

SETTING UP YOUR GROUP

Unincorporated associations



So, you want to start a group or club and need to know how to get started and know what you need to know to get started.

Before you set up, or as part of your setting up process, we recommend that you start by doing some research to find out what is going on in your community:

- what are the opportunities?
- what are the challenges?
- what do young people want?
- what do you want to offer?



You might be able to run some taster sessions in a local school, youth club or community centre to test your delivery idea and get some feedback.

There are lots of important things that you will need to think about when getting set up, but you are far more likely to be successful if you have a structure in place that will enable you to deliver more effectively.

This structure is most suited to simpler, smaller organisations.

An unincorporated association:

- Is called informal with no legal requirements.
- Is an organisation set up through an agreement between a group of people who come together to serve a community purpose, address a problem, or need to benefit a community
- Will stipulate this in its constitution often termed “social objective” which will be at the start of the constitution
- Doesn’t need registered and doesn’t cost anything to set up. (You may choose to register with a sport’s National Governing Body – see later point)
- Is made up of a committee or board, its members are likely to be volunteers, receiving no payment other than perhaps reimbursement of expenses
- Is set up on a not-for-profit basis, which means the social purpose sits over and above any personal gain. It has rules saying that if it does make a surplus, this must be used for the organisation’s purposes

The members should consider their approach to risks in this kind of organisation. It is said to have ‘unlimited liability’. What this means is that because it is not a legal structure, the organisation itself is not recognised in law. As such it cannot enter contracts and be pursued for debts. The only legal entity/s are the people, its committee. The committee should be fully comfortable with this and ensure that over time they don’t find that they are taking on liabilities and be prepared to evolve if



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this is the case. This may include, for example, taking on a lease/ taking on employees, subcontracting staff, having a contract for construction works.

Here are the sections we have included in these info sheets:

[Constitution](#)

[Committee](#)

[Inaugural Meeting](#)

[Bank Account](#)

[Basic Finances](#)

[Insurance](#)

[Policies and Procedures](#)

Writing a Constitution

This is simply a document which says how the group functions as well as its rules.

It states what the objectives are and its community of interest.

It sets out what the procedures are and need to be adhered to.

It will clarify how your organisation works including areas such as the decision-making procedures, outline what any surplus will be used for and explains what happens to any assets (your things of value) if the organisation should have to close.

You will need to think about who the members are and who will have the right to vote on key decisions.

It's useful to have a committee made up of an odd number (3 or 5) for voting purposes. If the number is an even one you might want to empower a certain role, perhaps the Chair, to have a casting vote. Large committees can become cumbersome if not well managed. You are always seeking to minimise conflicts or dualities of interest for those that vote on matters. If a larger group of people is needed for all the roles you could consider what is termed a two-tier structure. This is where you have a committee and a broader group or subcommittee that informs it.

The best thing is to draft the constitution before your first meeting so that it can be formally adopted at this meeting. If that's not possible, try and do this within your committee as soon as possible.

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Another good way to evolve is to develop a steering group that formulates a constitution and from that group you then form a committee. This allows time for “buy-in” and for people to gain a broader understanding of the group and its roles and responsibilities.

If your sport or activity is governed by a National Governing Body (NGB) it is likely that they will have a template constitution that you can tailor to your needs so check their website or contact them. By affiliating to the NGB they may be able to offer a range of support such as tailored insurance, draft policies and procedures and bespoke advice.

You can find more information and a draft constitution here:

The Resource Centre: <https://www.resourcecentre.org.uk/information/constitutions/>

SCVO: <https://storage.googleapis.com/scvo-cms/wp-content/uploads/2021/03/SCVO-volassociation-modelconstitution2021.doc>

Who should be on the Committee?

As a minimum you need three people to form a committee. You should avoid conflicts of interest, have a transparent approach and as such look to have no more than 50% who are related, cohabiting or have an interest that could bias decision making; for example, a financial relationship with the organisation or a supplier of services. You might opt for Chair, Secretary and Treasurer roles but it doesn't have to be these three positions, it's whatever best works for you and the roles, jobs and tasks you will need to carry out. We would also strongly recommend that one of these roles or an additional person is your Safeguarding Lead. Write up a role description for each one (there are lots of templates out there and each NGB is likely to have one that you can use as a starting point)

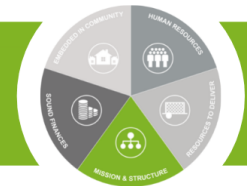


Sport England Club Matters:

<https://www.sportenglandclubmatters.com/governance/getting-the-right-structure/>

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Have your first meeting

Decide on the committee structure that meets the needs of your organisation now and in the future.

Think about who are the right people to be on the committee. Who has the right skills and experiences for the committee roles? Ask them to get involved.

Try and ensure that people have agreed to put themselves forward for designated roles before the meeting. If you have advertised any roles within your community and you want to know who is putting themselves forward prior to the meeting, you might request a notice period of two weeks before the meeting. Moving forward your constitution will detail the process and timescales for voting at AGMs etc.

