

Setting up a successful Refugee Community Organisation

*A practical step
by step guide*

“This booklet is about the process of setting up a refugee community organisation. It highlights and clarifies issues surrounding organisational structures, governing documents, charity status, and the roles, duties and responsibilities of management committees.”

Leicester North West
Community Forum Ltd



East Midlands
Improvement and
Efficiency Partnership

Six steps to setting up a Refugee Community Organisation

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Introduction

There are a number of things that need to be taken into consideration when thinking about starting up a refugee community organisation. This booklet provides an overview of the issues and decisions that you will have to take along the way. It will explain the concepts you need to be acquainted with as you establish your organisation.

Refugee Community Organisations (RCOs) are part of the voluntary sector. Voluntary organisations are run by a collective of volunteers known as the management committee or trustees.

Voluntary organisations come in many shapes and sizes. Some organisations are large with paid staff providing professional services. Others operate on a small scale, self help or mutual support basis, with no employees. Some are national organisations with local branches, while others are community-based local organisations. The size and shape of a voluntary organisation does not determine what services it can provide or not. All voluntary organisations are run on a non-profit basis.

Voluntary sector organisations are formed in response to identified and unmet needs. A number of them are created to campaign on a definite problem. Some of them might be implicated in providing individuals with advice and support. These organisations are able to bring together a number of organisation and community groups to discuss strategic issues.

It is very important that RCOs have a good understanding of how the voluntary sector operates. This will help them develop partnership working with other agencies and lead to recognition of their work as an essential part of the care of refugees and asylum seekers.

Setting up an RCO is a complex task. It necessitates dedication, commitment and inspiration from those involved. The following steps are very important should one consider setting up a RCO:

1 Need analysis

When setting up a new organisation it is important to establish the need of the communities you are intending to work with.

What are their needs and what are the challenges in meeting them? Are there any organisations which already work to meet these needs, and if so, could you work with them or merge to establish a new organisation?

2 Develop relationships

Once the need for your organisation has been established and you are very clear about why you want to set up this organisation, you will need to make contact with other organisations and agencies that acknowledge the need for your RCO. Whatever the reason, if you are clear about what you are set up to do, it will be easier to present your organisation to others and work towards your goals.

You will also need to make your ideas and plans known to other organisations and individuals through attending local network meetings, conferences and community papers.

3 Work in the steering group

You need to set up a steering group to take the work forward. The group might take the responsibility to write a governing document for the organisation or do a needs analysis of the community. To expect a good result, you will need to establish clear guidelines on how the steering group should report back to the whole group.

At the first meeting, it would be better to give everyone the opportunity to get to know each other and agree on how they would like to work.

4 Establish your aims

Aims are the long-term goals of your organisation. Your aims should be relevant to the needs of the community that you have identified and feel you are able to address. Establishing the aims could be a task for the steering group.

5 Choose your governing document

Everyone involved in the organisation needs to understand the governing document. Once it has been agreed and adopted at a meeting, you are able to elect your management committee.

The governing document is the most important legal document of an organisation. It sets out the way an organisation is managed. It ensures that an organisation's aims are clear, agreed by all its members, provides a mechanism by which decisions are made, and provides a management structure.

What sort of governing document an organisation should adopt depends on the type of organisational structure it has.

Common provision

There are certain provisions that should be included in every governing document, either because they are essential to an organisation or because they will help the management committee to run the organisation efficiently. They include the following:

- The name of the organisation
- Objectives of the organisation
- Powers of the management committee
- Membership
- Members' meetings and proceedings (AGM etc.)
- Management committee members
- Management committee meetings and proceedings
- Restriction of financial and other benefits to committee members
- Provision to deal with the organisation's bank account
- Amendment clause
- Dissolution clause

Type of governing documents

Constitution

If your organisation is an unincorporated organisation (see "Organisational Structure"), you will need to adopt a constitution as your governing document.

An unincorporated organisation has no separate legal existence and, for most purposes, it is a collection of individuals, and thus does not have a limited liability. In other words, members of the management committee are personally legally liable for the organisation.

The organisation therefore cannot own land and sign a legal document in its own name.

A constitution of such an organisation sets out its objects (what the organisation can do) and the areas of benefit (where it can do it). It also sets out the powers available to the management committee to enable the organisation to carry out its objectives.

