over joint licensing for PRS with just one licence that covers the building, land and vehicles. There are some exemptions for activities such as family gatherings, weddings and religious services but as soon as licensable activities are included the exemptions do not apply. Groups hiring the building that previously required their own licence will no longer need one but the costs to the organisation will increase and organisations should consider raising hire charges to include this extra cost. Commercial groups still need their own licence.

There is a Community Buildings Tariff for organisations with an annual defined income of under £50k, where fees are 1% each of defined income for both PRS and PPL. (Organisations with defined income of under £10,000 per annum also get a small discount from PPL). Defined income is for all activities linked to the building but excludes grants, gifts, donations, legacies and earned interest.

Organisations with sub-lets can choose between having one licence or separate licences and should work out the most cost effective option. For social clubs it is the net income from bar and food sales that counts as defined income.

### **Community Matters online Information and Guidance**

Music in Community Buildings

PRS publish notes specifically for community buildings

PRS website General advice line, 0845 309 3090, Music licenses for business (to buy or review a license), 0800 068 4828

Phonographic Performance Ltd 0207 534 1070 (first contact) or 0207 534 1450 (existing license holders)

# Insurances

Does the organisation have the required insurance cover and any additional cover that is felt necessary? For example:

- Public liability
- Employers liability (if applicable)
- Building and contents cover
- Vehicle (if applicable)
- Lift insurance (if applicable)
- Specific activities (if applicable)

## Guidance

Some insurance is a legal requirement i.e.

- Employers liability (if applicable)
- Vehicle (if applicable)
- Lift insurance (if applicable)

Other insurances may be necessary or should be considered if appropriate for the organisation as the Trustees/Directors/Management Committee Members have a duty to care for the assets of the organisation – this means protecting the assets of the organisation while not unnecessarily spending charity money on inappropriate insurance cover.

Check other documents such as leases or contracts that may stipulate the level of public liability or other insurance cover.

Charity Commission  
Advising Communities  
Basingstoke Voluntary Action(BVA)

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# Data protection

Does the organisation have a policy and procedures for Data protection?

## Guidance

Data Protection. While there are exemptions from registering re data protection that apply to voluntary groups in terms of membership, staff and volunteers, organisations must still comply with data protection legislation for any data processed by computer or kept in files. The principles are to keep data fairly, not keep excessive data, ensure data is accurate and up to date, keep data no longer than necessary, observe the rights of individuals and keep data safe and secure.

All data protection policies and processes must comply with the Data Protection Act 1998 and the Protection of Freedoms Act 2012.

### **Online Information and Guidance**

Data Protection Policy

Insurance for Community Organisations

Trustee Liability Indemnity Insurance

Community Buildings Insurance Inventory

# Safeguarding and DBS

Does the organisation have ways of safeguarding children and vulnerable adults? For example:

Procedures regarding security and unsupervised access to vulnerable groups.

Use of 'Disclosures' (Disclosure and Barring Scheme, DBS, if appropriate), when recruiting staff and/or volunteers.

Questions about criminal record in its employee application process (if appropriate) in line with the Rehabilitation of Offenders Act

## Guidance

Community centres are frequently used for activities for children young people and vulnerable adults. Trustees/Directors/Management Committee Members have a duty of care to ensure their safety whether or not they directly run activities for these groups.. Any employer of staff and volunteers who work with or come into 'frequent' or 'intensive' contact with these groups should have or consider a Disclosure and Barring Service (DBS) check. Any recruitment process for workers with children and vulnerable adults (both employed and voluntary) should include the requirement for a DBS check and a search on the 'barred list' if that work is to be carried out unsupervised before employment can take place. The rehabilitation of Offenders Act does not apply for those working with children, young people or vulnerable adults and the employer can ask for a full disclosure of any offences. However, recent changes to safeguarding processes provide employees with more control over their personal data, and for the chance to request details are removed from their DBS check if they are irrelevant to the post.

The Safeguarding Vulnerable Groups Act 2006 and Protection of Freedoms Act 2012 placed a responsibility on employers and providers of activities and services for background checks to ensure someone employed to work with vulnerable groups is not on the 'barred' list, and a duty to refer information to the DBS if they dismiss an employee because of their conduct with children or vulnerable adults.

Online Information and Guidance on Safeguarding Children and Vulnerable adults and The Disclosure and Barring Service

Charity Commission Guidance

The Disclosure and Barring Service (DBS) has a help line on 0870 909 0811 or email [customerservices@db.s.gsi.gov.uk](mailto:customerservices@db.s.gsi.gov.uk).

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# Equalities

Does the organisation have an up to date Equalities policy and procedure that covers their work and recruitment/employment of volunteers and staff, and meets the requirements of the Equality Act 2010

This may include:

A statement and code of practice (recognising discrimination against particular characteristics , specifying standards of behaviour, outlining measures for tackling discrimination etc)

## Guidance

The Advising Communities specimen governing document states that the association is open to all and fully inclusive. It is a legal requirement to be non-discriminatory. This should include recruitment and employment and be backed by a comprehensive Equalities Policy that meets the requirements of the Equality Act of 2010 which brought together all previous legislation around discrimination and added gender reassignment and maternity as additional characteristics. A code of conduct and a procedure specifying standards of acceptable behaviour, outlining measures for tackling discrimination and indicating the process for any breach of the policy indicates good practice.

There should be a written recruitment process to ensure fair and consistent good practice. Job descriptions, advertisements and the selection process must be based on equal opportunities and non-discriminatory. There is a requirement to make reasonable adaptations and alterations to the premises, equipment or working practice to accommodate a disabled person.

### **Online Information and Guidance**

Specimen Standing Orders for Disciplinary Procedures

Accessibility

Discrimination Legislation

Equal Opportunities

Equal Opportunities and the Law

Individual Rights of Employees

The Equality Act 2010

The Equality and Human Rights Commission promotes good practice and has an advice line: 0845 604 6610 and an equality impact assessment available as a downloadable tool.

## Sources of information

Census 2011

Office for National Statistics

Nomis (provided by the Office for National Statistics) - UK labour market

Ethnic Minority and Traveller Achievement Service (EMTAS)

Demographic profile for Basingstoke and Deane produced by Hampshire County Council

For all equalities and human rights issues see the Equality and Human Rights Commission's website.

ACAS - Advisory, Conciliation and Arbitration Service provide a helpline (08456 061600), a website and a wide range of free or low cost publications and a range of training courses.

# Can you trade or do you have a social club?

If the organisation is a Registered Charity does it have any required separation for non-allowable trading activity (i.e. where charitable exemptions for trading goods or services do not apply?) or a social club?

Does the charity have a clear legal relationship with any trading arm or social club?

## Guidance

The types of trading and the extent to which an organisation can trade without infringing charitable status or incurring a tax liability are limited. The distinction between exempt and non-exempt trading by a charity is complex, but centres around whether the trading is directly related, or ancillary, to the charitable objects of the charity. Regular trading as an income generator may require setting up a trading subsidiary. Community Matters can provide detailed help and advice.

If the organisation separates its trading activities from the charity it may then have a wholly owned Ltd Co for trading purposes or establish a registered social club. The organisation cannot give its assets (including stock, equipment, furniture etc.) to the trading company but must sell or lease on a commercial basis. This would also apply for sales and leases of charity land which need to follow the requirements of the Charities Act 2011.

