

Starting a New Organisation?

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Voluntary and Community Organisation - what does it mean?

We use the term voluntary and community organisations (VCOs) to describe organisations that have a social purpose and a structure, are independent and self-governing, are non-profit distributing and involve voluntary activity.

Social purpose & values - VCOs exist to address certain social issues and to make a change. Often, this involves providing a service in a particular area or a particular group of people whose needs are not met or carrying out activities which create the change the VCOs want to see. Most importantly VCOs cannot be for personal benefit; they must be driven by a cause and managed by people who believe that changes are needed and who want to do something about it themselves. These values should be reflected in the work the organisation does and how it does it and are generally expressed in the organisation's mission, vision and values.

Structure – This means that the organisation has some structures in place, i.e. has regular meetings, officers, rules and procedures in place and ideally a governing document.

Independent and self-governing – The organisation is independent of other organisations, government, local authorities and commercial entities in terms of its decision-making procedures. While the organisation can receive support from other organisations, it is run by its own members or management committee based on its own mission, vision and values.

Non-profit distributing – This means that the organisation's governing document includes a clause preventing profits from being distributed to members or management committee, i.e. the organisation can accumulate profits but these must be used for the purposes of achieving the organisation's aim only.

Voluntary – The organisation is governed by a group of volunteers, the governing body. These are referred to as the management committee, trustees or board of directors, and are the people who give their time freely for the governance of the organisation. This however does not mean that the activities of the organisation must be run exclusively by volunteers; an organisation may have paid staff and still be a VCO.

Voluntary and Community Organisations (VCOs) are also referred to as not-for-profit, charitable, non-governmental or third sector organisations.

Non-for-profit indicates that any profit made cannot be distributed to members or the committee, as opposed to private businesses where the directors and members receive a percentage of the profits made by the organisation (for-profit organisation).

Non-governmental indicates that the organisation is independent of the government, the local authorities or other statutory bodies in terms of appointing its management committee, decision-making and internal rules and procedures.

Third sector refers to the fact that VCOs are distinct from the private sector and statutory sector (or government/state-run organisations).

Charity is a term applied to organisations that have charitable purposes according to Charity Law and recognised as such by the Charity Commission. However, very often this term is used simply to refer to a voluntary and community organisation.

Before you get started...

Most VCOs are started by a group of people committed to addressing a particular social problem, and there is no need for these people to be “professional” – though some professional skills will be ideal (and necessary, depending on the type and size of the organisation) for effective governance by the management committee.

Starting a new organisation can be exciting and fulfilling. But it can also a daunting task, especially for those not familiar with the legal and practical requirements needed to set up and run a successful organisation.

Below is a checklist of some of the basic issues to be taken into consideration by those starting a new organisation. We advise you to think about them carefully before you get started, but also follow the links below to get more information about setting up a VCO. (Please note that they are not in a chronological order).

1. What is the purpose of the organisation? What social issue are you aiming to address and how?
2. Do you know if there are other VCOs already doing something similar to what you want to do? If you want to provide a service, how do you know that there is a need for it? Who will use it? Which other VCOs are delivering similar services?

3. Do you have a group of individuals who are prepared to be the on the management committee? How will you recruit more members and do they need training?
4. How are you going to develop the organisation's constitution?
5. Do you have a business plan or action plan? If you are planning to run projects, what are they and do you have plans for them?
6. Will you need to open a bank account? Who will be signatories? How will you keep your financial information? Who will be responsible? Will you need to carry out fundraising?
7. What policies and procedures will your organisation need?
8. How will you know if your organisation's work or project is creating the social change your organisation wants to see? How do you monitor it?

Find out what other VCOs are doing!

You can study how real VCOs are operating by visiting their websites and reading their annual reports. The Charity Commission website allows you to look up registered charities in England and Wales, as well as their activities, income level and other useful information.

For more information, we also recommend that you visit the following websites and many others which are available on the Internet.

Community Matters

This webpage has a step-to-step guide to setting up a community group. You can also buy their downloadable guidance notes on more specific issues.

<http://www.communitymatters.org.uk/content/463/Setting-up>

NCVO

A useful webpage full of advice to those who are thinking about setting up a (registered) charity, with links to other useful websites.

<http://www.ncvo-vol.org.uk/settingupacharity>

KnowHowNonProfit

This NCVO-run website provides information on many aspects of running charities.

<http://knowhownonprofit.org/basics/setting-up-a-charity>

Charity Commission

The charity regulator website offers wealth of information about setting up a charity.

<http://charitycommission.gov.uk/start-up-a-charity/>

The Resource Centre

A charity serving voluntary and community groups in the Brighton and Hove area, providing very detailed and easy to follow information sheets that is useful to everyone in the UK setting up a VCO. Highly recommended.

<http://www.resourcecentre.org.uk/information-category/starting-a-group/>