

Group Journey Toolkit



**Enhancing life in Derby
through voluntary action**

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Before you start

Want to set up a group? You need to think about the following:

- Where did the idea come from? Was it one person's idea or did it arise from discussions between a number of like-minded people?
- Find out if there are other groups in your area doing the same thing. If there are, do their services exactly match what you are considering or would your group be providing something extra?
- Aim to complement existing services, offer your services to that group, to strengthen their position or if your services don't match exactly, agree a partnership agreement which helps both organisations
- What evidence do you have to show that your group is needed?
- Who else do you need to make this happen?
- Who will be your members?



You are now ready to start your journey to setting up your new community organisation.

What is a Voluntary and Community Group?

A Voluntary and Community Group is defined as a 'group or organisation which works for the public benefit' and has the following characteristics:

- **Structure** – rules around how the group is organised and run. This is called a 'governing document' or constitution
- **Self-governing and independent** from any other organisation. Voluntary and Community groups are free to appoint their own management committee
- **Not for Profit** – no-one within the group will profit from that group. It is run by volunteers who can be reimbursed for volunteer expenses but apart from that any profits made must be reinvested in the group
- **Public/Community Benefit** – the activities carried out by the group will benefit a particular group of people within the community
- **Funding** – voluntary and community groups can apply for funding to get their group started and help with developing their activities
- **Generating Income** – there are lots of ways of bringing money in - for example, membership fees, donations, fundraising.

There are other structures that you can adopt depending on the kind of work you plan to do.

What are your aims? What is your organisation trying to achieve?

Consider the following:

- What changes do you want to make to help people in the community?
- How will these changes make a difference to people's lives?

Keep the aims broad so that you don't limit your activities.

Two to three aims are sufficient.

Keep them short and simple for clarity:

- Who are you going to benefit?
- Are you setting up to support a specific group of people for example, carers, young people, older people?
- Where are you going to work?
- Are you going to work locally across Derby city and/or the county?

Form Your Committee

Your first committee will probably evolve out of your steering group. You will need at least three people to form the committee (chair, treasurer and secretary) with another two to three people supporting the named roles. As time goes on, there will be a need to get more people onto the committee and some of the original members may drop away, perhaps through lack of time or loss of interest. This is quite normal with any new organisation. The aim should be to continually strengthen the committee by persuading people with particular skills or talents to come on board.



Someone with managerial experience is an asset to any committee, perhaps as Chair. You will need someone with some basic book-keeping experience to be Treasurer. Somebody who is organised and meticulous is needed for the Secretary's post. These three posts are the minimum that any committee needs to operate. You may decide to have other posts as necessary, depending on the exact nature of your group, such as vice-chair, fundraising or social secretary, and so on. Decide how often your committee will meet and make sure there is an agenda for each meeting, to prevent discussions going round in circles without anything being decided.

Choosing Your Officers

Every organisation should have a Chair, Treasurer and Secretary. These officers don't have any more power than the other committee members; they just have additional duties to carry out.

What is a committee for?

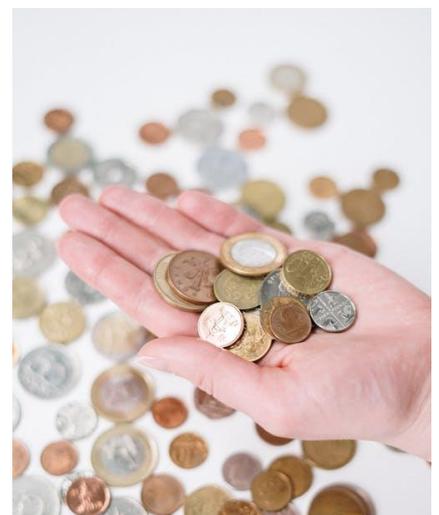
- Ensure that the aims and objectives of the group are met
- Comply with the group's legal requirements and ensure transparency
- Support and motivate each other – all committee members have equal responsibilities for running the group
- Ensure the group is run efficiently and fairly
- Plan and make decisions about the group's future
- Make sure that the group is accountable to its members, users and funders
- Raise and manage the group's funds
- Monitor and evaluate funding received
- What makes a good committee member?
- To be familiar with the group's aims and objectives
- Gives their time to the group
- Has the relevant skills and knowledge or is willing to learn to develop these skills
- Respects other people's views
- Ensures that the group operates within its constitution