Questions may arise in terms of rates, tax and utility charges as well as charity law.

Often an occupation licence will be required for the trading arm if it is sharing the same premises.

The charity cannot subsidise a commercial activity such as a social club and must ensure they recover all of the identified costs via the occupation licence.

A covenant of profits ensures any surpluses are donated to the host charity.

The accounts of the 2 organisations should be included in the charity accounts.

### Online Information and Guidance

Trading Activities and Tax  
Alcohol in Community Buildings  
Bingo  
Gambling Act 2005  
Music in Community Buildings  
Procurement and Commissioning  
Social Enterprise  
Summary of Licences and Permissions  
The Licensing Act 2003

Charity Commission leaflet CC20 - Charities and Fundraising  
Charity Commission – Providing Alcohol at charity meetings and events  
Charity Commission leaflet CC28 - Sales, leases, transfers or mortgages: What trustees need to know about disposing of charity land  
Charity Commission leaflet cc35 “Trustees, trading and tax”  
See also HM Revenue and Customs Charities – Trading and Business activities

# Governing documents

Does the organisation have an up-to-date governing document?

## This should be:

- in line with the organisation's activities
- enables its independence
- and prevent undue influence from individuals, trading companies or external organisations.

## Guidance

Your organisation should have a written governing document (such as a Constitution or Memorandum and Articles of Association) that is up to date, legal and matches your activities. If you are a registered charity or a company, your most up-to-date governing document should be the one registered with the Charity Commission or Companies House.

The governing document is very important as it defines the group's objectives, defines the area you serve, powers, rules and procedures of the organisation. Trustees/Directors/Management Committee Members should be familiar with this document, and keep it under review to ensure it is up to date, still relevant to the organisation and meets the latest legislation. Any activities the Association provides should be directed by the governing document. When writing your governing document you need to have a section that states how any changes are made to the document. There are procedures that need to be followed as it is a legal document and any changes must be agreed by the members of the organisation and then accepted by the Charity Commission.

Advising Communities are democratic organisations that are accountable to their members. Members have a voice at the Annual General meetings particularly where they elect the trustees and /or Directors for the organisation. The governing document will state which officers should be elected at the AGM and whether the Chair is elected at the AGM or by the Trustees/Directors at their first meeting after the AGM. The governing document and the way you act should demonstrate that the organisation is independent and free from undue influence e.g. powerful sections, trading companies, social clubs, local authorities or strong individuals.

Community Matters produces a model constitution for a community association. This has been approved by the Charity Commission.

Using it can make it easier and quicker for your organisation to complete the registration process. They can also be used for the Commission's online registration application process. The Community Matters constitution states that the association is open to all and fully inclusive.

Advising Communities produce a series of model governing documents that have been approved by the Charity Commission and HMRC. Using them can make it easier and quicker for your organisation to complete the registration process. They can also be used for the Commission's online registration application process:

- Model Constitution for a Community Association
- Model Memorandum & Articles of Association for a Community Organisation
- Model Constitution for a Local Federation
- Model Memorandum & Articles of Association for a Local Federation

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**Advising Communities also provide the following models.**

- Constitution for a CIO
- Constitution for a Residents' or Tenants' Association
- Constitution for a Small Non-charitable Community Organisation

**Advising Communities online Information and Guidance**

- Community Interest Companies
- Charitable Incorporated Organisations
- Charitable Status and registration
- Duties and responsibilities of Company Directors and Secretaries

**Charity Commission website for information on Charitable Incorporated Organisations**

- CC21a How to set up a charity
- CC21b How to register a charity
- Community Interest Companies regulator

# Aims and objectives

Do the committee members all understand the published (charitable) objectives and aims of the organisation set out in the governing document (i.e. constitution)?

## Guidance

The Trustees/Directors/Management Committee Members must know, understand, and operate within, the charitable/community objectives and aims of the organisation as shown in its governing document. It is essential Trustees/Directors/ Management Committee Members are given a copy of and read the governing document which sets out the charitable/community objectives, powers and operating rules.

An induction policy does not have to be a long or complicated document, just a short statement of the standardised procedures that your organisation goes through to support a new trustee, and setting out what information they must be told or shown. This can be in the form of a committee members handbook.

### Online Information and Guidance

Advising Communities produce a series of model governing documents that have been approved by the Charity Commission and HMRC. Using them can make it easier and quicker for your organisation to complete the registration process. They can also be used for the Commission's online registration application process:

- Model Constitution for a Community Association
- Model Memorandum & Articles of Association for a Community Organisation
- Model Constitution for a Local Federation
- Model Memorandum & Articles of Association for a Local Federation

#### and also provide the following models:

- Constitution for a CIO
- Constitution for a Residents' or Tenants' Association
- Constitution for a Small Non-charitable Community Organisation

Other model governing documents are available on the Charity Commission web site.

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## Why meet regularly

Do all the committee members (and staff where appropriate and applicable) meet regularly as required in their governing document/constitution?

### Guidance

The Trustees/Directors/Management Committee Members must meet in order to manage the organisation effectively. The governing document will show the minimum number of meetings of the management committee per year. The Trustees/Directors/ Management Committee Members are responsible for governance and the strategy of the organisation.

While organisations that employ staff will delegate certain duties and tasks to those employees, the Trustees/Directors/ Management Committee Members remain in overall charge and responsibility. Staff, while non-voting, are a part of the team and the most senior employees should be invited to meet with the Trustees/Directors/ Management Committee Members where appropriate as they make a useful contribution to the work of the Trustees/Directors/ Management Committee Members through reports and information, or guidance and advice.

Charity Commission Guidance

Advising Communities Committee Procedures

# How to run a charity meeting

Your charity's governing document should say how and when you should organise meetings and how to vote on decisions. You must do these things exactly as the governing document says. If you don't, any decision you make during a meeting could be invalid.

If your governing document isn't clear about meetings, you should think about adding to it (or agreeing extra rules). For example:

- who can attend the meetings (most meetings are just for the trustees)
- how often and when you should hold meetings
- the minimum number that must attend a meeting so that decisions can be made properly (called the quorum)
- how you deal with charity trustees who have a conflict of interest

Having the right rules in place for meetings will help you to make decisions effectively, manage conflicts of interest appropriately and deal with problems.

## Guidance

Once you've found a suitable date, time and venue for your meeting, following these guidelines will help you to run it effectively.

### 1. Have an agenda

Your governing document may tell you whether you should give advance notice of items to be discussed. Generally, if all present agree, they can introduce a new item of business on the day of the meeting.

### 2. Deal with any conflicts of interest

If a trustee's decision-making could be influenced by their personal circumstances, or their involvement with another organisation, they are in a conflict of interest .

Legal requirement: you must prevent a conflict of interest from affecting a decision you make.

### 3. Have a 'quorum' – enough people to make a decision

A quorum is the minimum number that must attend a meeting so that decisions can be made properly. The people may be trustees at a committee meeting, or members at a general meeting. Your governing document should tell you what your quorum is. If it doesn't, think about amending it.

If you set your quorum too high, any absences may make it difficult to have a valid meeting. If it's too low, a small minority of people may be able to impose its views unreasonably.

The Charity Commission recommends that the quorum for a trustees' meeting is a minimum of one third of the total number of charity trustees plus one. So a charity with ten trustees will have a quorum of four.

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For general meetings, you should give careful thought to the quorum – it needs to be appropriate to the size of your charity and the number and geographical spread of members.