To set up a constitution, you do not need a solicitor. The charity commission has a model constitution which contains all the powers and administrative clauses.

A constitution begins to take effect once it has been adopted at formal meeting of those people who are, or will be, the organisation's management committee and the general membership. It also needs to be signed by the management committee members. You need to keep the minutes of these meetings.

Memorandum and articles of association

If your organisation is an incorporated organisation (see Organisational structure), you will need to adopt a memorandum of articles of association as your governing document. It has two parts: first, the memorandum of association contains the aims and objectives of the organisation, and second, the articles of association describe the rules of company, which is the most common form of incorporated organisation adopted by community organisations.

Incorporated organisations are recognised as having a separate legal identity distinct from that of their members. This means that they can hold property and take or defend legal proceedings in their own name. They can also protect members of their management committee from personal liability.

Your governing document is not set in stone, and you may need to amend it if the organisation develops or wants to change direction of its work. However, changing the document takes time and it is important to make your governing document simple and flexible so that the organisation is able to operate efficiently without constantly needing to change the governing document.

6 Elect your management committee

The management committee consists of people responsible for the organisation.

Organisational Structures

Refuge community organisations, like other voluntary organisations, need to adopt an organisational structure. This decision will affect the kind of governing documents that they use. The first thing you have to decide is whether you want to be an unincorporated or an incorporated organisation.

Unincorporated organisations

Unincorporated organisations have no separated legal identity from the individuals involved in running them. In most cases individuals hold the property of the organisation, and individuals must represent the organisation in proceedings. The most common forms of unincorporated organisations are:

Unregistered charities

These organisations must have a written document which details the aims of the organisation, management procedures and power to achieve the aims. Most organisations in this category have a constitution as their governing document. These organisations are quick to set

up and you do not need the approval of any agency, unless you apply for charity status. They are therefore suitable for relatively small organisations or for local branches of a national organisation that has a standard constitution for all branches.

However, there are some limits to an unregistered organisation. It cannot acquire property or take legal action in its own name. The members of the management committee are personally liable for any debts incurred by the organisation.

Trusts

A group that receives grants could consider a trust structure. This type of organisation is set up to manage money or property for a clearly defined purpose, and establish a formal relationship between the donors, trustees and the beneficiaries.

Friendly societies

This type of organisation aims to relieve poverty amongst its members. It is not a common form of structure used by community groups because the objects of friendly societies are limited to the mutual friends.

Incorporated organisation

Incorporated organisations have separate legal identity from the individuals involved in running them. Therefore, the organisation can hold properties, take legal proceedings and enter into contractual arrangements in its own name.

The most common form of incorporated organisations for the voluntary sector is a company limited by guarantee. These companies are organisations that aim to pursue some social cause. There are no shareholders and any benefits are reinvested in the company. Members of this type of organisation must guarantee a nominal sum, usually not more than £5, if the organisation runs into

debt. Companies limited by guarantee may also register as charities if they meet the requirements of charity legislation.

This organisational structure has a democratic process to elect and remove officers. The management committee has limited liability. The members are only liable in breach of trust or if they continue to run the company when they know or ought to know that the company has no reasonable chance of avoiding bankruptcy. It is therefore appropriate if the organisation is going to be fairly large. All organisations that employ paid staff should become incorporated organisations.

Incorporated organisations are, however, subject to more controls and bureaucracy than unincorporated organisations.

Management Committees

Management committees are made up of people who are responsible for the day-to-day running of an organisation. Management committees may be called by other terms, such as board of trustees, council or governors.

The Charity Commission Act 1993 defines charity trustees as the persons having the general control and management of the administration of the charity. All their duties are concerned with the way they do this. It is therefore very important for all members of the management committee to know and understand the governing document. A new management committee member should make sure that she or he sees the governing document and continue to have a look at it from time to time to refresh memory after a long service. It is also advisable that she or he lists all the powers delegated to her or him. Whenever decisions are made, management committee members must act within the organisation's governing document. For example, they must make sure the organisation does not provide services outside the geographical area specified in the governing document.

Management committees of community organisations should be able to listen to, understand and represent the view of all members of the community. It is therefore a good idea if the members of the management committee reflect the diversity of the community. In general women are under-represented on the management committee of refugee community organisations, so you may need to take steps to encourage women in your community to join.