Consider the make-up of your membership. Make sure your committee represents the diversity of your members.

Where possible, make sure each committee member only has one role so they are not overloaded.

Elect the committee; normally at the first meeting. Electing a committee may sound rather daunting but its relatively straightforward. The person organising the new creation may well become Chair. If one of the other people proposes them as Chair, assuming they are voted in unanimously, they can then lead on the rest of the meeting. They can then propose that all the other roles be voted on. To make this process more transparent you could request an independent party to chair the first meeting.

An inaugural AMG Agenda might look like this:

1. Welcome
2. Apologies
3. Discussion around purpose and broad aims of new club/group
4. Elections
5. Constitution Adopted



Don't forget to ensure the lead officers sign and date your constitution when adopted and take minutes at this meeting and all other committee meetings, AGMs, EGMs etc

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Here's some guidance on running effective meetings:

Sport England Club Matters: <https://www.sportenglandclubmatters.com/club-planning/governance/your-committee/make-your-meetings-matter/>

Open a bank account

Opening a bank account can take some time. If you are lucky, a few weeks, but more likely months. It may be useful to start looking around and assessing before the group is formed to save you preparation work later. You will be seeking an account often called a club account, treasury account or community account. Banks regularly change their offer and policies so we are unable to give any actual examples here. Remember it is likely that the bank will conduct credit checks particularly on the account signatories.

Shop around and see what suits you. Is it free? Can you bank online? Do you want one with a branch close to you?

Make sure the account has at least two independent signatories with dual authorisation. It is good practise to have three signatories with two required at any one time. This is useful in case one signatory is on holiday or is unwell.

Club Solutions Wales share some examples to look at here:

<https://www.clubsolutions.wales/case-studies/some-help-in-choosing-a-bank-account-for-your-local-sports-clubs/>

Basic Finances

If you are going to survive, and hopefully better than that, to have a well-managed group that will operate for many years to come, you need to get some basic financial practices in place.

An annual budget

Get a plan in place to forecast what your income and costs will be for the year, and longer if you can. Once you have been going a year you will have actual costs to compare with, but when setting up you are going to have to make educated guesses about what finances you need to set up and run.



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Hopefully you can put actual amounts in, such as your facility hire, equipment costs to set up, annual insurance etc. To offset these costs, you need income. You might be applying for set-up grants, already have a group of young people ready and prepared to paying subs etc. All this information needs to go into your budget.

Here is an example. You can see the annual budget but also a break down month by month:

<https://thehub.sported.org.uk/resource/annual-budget-example.html>

Monitoring Income and Expenditure

It is really important that day-to-day transactions are recorded. The person/people carrying out this role will be expected to report on the financial picture at meetings, take responsibility for banking and prepare the accounting information for annual checks. The organisation's constitution probably states that yearly the accounts should be presented, verified, and signed off by the committee. Unless stipulated, the organisation is not legally required to have the accounts fully audited.

We recommend reading this summary all about how to manage your daily finances and ideally having in place an **Income Statement, Cash Flow and Balance Sheet:**

<https://thehub.sported.org.uk/resource/bookkeeping-managing-your-daily-finances.html>

You will definitely need the Income Statement; this records your actual income and expenditure.

Delivery

Make sure the coaches and people delivering the sports sessions have appropriate qualifications for the activity being delivered. Refer to each sport's national guidance for this.

All risk assessments and safeguarding training should be place. Everyone who requires it should be DBS/Disclosure Scotland/Access NI checked and there should always be someone on hand with first aid training.

There is lots about coaching here: <https://www.ukcoaching.org/>

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Insurance

Make sure the organisation, coaches and deliverers have appropriate insurance and ensure it is to the correct level. If you are hiring a venue they may have a minimum requirement for the cover you require.

As an unincorporated organisation you should not be employing people although you may have subcontract staff i.e. coaches. These will be responsible for paying their own tax and national insurance and it is wise to set this out in writing and have a signed document that outlines to coaches, so that they are aware of their responsibility.

It may be useful to attend an Inland Revenue workshop on employing people as it is important to know your responsibilities. You also need to be very careful as there is a fine line between when someone is self-employed and when they are employed, for example if their work becomes regular, for specific times.

Check out our guidance on insurance here:

<https://thehub.sported.org.uk/resource/insurance--what-you-need-to-know.html>

Policies and Procedures

Research, assess and tailor the essential policies and procedures to ensure your club has planned safe delivery. At bare minimum you will need policies on:

- Safeguarding
- Equity
- Health and Safety
- Risk Assessments
- Data Protection
- Code of conduct

Find out more and get templates here:

<https://www.sportenglandclubmatters.com/governance/policies-and-procedures/>

Disclaimer: Please remember that our resources reflect core governance principles and good practice but do not constitute legal advice.



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