#### **4. Follow voting rules (if applicable)**

Voting arrangements differ between charities and the type of meeting that you are holding. As a general rule, you should follow the instructions in your charity's governing document.

At trustee meetings, generally only the trustees vote on decisions. If a vote is evenly split, sometimes the chair has a second, casting vote to decide the matter, but only if the governing document says so. At general meetings, the members vote on decisions.

Usually a show of hands is enough to tell the result of a vote, but a poll can be used if not.

#### **5. Keep minutes of every meeting**

The Charity Commission recommends that you keep accurate minutes of all meetings. They don't need to be word-for-word, but should give:

- the name of the charity
- the type of meeting
- the date and time of the meeting
- the names of those present
- who chaired the meeting
- what capacity people attended in, such as trustee or staff member
- any absences for agenda items due to conflicts of interest
- apologies for absence

The minutes should record exactly what was agreed, particularly for important or controversial decisions. For example:

- the exact wording of any resolution and who proposed it
- a summary of the discussion on each item of business
- information used to make decisions
- how many votes were made for and against, and how many didn't vote
- what action is needed and who is responsible for taking it
- the date, time and venue of the next meeting

Ideally, someone who isn't involved in the meeting should take the minutes. If a trustee is taking the minutes, they should ensure they can also contribute actively to the discussion.

You must make the minutes of trustees' meetings available to all charity trustees. Professional advisers such as auditors may also ask to see them.

The minutes of a general meeting are usually made available to members (in the case of a charitable company they have to be) but you don't have to make them available to the public unless the charity's governing document says so.

## **Trouble at meetings**

People can get very passionate about their charity's work, and this can lead to debates and disagreement.

You and the other trustees are responsible for managing the charity's meetings. Set standards of behaviour to make sure everyone present agrees to behave professionally and in the charity's interest. For example, a code of conduct.

You can't stop people coming to a meeting if they are entitled to be there. Tell the police if you think that people intend to cause violence at a meeting.

# Why have policies?

An area of managing an organisation that can save a lot of time and heartache is to have policies and procedures. They can help an organisation to make informed decisions e.g. if an organisation has members and/or lets its premises to other organisations it should have a policy on how to deal with dissatisfaction and complaints and a code of conduct as to how it expects people to behave on its premises. Then, if someone complains to the Management Committee about the way they have been treated, the Committee can refer to its policy and act accordingly. If there is no policy it will be making decisions on the back foot and if challenged may find it hard to justify. Whereas if it has a policy and people know what it is, they will know they have been judged fairly.

## Guidance

There are a number of key areas where a committee may wish to have policies e.g. Data Protection as well as some specimen policies such as a Complaints Policy. Today many grant-giving bodies, local authorities and trusts all ask for policy documents when organisations apply for funding. Examples of policies that may be asked for include: Equal Opportunities, Data Protection, Health and Safety and Child Protection. Having a policy or statement of intent however, is not enough. If an organisation is to follow good practice methods it needs to put the policy into practice and involve all its members and user groups. Putting policies into practice can prove quite challenging when they have not existed before, but it is well worth the effort in the end. Here is a non-exhausted list of policies you may need to have:

### **Click on any of the titles below for support from Community Matters:**

- Libel
- Equality & Discrimination: the law
- Freedom of Information Legislation
- Data Protection Legislation
- Equal Opportunities
- Conflict Resolution

### **Specimen Documents**

- Model Complaints Policy and Procedure
- Community Organisation Code of Conduct
- Model Equal Opportunities Policy

### **Model policies from other sections:**

- Health and Safety Policy
- Safeguarding Policy
- Model Volunteers Policy

# Policy calendar

Are the management committee aware of and follow policies, procedures and plans and are they reviewed regularly?

## Guidance

Policies, procedures and plans should be signed and dated once written and agreed with the review date added to the document. Below is a suggested list of documents and the frequency they should be reviewed to make sure that they are up to date and relevant.

It is recommended that Policy Review is part of your regular meeting agenda. If each trustee takes responsibility for certain policies, then presents the suggested changes (if there are any) to the meeting so that the committee reviews a policy (multiple if small or no major changes to be discussed) at each meeting. Over the course of the year all policies will be reviewed and trustees will be refreshed on the details on a regular basis. Remember to sign and date each policy, add a review date and minute that the amended/new policy has been accepted.

Although they have a review date, if charity law or legislation changes in the meantime, the relevant policies will need to be changed as appropriate. Copies should be given to new starters whether they are committee members, staff or volunteers.

Review Frequency	Policy to Review
<b>At regular Committee Meetings</b>	Business Plan including Marketing Plan- monitor against progress and make sure actions are relevant and that they are in lines with the Charity Commissions guidance for Public Benefit.
<b>Annual</b>	Data Protection
<b>Annual</b>	Health and Safety
<b>Annual</b>	Safeguarding
<b>Annual</b>	Equalities
<b>Annual</b>	Conflict Management
<b>Annual</b>	Finance Controls/ Expenses and payments to staff and volunteers
<b>Annual</b>	Hire charge review
<b>Annual</b>	Staff Recruitment procedures
<b>Annual</b>	Grievance and Dismissal
<b>Annual</b>	Volunteer/Trustee recruitment
<b>Annual</b>	Food Safety and Food Hygiene
<b>Annual</b>	Licenses – update and ensure adhering to any requirements
<b>Annual</b>	Reserves Policy

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# Annual accounts

Does your organisation produce annual accounts, appropriately examined or audited, and containing the Annual Report?

Does your organisation report on how the public benefit test has been met?

## Guidance

(Section 173 of the Charities Act 2011 states that failure to submit annual documents to the Commission is a criminal offence unless the person charged with submitting the documents took all reasonable steps for securing the filing of documents in time.)

Depending on the governing document and the level of income of the organisation, there are various annual reporting and accounting requirements - but every organisation must keep some form of accounting records.

If a charity has an annual income of between £25,000 and £500,000 the organisation has to have at least an independent examination of their accounts, unless the governing document specifies that the accounts must be audited. Trustees/Directors/Management Committee Members can choose to have accounts audited instead of examined if they wish. However charities with an annual income above £500,000 must have their accounts audited. Charities must submit accounts to the Charity Commission together with an annual report.

From 2012 all charities will have to submit their reports on line and will require a password if they have not already set one up.

Any committee dealing with the financial affairs of the charity should authorise and minute the authorisation of expenditure. This could be done through approving and monitoring budgets. Financial rules should be in place to regulate the way the charities funds are managed.

The accounting framework for charities and charitable companies consists of regulations for the production of a Statement of Financial Activities (SOFA). In addition SORP (Statement of Recommended Practice) incorporates all the regulations for the format of the financial statements and additional information requirements.

Public Benefit The 2006 Charities Act ensures that all charities must explicitly demonstrate the public benefit linked to their charitable objectives and must not make unreasonable restrictions. The previous Charity Commission guidance regarding fee charging that impacted on most community associations has been withdrawn following a challenge and will be reissued at a later date.

## **Online Information and Guidance**

Independent Examination of Accounts

Reporting and Accounting by Charities

Financial Rules

Charity Commission website

SORP 2005

Independent Examination of Charities accounts – CC31 and CC32

CC16 Receipts and payments Accounts pack

Accruals accounts packs - CC17 and CC39

Association of Charity Independent Examiners

CC19 Charities reserves

Online filing to the Charity Commission

For further guidance on the Public Benefit see the Charity Commission guidance.