The Chair

- Making sure that the committee works together effectively in the interests of the group
- Making decisions and taking action between committee meetings (if this is allowed by the constitution or by the committee)
- Signing cheques and liaising with the Treasurer
- Ensuring members' rights are met as stated in the constitution
- Helping to deal with disciplinary action against members
- Providing leadership to the group in ensuring it meets its agreed objectives and follows policies and procedures set up by the group
- Ensuring the group holds the meetings required by its constitution. Representing the group to outside bodies
- Ensuring that decisions are made, agreed and summarised so that everyone understands

The Treasurer

- Pays the bills promptly
- Ensures that funds are being spent in accordance with the group's aims and objectives and that money given for a specific purpose can be seen to have been used correctly
- Deposits cash and cheques on a regular basis
- Keeps accurate up-to-date financial records



- Keeps receipts for money in and money out (this shows that the group is able to handle money which is important to possible funders)
- Works closely with the Chair and other committee members – report feedback to committee at each meeting
- Pays some small expenses in cash
- Communicates with the bank, ensuring that bank statements are regularly received and kept safely and that cheque signatory mandates are kept up-to-date
- Checks bank statements and reconciles them with the cash book on a regular basis

The Secretary

- Preparing the agenda (with the Chair)
- Receiving correspondence and reporting it back to the committee
- Writing letters on behalf of the group – these may need to be checked and signed by the chair
- Ensuring that appropriate information is obtained and provided for committee members before the meeting
- Sending out agendas well in advance and keeping a copy of each agenda in the minutes book
- Taking and filing accurate minutes and keeping them in the minutes book
- After meetings, to inform members who were absent of any action they need to take
- Keeping an up-to-date register of all members, committee members and officers and filing these records in the minutes book
- Keeping files of all correspondence sent out or received and any other information;
- Keeping the group's constitution
- Ensuring that the group has adequate insurance
- Organising meetings (in consultation with the Chair)
- Being familiar with the group's policies and procedures



Other committee members

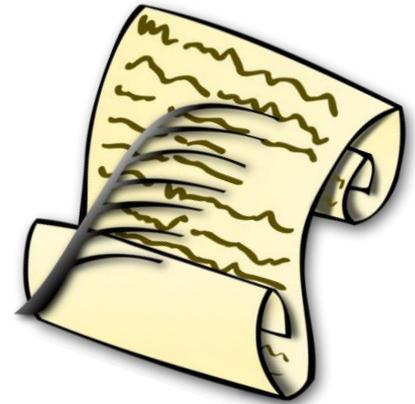
It's always a good idea to have some other committee members to support the chair, secretary and treasurer. Someone who has skills in social media will really help your group to market your services for example, facebook, twitter and instagram. Also, having a website enables you to raise awareness of your group and demonstrates all the good work that you are doing. It will also help you when applying for funding as potential funders will check your website to have a look at what you're doing.

Constitution

All voluntary groups, whether registered charities or not, should have a written constitution. Many funding bodies now make it a condition that a group has adopted a suitable constitution before granting funding.

What is a constitution?

- A written document that sets out how a group works
- A set of rules or terms of reference
- Makes sure that a group is properly organised
- Checks are built-in to make sure one person can't make decisions without reference to other members of the group
- Helps to smooth the path in meetings and avoid disagreements as to how to deal with issues
- Helps to protect the management committee against criticism for not acting correctly, provided they have acted in accordance with the procedures laid down in the constitution
- It makes sure that the group members know what they are supposed to be doing and prevents an individual from doing something different



What's in a constitution?

- **Name of the group** – this should be simple and clear
- **Aims or objectives** – this sets out the main purpose of your group, why it exists, what it hopes to achieve, who will benefit from your group and where you will do it
- **Membership** (how people can join) – in legal terms a member is a person who agrees to abide by the constitution in return for rights given in the constitution
- **Management** - how the group is managed and the duties of the committee members Your group will need to set up a management committee to make decisions about the group
- **Duties of the officers** – chair, secretary and treasurer
- **Finance** - how the money will be managed
- **Annual General Meeting** – it is standard practice for a group to have one formal meeting of all members each year
- **Special General Meeting** – the group can call any member meetings other than the AGM
- **How alterations to the constitution can be made** – there is a process in which amendments can be made to the constitution
- **Dissolution** - what happens if the group decides to finish
- **Adopting the constitution** (a committee should have discussed, agreed and adopted the constitution. This can be shown by being signed and dated by each committee member

Once you've written your constitution, you can organise your first committee meeting to formally adopt (sign) this document and officially appoint your management committee.