The management committee must also ensure that the organisation complies with the charity law if it is a charity. Under the charity Act 1993, charities are required to ensure that accounts are made and their records are kept for six years from the end of the financial year. It is also the duty of the management committee members to prepare and send annual reports to the charity commission. Also if there is any change in the organisation which affects its charity registration, the management committee must inform the Charity Commission as soon as possible.

Members of the management committee (of a charity) should not be placed in a position where their personal interest might conflict with their position as management committee members. If they benefit personally from their position, this might be classified as a breach of trust under charity law.

Roles and responsibilities of the management committee

- The management of the organisation is the responsibility of the management committee. It is possible to delegate some of the duties to staff and volunteers, for example the day to day management of activities could be delegated to a coordinator, but the management committee can not delegate the responsibility to anyone else
- Ensure the organisation works to its aims and objectives as set out in its governing document

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- Formulate policies - The organisation will want to represent the different views and interest groups within its membership. A policy document can help structure the approach to a particular issue. For example, an equal opportunities policy can help address the problems of the most disadvantaged members of your community
 - Promote the involvement of organisation's members or users and the wider community
 - Monitor and review its own role and functions
 - Be a good employer – The management committee must support paid staff and volunteers, and fulfil general employer responsibilities within the framework of a sound equal opportunities policy
 - Manage the organisation's resources – for example, funding, finances, premises, equipment and make any decisions relating to these
 - Maintain and develop the organisation's services to meet the changing needs of its membership, users and the community

Named officers

All management committees must have named individuals who fulfil the roles of chair, secretary and treasurer. These individuals are elected at the Annual General Meeting (AGM) with the rest of the management committee, according to the procedures set out in your governing document.

Specific duties of the chair

Some organisations also nominate a vice-chair. In this case, the chair may choose to delegate some duties to the vice-chair. The following is a general guideline of the duties of a chair.

Represent the organisation: The chair represents the

organisation at external events. For example, the chair might liaise with the press, although this can be delegated to a press office, and may take an active role in fundraising campaigns and other events on behalf of the organisation. In short, the chairperson acts as a spokesperson and figurehead. In large organisations, the coordinator or director often carries out this function instead.

Facilitate discussion and chair meetings: The chair deals with matters relating to the members, officers and users. She or he ensures that members' rights are observed, provides help with disciplinary actions against members and officers, and also deals with disputes between members, users and the organisation.

The chair supervises and ensures that the planning and running of the organisation's meetings are satisfactory. This includes the AGM, committee meetings and any other meetings that she or he chairs.

Supports effective management: The chair promotes and supports the effective management of the organisation. She or he is therefore generally responsible for supervising and supporting the work of the senior members of staff by ensuring that supervision and support mechanisms are in place. She or he also helps with the management of the organisation. This will involve making decisions and taking action between committee meetings. If allowed in the governing document she or he may also be required to sign cheques, liaise with other honorary officers (treasurer and secretary) and help in staff recruitment.

Keeps to the objectives: She or he ensures that the organisation is working in accordance to its objects, as set out in its governing document.

Specific role of the secretary

The secretary of the management committee fulfils the following roles:

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- Arranges the venue of committee meetings
 - Receives items for the agenda and draws up the agenda in consultation with the chair and staff
 - Circulates the agenda with the minutes of the previous meeting and any papers; checks that meetings have the minimum number of members attending (quorum) as set out in the governing document;
 - Takes minutes, recording any decisions made, actions to be taken and by whom
 - Follows up action agreed
 - Deals with correspondence between meetings
 - Keeps a check on the progress of work and action agreed by the committee
 - Makes arrangements for sub-committees and working group meetings
 - Keeps addresses and contacts for management committee members
 - Keeps a membership list (unless done by a membership secretary)
 - Sends out notices of the AGM, giving notice as specified in the governing document
 - Ensures that the organisation operates in accordance with its governing document
 - Ensures that the organisation carries out its legal duties, for example to submit reports to the charity commission

Some of these duties might be delegated to staff or volunteers, but it is the secretary's responsibility to ensure that they are carried out as they should be. Other tasks, such as keeping a membership list or taking minutes at meetings, may be done by a membership secretary or assistant secretary if the organisation has committee members willing to share these tasks.