Example of a Charity preparing their annual report and accounts

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# Staying solvent

Does the committee produce an annual budget and receive and monitor regular financial updates for the organisation? Do the trustees/Directors/Management Committee Members understand that it is a legal requirement to:

- Keep the organisation solvent and not operate without funds?
- Use its funds wisely and only in furtherance of the organisations (charitable) objects?
- Obtain a licence for any street collections and have an agreed policy (if applicable)
- Have Gift-aid certificates and procedures (if applicable)

## Guidance

The Trustees/Directors/Management Committee Members are accountable and responsible for the organisation. They are individually and collectively liable for the actions of the organisation, for its debts and other liabilities. Knowingly operating a company while insolvent is a criminal offence. Decisions made are owned by the whole board that are therefore responsible and accountable for those decisions.

Good financial management is crucial and Trustees/Directors/Management Committee Members are expected to care for the organisation's finances in the same way as if they were their own. The organisation has to ensure it does not commit to spend more than the funds available. This means spending should be controlled and also limited to the organisation's objectives.

Money earned or held by the organisation is held on trust. Trustees/Directors/Management Committee Members are accountable to their members, the public, the Charity Commission as well as funders. The Trustees/Directors/Management Committee Members have a duty of care re the assets of the organisation.

An annual budget should be drawn up and agreed by the Trustees/Directors/Management Committee Members to cover expected income and expenditure. Once agreed the budget should be included in a regular financial report at every meeting so that Trustees/Directors/Management Committee Members can monitor fund levels, authorise and minute the authorisation of expenditure, scrutinise the

accounts, make any necessary adjustments to the accounts and budget, controlling payments within the confines of the cash available and cut expenditure or increase income with additional fundraising efforts.

Street Collections: A licence must be obtained from the local authority if an organisation plans to carry out street collections or collect money door to door. Regulations vary – contact your local authority.

Gift Aid: Charities that have been registered for 3 years or more and have made successful gift aid claims for 3 out of 7 tax years may be able to collect gift aid from donors without the donor making a signed declaration. Donations have to be less than £20 and gift aid can be claimed at 25p in the pound to a maximum of £5,000.

## **Online Information and Guidance**

Becoming a Trustee – what’s in it for me

Financial Rules

Trading Activities and Tax

Charity Commission publication CC3, The Essential Trustee

Charity Commission publication “Hall Marks of an Effective Charity”

CC35 - Charities and Trading is available from the Charity Commission

Also see Financial Controls

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# Reserves policy

If the organisation is a Registered Charity, does it have a Reserves Policy in line with Charity Commission requirements?

## Guidance

All charities are advised - and it is a requirement for those charities submitting annual reports - to have and report on a reserves policy.

Normally a charity is required to use its assets within a reasonable amount of time for its charitable purposes but this does not preclude holding some in reserve – which is good housekeeping practice- but if this is at too high a level it could be considered a breach of trust. The level of reserves must be justifiable.

The reserves policy needs to consider any financial risks the organisation has such as redundancy, requirements from a lease, contracts etc., say why the charity needs a reserve, what level the Trustees/Directors believe this should be, what steps the charity are going to take to establish or maintain their reserve fund and how their reserves policy will be monitored and reviewed.

### **Online Information and Guidance**

Reporting and Accounting by Charities

Charity Commission publication CC19 Charities Reserves

# Financial controls

Does the committee have policies and procedures to ensure that the funds and assets of the charity are safeguarded and can be accounted for?

## Guidance

It is the fundamental duty of all Community Association Trustees to protect the property of their Association and to secure its application for the objects of the Association. In order to discharge this duty it is essential that there are adequate internal financial controls over the charity's assets and their use. It is important, therefore, to put internal financial controls in place. These act to protect the interests of the beneficiaries of the charity, its employees and also the trustees themselves.

Trustees must ensure that the Community Association keeps proper books and records and that annual accounts and an annual report are prepared. Trustees must formally approve the Association's annual report and accounts and it is good practice to provide every trustee with a copy of the report and accounts each year.

In order to achieve full control over the Association's finances, it is necessary to work within an agreed budget and to undertake full financial planning. Proper and realistic estimates of expected income and expenditure need to be made for each financial year.

Approval of budgets and accounts can only be done after discussion at trustee meetings. These discussions must be fully minuted.

## Incoming funds

Trustees are under a duty to take control of and to safeguard all funds to which the Association is entitled.

## Postal receipts

Incoming post should be opened at the earliest opportunity and in the presence of two responsible people.

All incoming cheques and cash should be recorded immediately and entries should be verified by someone other than the person who has made the entry. This is particularly important for cash.

It is appreciated that this could cause a problem if the Association does not have paid staff and, in these circumstances, trustees should ensure that all money is sent to a central point and that a book is kept to record receipt of all mail with money enclosed.

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## Fundraising events

Records should be maintained for each fundraising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred.

For all events for which there is ticket income or gate money:

- Tickets should be pre-numbered.
- A record should be kept of all persons who have been issued with tickets to sell, and of which ticket numbers have been allocated to each.
- A record is kept of which tickets have been sold.
- A reconciliation is made of receipts against tickets sold.

Similar records should be maintained for sponsored events

## Banking procedures

Incoming receipts should be banked regularly and as soon as possible – at least weekly. Frequency of banking will depend on the amount of cash received. Keeping cash in a locked cash box is only suitable for small amounts of money.

Cash and cheques should be put in a safe or locked cash box if they cannot be banked on the day of receipt. The keys to any safe or cash box should be held by a nominated officer. They should be signed for whenever they are used.

All incoming money should be banked gross – no amounts should be held back for petty cash.

The Association should have a written statement of policy and practice covering banking procedures which should be available to all trustees and staff.

Controls should be maintained over receipt books issued by the charity, both in terms of accounting for all receipts issued and for stocks of receipt books.

## Checks on income procedures

Trustees should make regular checks to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records. If performed regularly, it will serve as an early warning of anything going wrong. Random spot checks will ensure that:

- Records of cash and cheques received agree with bank paying-in slips.
- The paying-in slips equate with the bank statements, both in terms of amount banked and date of credit.
- All transfers or other direct payments into the bank can be identified and verified against paperwork.

These checks should be made by someone other than the person concerned with the original recording of the transactions.

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## Controls over expenditure

Trustees are responsible for all expenditure of the Association's funds and have to account for how the funds have been applied. The basic rules of proper record-keeping, segregation of duties, and safekeeping of valuables are vital.

When making payments:

- All expenditure and investment of charitable funds must be properly authorised and there should be supporting documentation eg itemised receipt or invoice for all items of expenditure.
- Payment methods (eg cheque book, building society passbook and bank mandate forms) must be kept in safe custody with access limited to nominated persons.
- The preparation of documentation for authorisation is undertaken by someone other than the persons authorising the payment.
- The Association has a written statement of policy and practice covering payment procedures which is available to all trustees and staff. This should include instructions on who is authorised (and in what circumstances and up to what limit) to place orders or contracts or to incur any liability on behalf of the charity.

## Controls over purchases

Trustees have a responsibility to ensure that adequate checks are made to both confirm that purchases have been properly authorised and that goods or services ordered have actually been received. The following controls should be in place:

- Invoices received need to be checked against orders made.
- Records should be kept of orders placed but not yet carried out.
- The quality and quantity of goods supplied should be inspected to ensure they correspond with orders placed and those invoiced for. Services supplied need to be similarly checked.
- Regular stock-taking should be done.
- Payments should be made only against original invoices.

