

Establishing spiritual and  
legal governance

# Create a Constitution

- Use your blueprint to set the governance of your organisation
- Set the ethos and how it will be protected
- Define membership rules and rights
- How decisions will be made
- Authority and executive powers
- Limit Liabilities
- Define clearly mission and purpose – objects
- Rules for changing the constitution

# Maintain spiritual oversight

- Benches, mountains and members
- Trustees, directors, staff, employees
- How will it work in practice?

# Organisational Structures

- What suits you?
- No right or wrong but you must future proof
- Understand your risks – due diligence
- The scale of your vision should be matched by the strongest organisational framework – do not be tempted to choose the easy option
- Ensure people and assets are properly protected

# What powers do you need?

- Accept donations
- Employ staff or directors
- Own tangible assets/Land
- Borrow Money/Mortgage/Lease
- Trade – buy and sell
- Contract (e.g. provide a service)
- Grant/Give away
- Hold a bank account

# Common structures

- Club or Society
- Trust
- Charitable Incorporated Organisation
- Charitable Company Limited by Guarantee
- Limited Company

# Club or Society

- Ideal for small groups with a small project
- Simple to set up
- Needs a constitution - committee
- Personal liability
- No ability to contract
- Bank accounts held in personal names
- Contracts done by committee members

# Trust

- Formal version of a club/society
- Members agree to act as a group
- Can be a charity
- No ability to contract
- Cannot borrow
- Trustees have liability



# Charitable Incorporated Organisation

- Not a company
- Incorporated through Charity Commission
- Charity number issued on set up
- Limited Liability for trustees
- Simplified governance - only Charity Commission reporting
- Asset lock
- Can Contract and borrow
- Cannot become a company
- Suitable for small to medium organisations

# Charitable Company

- Limited Liability
- Registered at Companies House and issued charity number
- Legal entity - Can contract, borrow and own assets
- Well understood
- No asset lock
- Can cease to be a charity and still exist

# Limited Company by Guarantee

- Private limited company
- No Shares, limited by a member's guarantee
- Employ
- Trade
- Contract, borrow and own assets
- Distribute or reinvest profits
- Cannot accept donations

# Your blueprint can help you decide

- These are the main considerations:
- Governance and authority – long term view
- Activities – services, contractual arrangements
- Work with other organisations
- Liability and risk
- Managing assets, including money
- Charitable, Social Enterprise or For Profit