Specific duties of the treasurer

The treasurer deals with all aspects of financial management, including keeping financial records. The specific duties will depend on the size of the organisation. In small organisations, she or he may deal with every financial issue, while in large organisations some of the duties could be delegated to a paid member of staff who would report to the treasurer. However, in all cases, final responsibility for financial matters always rests with the management committee as a whole. The duties of a treasurer may include the following:

Financial control and income management: The treasurer ensures that the management committee members and staff know enough about the financial administration, book keeping and accounts to make a decision in their area of work. She or he advises on financial policy, liaises with the banks, prepares accounts for the auditing and decides on any action to ensure the security of cash and cheques.

The treasurer helps and advises on the development and implementation of an income generating strategy. This involves participating in fundraising activities and ensuring money received is spent appropriately.

Financial budgeting and reporting: The treasurer prepares budgets and cash flow forecasts and keeps track of income and expenditure in comparison with the budgeted income and expenditure. This will involve deciding priorities for paying and negotiating for late payments.

The treasurer has the duty to ensure the management has sufficient information to take decisions through regular reports. The treasurer is also responsible for presenting the end of the year financial report to the committee and presents examined or audited accounts to the AGM.

Record keeping and management of assets: The treasurer has the duty to advise and help the management committee on which banks and financial institutions the organisation should use, and the type of bank accounts to open.

She or he ensures that appropriate systems to record transactions are in place and also ensures that the organisation pays its bills and liabilities regularly.

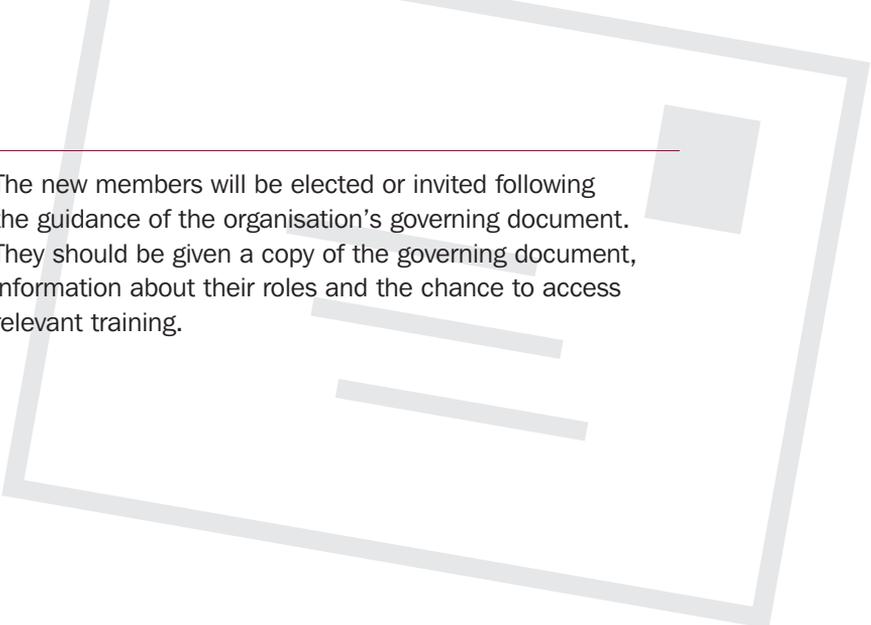
The treasurer makes sure that there are appropriate systems to record and monitor the organisation's fixed assets. He also makes sure that the organisation has an appropriate insurance cover.

How to recruit new management committee members

It is really important that the management committee reflects the diversity of the community and possess the necessary skills to fulfil their duties.

As mentioned earlier, the management committee is in charge for the running of the organisation. It is vital to give time and effort to recruiting good members.

There are many ways to catch the attention of new members to the committee. You can let people know individually. You can also place a notice in your office or an advert in the local newspaper and the community newspaper. You could also hold a meeting for interested people to come and speak to current committee members about what the role entails. Point out to people the benefit they could receive from being on the committee, such as having a say in the running of the organisation, an opportunity to give something back to the community and useful management experience for their C.V. It is imperative that all sections of the community know that you are looking for new members.



The new members will be elected or invited following the guidance of the organisation's governing document. They should be given a copy of the governing document, information about their roles and the chance to access relevant training.

The information in this guide is based on the direct experience of working with communities in North West Leicester.

If you would like any further information on the topics discussed please contact:

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