## Payments by cheque

Trustees must abide by any relevant clause in their constitution which specifies who is authorised to sign cheques. Employees cannot sign cheques if the governing document only permits trustees' signatures.

It is advisable to have a 'pool' of people authorised to sign cheques which is greater in number than the minimum number of signatures required on the mandate. This can prevent a situation arising where insufficient signatories are available.

Cheques made payable to a nominated signatory should not be signed by that person. It is preferable to avoid a situation where related trustees are able to sign cheques together.

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Close control should be exercised over access to the cheque books. Blank cheques should not be signed in advance.

The agreed limits (if any) for individual signatories should be recorded in the bank mandate and circulated among the trustees.

All cheque expenditures should be recorded in the cash book and cross referenced to the cheque number, with the nature of the payment and the payee clearly identified.

All cheque book stubs should be completed at the time of payment and retained.

Regular spot checks should be made of the expenditure records against primary documents such as invoices. No cheques should be signed without a corresponding invoice or other documentary evidence as to the nature of the payment. Expenditure should be regularly summarised for inspection by the trustees with exceptionally expensive items highlighted.

## **Payments by cash**

Every effort should be made to reduce the need for cash payments to an absolute minimum.

All cash payments should be made from a cash float of a fixed amount which is regularly replenished from the bank or building society account and not from the retention of incoming money.

All claims for refurbishment of the cash float should be backed up by supporting documentation and signed by the cashier.

The supporting documentation should be authorised by someone other than the cashier or claimant.

Regular spot checks of the petty cash float should be made by an authorised person independent of the cashier. This involves counting the balance of cash in hand and reconciling the float by totalling the vouchers for amounts paid out and not yet reclaimed by the cashier.

## **Internet Banking:**

Only the authorised bank signatories will be able to access internet banking.

All transactions will be witnessed by either, one other bank signatory or the centre manager.

All internet banking access information will be kept in a secure place.

Under no circumstances will any banking access details be taken home by any member of the committee or other representatives of the Community Association.

## **Wages and salaries**

Personnel records should be kept for each member of staff separately from the pay records. Checks of one against the other should be made in order to prevent the payment of fictitious employees.

Trustees should ensure that they are fully aware of staff employed by the Association and that appointments have been properly authorised; also that salary payments have been properly authorised and paid in accordance with that authorisation. Trustees need to satisfy themselves that staff are carrying out the duties for which payment has been authorised. Where (if necessary) payments are made in cash, these should be paid out by someone other than the person making up the payroll, with the employee signing as evidence of receipt.

Employees should have a proper contract of employment and individuals should not be incorrectly classified as self-employed. Trustees ought to avoid failing to deduct and account for PAYE and national insurance contributions as they may be unable to recover the over-payment from the employee.

Proper procedures should be in force for payment of expenses to trustees, employees and volunteers.

### **Spot checks should be made to ensure that:**

- Records of payments made agree with cheque stubs, paid invoices or other authorisations and are in accordance with budgets;
- Cheques have been presented for payment by the bank or building society as shown by the statement and;
- Standing orders and direct debit payments are in accordance with valid instructions given to the bank or building society.

## **Fixed assets**

A list of fixed assets should be held and updated regularly. All fixed assets should be checked at regular intervals to ensure they remain in good repair and of use to the Association.

Trustees should consider the need for insuring assets and the extent of cover which is appropriate.

Examples of some of the most commonly used financial control forms are given at the end of this section, including a cheque request form, petty cash form and balance account.

## **Petty cash**

Petty cash should always be drawn from the bank and not from monies which are income. This will ensure that your bank statements provide you with a true record of all income and expenditure.

Decide on an amount of money to keep in Petty Cash. This should be a maximum of £50.00. Each amount of cash spent must be replaced by a receipt or petty cash voucher ensuring that at any given time, the receipts/vouchers plus the remaining cash add up to £50.00. At the end of the week, add up the value of all the receipts/vouchers and calculate how much cash should remain. Count the remaining cash. The amounts should be the same. If they are not you will have to remedy the discrepancy by interrogating everyone who has access to the petty cash to find the culprit.

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The calculated cash and the actual cash remaining must be the same.

Replace the receipts/vouchers by writing out your petty cash cheque for that amount, so taking the actual cash back to £50.00.

In your account book, you can enter the cheque like any other purchase cheque. The only difference is that the cheque amount will be split across several headings depending on what headings the expenditure comes under. The receipts and vouchers can be stapled together with a summary with other purchase receipts.

Purchases by petty cash should be kept to a minimum.

## Designated reserves for specific projects

These reserves should be accounted for separately as part of any grant application procedure. The information should include details of the project, its approximate cost and the date the project is to be started. This will enable designated reserves to be separated from the charity's general reserves.

### Other things that the committee should take into account:

#### Utilities

- Check with your energy provider that you are on the correct tariff, energy used for 'non business' purposes is subject to a reduced 5% VAT rate and exempt from the Climate Change Levy.<sup>1</sup>
- Shop around to make sure you have the best deals for you utilities
- It is vital that you give actual reads for you utilities on a regular basis so that you do not receive any surprise bills.

#### Bookings

- It is a requirement for BDBC own community facilities to complete an annual hire charge review but it is also recommended that other facilities complete this as best practice

#### Budgeting

- Make sure you review your main expenditure – contracts/where you buy cleaning products/are you making a profit from any hired equipment, i.e. vending machines or fruit machines

#### Charity Commission information and guidance

- Internal Financial Controls guidance and Checklist
- Managing Financial Difficulties

#### Advising Communities guidance on Finance and Funding

# Recruiting volunteers and trustees

Does the organisation have written procedures for the recruitment, induction, training, support and dismissal of volunteers and committee members?

## Guidance

Volunteers are a valuable asset to any organisation if they are recruited, inducted and supported properly. Volunteering should be recognised as a two way relationship as both parties should gain from the relationship. While the organisation gains skills and another member of their team, the volunteer could be gaining relevant work experience, skills and social contact, working as part of a team and feelings of mutuality and working for a common endeavour. It is important to pay volunteers expenses so that they are not out of pocket or simply cannot afford to give their time because of the cost of travel, parking etc. policy for the recruitment, induction and support of volunteers should be developed.

A description of the tasks to be done (job description) should be developed and include the expected time commitment. Any application procedures must comply with an appropriate Equalities Policy. Application forms will need to include reference to the Rehabilitation of Offenders Act, and Disclosures and Barring Service checks where appropriate. Interviews should be held to select the most appropriate persons. Often a volunteer is an ambassador for the organisation, who will be the first point for welcoming visitors and therefore it is important to select the right person.

A volunteer should have a named supervisor who will provide regular support, and arrange a detailed induction, and any necessary training. The volunteer will need to be familiar with and abide by the organisation's policies. The opportunity for an annual review is useful for both the organisation and the volunteer. The volunteer policy would include how volunteers can complain and the process if an organisation believes the volunteer is unsuitable.

### **Community Matters online Information and Guidance**

[Working with Volunteers](#)

[Specimen Statement to Volunteers](#)

[Volunteer Assessment Forms](#)

[Committee Members Handbook: Sample Contents List](#)

### **Help looking for volunteers:**

[Doit.org.uk](http://Doit.org.uk)

[Basingstoke Voluntary Action](#)

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# VAT and Taxes

Does the organisation have all the systems and procedures in place for tax, PAYE, pension, benefits, national insurance and VAT and have procedures for paying/re-claiming the correct amounts? (N/A if organisation is neither VAT registered or an employer)

## Guidance

The Trustees/Directors/Management Committee Members must consider their organisation's liabilities to pay taxes and other charges. If you have employees you have to register as an employer with Revenue and Customs and make payments to them for the employee's income tax and both the employer and employees national insurance contributions.

If you are registered for VAT then payments are due to Revenue and Customs. An organisation becomes liable for VAT when their sales turnover (i.e. turnover not including grants, donations, bank interest, and investment income) is more than £77k (in 2012). The charity has a duty to ensure they receive any monies due so should be regularly checking if they should be reclaiming any monies paid and for overpayments.

### **Online Information and Guidance**

Community Buildings and Taxation

For VAT see HMRC website

HM Revenue and Custom has a range of publications including:

700 The VAT Guide

700/1 Charities

# Paid staff recruitment

Does the organisation have a policy stating how it will recruit any employees? As a minimum this should cover:

- a) an up to date job description and person specification for each post
- b) Equal opportunities practice
- c) Checking their entitlement to work, and
- d) References and checks

## Guidance

There should be a written recruitment process to ensure fair and consistent good practice. This should include:

- A - Writing a job description to describe the tasks that need doing
- B - Writing a person specification to describe the person who could best do the tasks in the job description. This should include personal attributes e.g. self-motivated or team work
- C - Job descriptions, advertisements and the selection process must be based on equal opportunities and non-discriminatory. See section on Equal opportunities
- D - It is a legal duty to check an employee's entitlement to work in this country before they start work and keep a copy of the evidence. It may be useful to ask applicants to produce evidence at the interview stage.
- E - How and where positions will be advertised
- F - How applicants can apply – either an application form or CV's or both
- G - The information applicants will receive about the organisation and the interview process
- H - How short listing and interviewing applicants will take place including requirements for any test or presentation
- I - Any checks and enquiries e.g. Criminal Records Bureau, medical check and taking up of references
- J - Writing to applicants – both successful and unsuccessful – and agreeing a start date.
- K - Issuing a contract of employment within one month of the start date
- L - Induction so the new employee is introduced to both the organisation and the people who work for and with it. Examples include other personnel, trustees and partners, the building, facilities and equipment, key policies and documents such as the constitution, any contractual agreements, and Health and Safety Policy.

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## **Online Information and Guidance**

Sample Job Descriptions

Contract of Employment

New Employee Induction

Managing Employees and Individual Rights of Employees

National Minimum Wage

Working Time Regulations

Disciplinary and Grievance Procedure

Safeguarding Children and Vulnerable Adults

The Disclosure and Barring Service

Detailed guidance is contained in the booklet “Prevention of Illegal Working” available from the Border and Immigration Agency.

Information on the Right to Work in this Country

## **Government services and information**

Employing People

Work Place Pensions

Other Services and Information

The Disclosure and Barring Service (DBS) has a help line on 0870 909 0811 or e mail [customerservices@db.s.gsi.gov.uk](mailto:customerservices@db.s.gsi.gov.uk).

ACAS - Advisory, Conciliation and Arbitration Service provide a helpline 08456 061600, website together with a wide range of free or low cost publications and a range of training courses.

# Contracts

Does the organisation have contracts of employment with any staff covering at a minimum:

- Name of employer and employee
- Date employment began
- Job location
- Pay
- Hours of work
- Annual leave entitlement
- Pensions
- Reference to any other conditions of service
- Notice requirements
- Line management arrangements
- Probationary period

## Guidance

The written statement of terms and conditions of employment or contract of employment must include all the headings from this indicator as a minimum requirement.

Every member of staff who works for longer than a month is entitled to a contract.

Contracts should be regularly reviewed to ensure they meet statutory minimum requirements as employment legislation changes frequently - often in April and October each year.

The terms of employment can normally only be changed with the agreement of the employee – it may be possible to enforce changes but legal advice should be sought.

### **Community Matters online Information and Guidance**

Contracts of Employment, Managing Employees and Individual Rights of Employees

National Minimum Wage

Working Time Regulations

Responsibilities of Line Managers

**ACAS** - Advisory, Conciliation and Arbitration Service provide a helpline 08456 061600, website together with a wide range of free or low cost publications [acas.ecgroup.net](http://acas.ecgroup.net) and a range of training courses.

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# Managing staff

Does the organisation have written procedures for induction, training, support and dismissal of paid staff?

## Guidance

The Induction should introduce the new employee to both the organisation and the people who work for and with it. Areas to cover are: other personnel, trustees and partners; the building, facilities and equipment; key policies and documents such as the constitution; any contractual agreements; and policies such as Health and Safety Policies, Equalities, Safeguarding, Confidentiality

Development and support- Employees should have the opportunity for development, to try new challenges in a supportive environment, to improve their performance and motivation by feeling they are achieving and for regular on going dedicated support and supervision sessions with their line manager.

Disciplinary and Grievance Procedures: The statutory ACAS Discipline and Grievance changed in April 2009 and are no longer statutory. HOWEVER – organisations that fail to meet the ACAS code as a minimum are likely to have significantly higher awards made against them by the Industrial Tribunal.

New Employee Induction

Managing Employees

Disciplinary and Grievance Procedure

A model whistleblowing policy and procedure

## **More information**

### **ACAS** (Advisory, Conciliation and Arbitration Service)

Advice line: 0845 7474747

Website: [www.acas.org.uk](http://www.acas.org.uk)

The ACAS online Advisory handbook Discipline and Grievances at Work tells you how to handle discipline and grievances. See also the ACAS publication for small firms 'Getting it Right factsheet - Discipline at work and the Self-help Guide - Producing Disciplinary and Grievance Procedures'. The ACAS website also gives access to advice and publications on many other aspects of staff management and support.

### **Department for Business Innovation & Skills**

Tel: 020 7215 5000

Websites: [www.bis.gov.uk](http://www.bis.gov.uk)

### **Equality and Human Rights Commission**

Tel: 0845 604 6610

Website: [www.equalityhumanrights.com](http://www.equalityhumanrights.com)

### **Health and Safety Executive (HSE)**

Infoline: 0845 345 0055

Website: [www.hse.gov.uk](http://www.hse.gov.uk)

HSE Publications

Tel: 01787 881165

Website: [www.hse.gov.uk](http://www.hse.gov.uk)

### **Directgov**

Website: [www.direct.gov.uk](http://www.direct.gov.uk)

### **HM Revenue and Customs**

Tel: 08457 143 143

Website: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

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# Conditions of service

If they are not covered in the contract of employment does the organisation have written conditions of service covering:

- Induction, development and support?
- Pension arrangements?
- Sickness leave, maternity/paternity leave, compassionate leave?
- Disciplinary and grievance procedures?
- Time Off In Lieu of extra hours worked and Authorised overtime

## Guidance

If they are not already included in the contract of employment other conditions of service should also be in a written format - such as a staff manual or handbook - and accessible to employees. Arrangements for sickness, maternity, paternity and compassionate leave, time off in Lieu and authorised overtime should be detailed here as well as other arrangements and procedures as listed below.

The Induction should introduce the new employee to both the organisation and the people who work for and with it. Areas to cover are: other personnel, trustees and partners; the building, facilities and equipment; key policies and documents such as the constitution; any contractual agreements; and policies such as Health and Safety Policies, Equalities, Safeguarding, Confidentiality

Development and support - Employees should have the opportunity for development, to try new challenges in a supportive environment, to improve their performance and motivation by feeling they are achieving and for regular on going dedicated support and supervision sessions with their line manager.

Pensions: a written statement of any pension arrangements should be available. Since 2012 ALL employers have to provide pensions, and you should have been advised when this will come into effect for your organisation. A full list of staging dates is available from the pensions regulator. Employees may choose to opt out but must not be coerced into doing so.

Disciplinary and Grievance Procedures: The statutory ACAS Discipline and Grievance changed in April 2009 and are no longer statutory. HOWEVER – organisations that fail to meet the ACAS code as a minimum are likely to have significantly higher awards made against them by the Industrial Tribunal.

### **Community Matters online Information and Guidance**

New Employee Induction

Managing Employees

Disciplinary and Grievance Procedure

ACAS - Advisory, Conciliation and Arbitration Service provide a helpline 08456 061600 and website that offer a wide range of free or low cost publications and a range of training courses.

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# Health and safety legislation

Does the organisation comply with good health and safety practice and legislation? For example:

- Risk assessment
- Accident prevention
- Maintenance & regular checks of equipment
- Fire protection
- First aid
- Food hygiene
- Cleaning
- Control Of Substances Hazardous to Health (COSHH)

## Guidance

Health and Safety issues can pose a high risk to any organisation, but the risk can be minimised with good policies and procedures. Trustees/Directors/Management Committee Members as operators of a public building and employers have responsibility for the health and safety of employees, visitors, users of the centre and contractors etc. It is also necessary to display any emergency procedures in a public place for information.

This responsibility cannot be delegated.

Employees also have statutory responsibilities for health and safety.

Policies, procedures and risk assessments are important and should be reviewed regularly in light of new activities and services or changes in legislation. Although legally organisations with under 5 employees do not have to have written Risk Assessments it is good practice to do so and helps to prove that they are carried out if challenged.

### Specimen Documents

Specimen Community Organisation Health and Safety Policy

Community Building Health and Safety Checklist

Food Safety and Food Hygiene

Health and Safety: Fire Safety Regulations and Check Lists for Community Centres  
(includes a Fire Risk Assessment form and Fire Safety Maintenance checklist)

Health and Safety in Community Buildings (includes a general risk assessment form)

### Technical Guidance Notes

Food safety and hygiene

Health and Safety in Community buildings

Fire Safety Regulations and Checklists for Community Buildings The control of Asbestos regulations 2006

The Charities Safety Group provides support for charities to meet their legal requirements around Health and Safety [www.csg.org.uk](http://www.csg.org.uk)

For fire safety publications go to [www.communities.gov.uk/fire/firesafety/](http://www.communities.gov.uk/fire/firesafety/)

Health and Safety Executive (HSE) 08701 545 500 [www.hse.gov.uk](http://www.hse.gov.uk)

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# Marketing

Does the organisation have an up to date marketing plan, which highlights what your organisation offers and needs to promote?

Does the organisation regularly monitor and review the “plan” to make sure that the actions are relevant and that the work of the trustees/committee is still on track?

## Guidance

A marketing plan is a written document that details the necessary actions to achieve one or more marketing objectives. It is meant to be a structured way of dealing with marketing issues, not a random collection of incomprehensible bits and pieces. It should be a key component of a business plan and is essential to planning the overall direction that you want your organisation to take. A marketing plan is not something that you write and then forget. It needs to be followed, monitored and updated. You want to regularly evaluate your plan to make sure you are reaching the goals you set.

- [Advising Communities guidance](#)
- [Charity Comms](#)
- [Gov.uk guidance will give advice on how you can carry out market research for your business and reach more customers. There is also an overview on marketing and advertising law.](#)

# Event Planning

Does your organisation hold community events for fundraising or for fun? Do you have all the permissions or licences you may need to hold the event and have you completed all the relevant health and safety risk assessments etc.?

## Guidance

You will need certain permissions and licences to hold events as well as insurances. You will also need to ensure that risk assessments and other health and safety procedures are adhered to. Here are a few bullet points to remember:

- Why – what are the objectives of the event and what are the expected outcomes? (e.g. recruit volunteers, fund raise for certain projects)
- When – make sure it does not clash with any other local events and is at the best time for your target audience
- Who will be involved in organising and will other agencies/service providers be required to attend – Do you have insurance and risk assessments from organisations that are attending?
- Who is the event aimed at? – How will you advertise to them? Are the activities/services suited to them?
- What activities will be going on? – Are you insured, do you need licenses or permission for land and have you completed risk assessments. Do you need any extra equipment (i.e. PA system, marquee)?
- What licences do you need, i.e. alcohol, temporary events notice or raffles.
- Have you written an event schedule?
- Does everyone know what they are doing? Have you allocated duties and are all staff volunteers fully briefed on the day's events/timings/health and safety?
- Have you drawn up a layout plan so everyone knows where they are supposed to be?
- Do you have a plan "B" i.e. if the weather is bad? If the event is outside, can it be taken inside or do you need to cancel/postpone, if so how will you let everyone know?
- What is your budget? What needs to be paid for, what is being donated, are there any deposits that need to be paid for in advance (i.e. permission to use land etc.)
- Do you need to inform the emergency services? (i.e. for a police presence, road closures)
- Set time aside after to debrief and collect comments/feedback from everyone involved.

You can also contact your Community Development Officer for more advice and support or you can contact the Events Team and Licencing Team on the Basingstoke and Deane Borough Council website.

**Click here** for more top tips on organising events.

# Funding Tips and Advice

Is your organisation aware of the different funding opportunities available to them?

## Guidance

If your organisation has a project in mind that needs to be funded or subsidised, you can apply for funding from various organisations nationwide as well as locally. Applications will normally require information about the project i.e. objectives and outcomes, how much the project will cost in total and how much you are applying for. Details about your organisation, what you do and how, details of your accounts and where you are sourcing the balance of the budget for the project will also be required. Funders will also ask for details on how you intend on making the project sustainable (how it will continue once the funding has finished) if it is an on-going service that you wish to deliver.

- Funding and tips for preparing funding bids.

## Range of Grant Sources available

- **Funding Central** - Funding Central is a free resource for charities, voluntary organisations and social enterprises.
- **Awards for All** - BIG Lottery small grants scheme offers grants between £300 and £10,000 for projects that improve communities, and the lives of people within them. It is for 'Not for Profit' voluntary and community groups, schools and health organisations, parish and town councils and aimed at funding projects that meet one or more of the following outcomes:
  - People have better chances in life - with better access to training and development to improve their life skills.
  - Stronger communities - with more active citizens working together to tackle their problems.
  - Improved rural and urban environments - which communities are better able to access and enjoy.
  - Healthier and more active people and communities
- **Fit4Funding** - funding help and advice provided by the Charities Information Bureau.
- **Four Lanes Trust** - Basingstoke Trust supporting 'Not for Profit' organisations with interests limited mainly in three particular fields of Social and Community Action, Education and the Arts. Grants are normally between £300 and £1,000
- **Government Funding** - access to government grants for the voluntary and community sector.
- **BVA** - Basingstoke Voluntary Action information on funding and grants
- **Hants and Isle of Wight Community Foundation**

- **Comic Relief**
- **Lottery Funding Finder** - useful tool to find current grants available.
- The **Tesco Community donation**
- **National Churches Trust** – Community Grants. This programme is for grants of £5,000 and above for projects which introduce facilities to enable increased community use of places of worship. Projects must have an estimated cost of at least £25,000 to qualify. The amount of funding available is limited, meaning that only a small proportion of applications can be supported.
- **Sport Hampshire & Isle of Wight** promote a variety of sport related funding schemes.
- **Sport England Funding** - Various options for Sport related funding.
- **Basingstoke & Deane Borough Council** also having some funding initiatives for the Natural Environment, a Leisure Initiatives fund, Historic Building Repair Grants, Housing Grants (Disabled Facilities, Home Repair Assistance) and Voluntary Sector Support Funding. Various levels of funding dependant on programme.
- **GrantNet** funding database - For Charitable and Voluntary Groups.
- **County Councillors and Hampshire County Council Grants**
- The **Charity Commission** has good information to assist groups in raising funds.

There are many other sources for funding but ensure your organisation is very clear as to what any funding request is for before considering any application.

You can contact your local Community Development Officer for more advice and support.

# Charging and Hiring Policies

Does the organisation operate a consistent charging and hiring policy for activities, room hire, goods and services (within statutory trading limits) that balances the needs of the organisation with the needs of local groups?

## Guidance

Community organisations will usually wish to make premises or services available for community benefit at affordable rates ensuring they are not unreasonably exploited by people whose sole or main interest is in making personal gain. A Hiring or Charging policy should establish a scale of charges that take into account the costs of running the building with percentage reductions for affiliated groups or other groups the Trustees/Directors/Management Committee Members decide justify a reduced charge and who operate in the area of benefit of the organisation. This may mean that fundraising by the organisation is required to meet the balance of income required by the organisation. Obviously the more the facilities or services are used and people are paying for them, through economy of scale, charges should become more economical.

### Key distinctions to be made are:

- Charitable and non-charitable activities (if it uses or spends the money it receives for charitable purposes and has aims that are for the public benefit that the charity was set up for, or it receives money for a purpose that isn't charitable)
- Activities carried out for the personal gain of the organiser and therefore non charitable  
Activities not carried out for personal gain – which may or may not be charitable  
Commercial activities for which a premium charge should be made
- All hiring charges should be reviewed annually and adjusted to meet any increased costs the organisation has to find. Are the charges in line with other similar community buildings, do you know what other venues are charging?

### Online Information and Guidance

Rules & Hire Agreement for a Community Centre

For further guidance on the Public Benefit and Fee Charging see the Charity Commission guidance

# How Successful is Your Hall?

How do you measure how busy your hall is? Perhaps you work out how busy your hall is by looking at the diary and identifying gaps or looking at your income, but how effective is that?

## Guidance

Many halls have started to look at the amount of time that the hall is occupied as a percentage. This is a very useful and very straightforward way of looking at your occupancy which will enable you to track any difference in the hall's usage over a period of time.

Although this is a suggestion and not something that is required by Basingstoke and Deane Borough Council as standard, some new halls have been requested to do this for the first three years to enable them to track the development of the hall. Rooksdown Community Centre, has been calculating the centre usage since the hall first opened and has found this an invaluable way of updating the trustees of the progress the hall has made. Along with calculating the footfall the committee has been able to demonstrate how valuable the centre is to the local community.

Each hall will be different depending on the activities on offer and the area you are in, however having an ideal figure in mind as to how busy you would like the hall to be gives the committee a trigger to start work if the actual use is lower than desired.

If this sounds like something that your committee would like to start, contact the Community Development Officer (CDO) in your area, they will have a simple spreadsheet set up which can work this out for you very quickly and easily. The spreadsheet has been set up to calculate percentage use from 9am to 9pm Monday to Friday, but the spreadsheet is easy to amend if you would like to add days or extend the times, your CDO can help you with this. It is also set up to allow you to look at occupancy of rooms separately as well as the centre as a whole, so you are able to see if one hall/room is underutilised. This could help you to think about marketing and who would be more suited to the rooms that are underutilised.

Please see example below:

Room	Possible Usage Hours (Per Week)	Actual Usage (Per Week)	%
Main Hall	60	50	83.33
Small Hall	60	25	66.66
Meeting room	60	25	41.66
Overall	180	115	63.88

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# Useful Contacts and Sites

## **Basingstoke and Deane Borough Council**

Civic Offices  
London Road  
Hampshire  
Basingstoke  
RG21 4AH  
Tel: 01256 844844  
[www.basingstoke.gov.uk](http://www.basingstoke.gov.uk)

## **The Charity Commission**

Woodfield House  
Tangier  
Taunton  
Somerset  
TA1 4BL  
Tel: 0300 066 9197 (9am to midday, Monday to Friday)  
[www.charitycommission.gov.uk/](http://www.charitycommission.gov.uk/)

## **Advising Communities**

Advising London  
The Foundry  
17 Oval Way  
London  
SE11 5RR  
Tel: 020 3752 5527  
[advisingcommunities@advising.london](mailto:advisingcommunities@advising.london)

## **Health & Safety Executive Area Office**

Priestley House  
Priestley Rd  
Basingstoke  
RG24 9NW  
[www.hse.gov.uk](http://www.hse.gov.uk)

## **ACRE (Action with Communities in Rural England)**

First Floor, Northway House West  
The Forum  
Cirencester  
Gloucestershire  
GL7 2QY  
01285 653477  
[acre.org.uk](http://acre.org.uk)

**Basingstoke Voluntary Action (BVA)**

The Orchard  
White Hart Lane  
Basingstoke  
Hampshire  
RG21 4AF  
Tel: 01256 423816  
[www.bvaction.org.uk/](http://www.bvaction.org.uk/)

**The Disclosure and Barring Service (DBS)**

Help line: 0870 909 0811  
E mail: [customerservices@dbs.gsi.gov.uk](mailto:customerservices@dbs.gsi.gov.uk).

**The Equality and Human Rights Commission**

Tel: 0808 800 0082  
[www.equalityadvisoryservice.com](http://www.equalityadvisoryservice.com)

**2011 Census information:**

[www.neighbourhood.statistics.gov.uk/dissemination/](http://www.neighbourhood.statistics.gov.uk/dissemination/)

**Companies House**

0303 1234 500  
E mail: [enquiries@companies-house.gov.uk](mailto:enquiries@companies-house.gov.uk)  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**Code of Good Governance**

[www.governancecode.org/](http://www.governancecode.org/)

**Basingstoke and District Learning Partnership**

(Purple Booklet)

**Community learning Programme****The Charities Safety Group**

[www.csg.org.uk](http://www.csg.org.uk)

**ACAS (Advisory, Conciliation and Arbitration Service)** Helpline is 0300 123 1100

[www.acas.org.uk](http://www.acas.org.uk)

[www.basingstoke.gov.uk](http://www.basingstoke.gov.uk) | 01256 844844

[customer.service@basingstoke.gov.uk](mailto:customer.service@basingstoke.gov.uk)

Follow us on Twitter:  [BasingstokeGov](https://twitter.com/BasingstokeGov)

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