Choosing a Legal Structure

Before you start:

In the eyes of the law, an organisation is either:

A collection of individuals working together, such as an unincorporated organisation or charitable trust. Types of unincorporated organisations include Association, Charitable Association, Charitable Trust and Friendly Society.

Or

An incorporated organisation which exists as a separate legal entity from the individuals belonging to it. Types of incorporated organisations include Company Limited by Guarantee, Community Benefit Societies, Community Interest Companies and Charitable Incorporated Organisations.

There are many different structures that voluntary organisations can adopt. Below are some that may be appropriate for you to consider.



Unincorporated Association/Community Group

This may be the best option for you if your group is small, has a limited or specific purpose, operates on a small budget, does not own property or need to employ staff or has no long term commitments or plans to enter into lease agreements for any equipment etc. It is a popular simple structure commonly used by small voluntary organisations and is quick and cheap to set up.

Most voluntary organisations begin as unincorporated organisations, and may stay that way, particularly if they are small. It is worth agreeing some basic rules and writing these down, so that everyone is clear about the aims for the organisation and how it will be managed. If the voluntary organisation is developing into a larger concern and needs to lease buildings, employ staff or enter into large contracts the structure needs to be reviewed.

Unincorporated Organisations

Unincorporated organisations can take different forms such as:

- Charitable Trusts
- Registered Charities (which are not registered as companies)
- Unregistered voluntary and community groups

Advantages

- Can be set up quickly and cheaply (no setting up fees unless you involve a solicitor)
- Cheap and relatively easy to run – no need to notify changes in office bearers to any public register
- Offers a democratic structure with reasonably flexible procedures
- If your group's aims and purposes are considered 'charitable' (as defined by law) you can apply for charitable status

Disadvantages

- the group cannot hold property or enter into contracts in its own name
- members may be held personally liable for the organisation's debts

Charitable Trusts

A charitable trust is a special sort of unincorporated association, set up to administer money or property (or both) and which will usually be registered with the Charity Commission. Many trusts administer charitable bequests. Some voluntary organisations choose to have trusts to hold property called a trust deed. A model trust deed can be obtained free from the Charity Commission. The trust consists of a small group of trustees, who manage the money or property in accordance with the trust deed. There is no membership apart from them. Problems can arise when trustees die or resign, or if new trustees want to replace them or run the organisation differently from the founding trustees. Since a trust is unincorporated, trustees are personally responsible for its actions and liable if it runs into debt. There are ways of limiting this, but it is advisable to seek legal advice when the trust is set up.

Registered Charities

A charity is an entity that has been set up for purposes which are exclusively charitable and for the public benefit. Charitable purposes that are for the public benefit are set out in the Charities Act 2006. In order to be a charity, an organisation must be able to demonstrate it is set up with aims that are charitable, and that these aims are carried out for the public benefit. It is a requirement that applies to each of an organisation's aims, so a charity cannot have some aims that are for the public benefit and some that are not.

An organisation that is established for charitable purposes in England and Wales must register with the Charity Commission if it has income over £5,000 a year.

Advantages

- Charities are regularly recognised and enjoy considerable support from funders and other potential supporters
- Charities attract considerable tax advantages including 80% mandatory (depending on the local authority) relief from business rates
- Are the stated purposes of the organisation charitable in law?

Disadvantages

There are limits on the ability of a charity to raise funds by trading

Regulation by the Charity Commission involves a significant administrative burden

When a charity is wound up, surplus assets/funds must generally be transferred to a charity with similar purposes

Legal Structures for charities

Charities may be established as:

- **An Unincorporated Association** - commonly used by small voluntary organisations
- **A Trust** – commonly used by grant-making bodies
- **A Limited Company** – by guarantee
- **A Charitable Incorporated Organisation** – this provides limited liability but will only require registration with the Charity Commission.

Incorporated Organisations

An organisation that is a corporate body can enter into contracts, hold property, and take part in lawsuits, in its own right. It enjoys limited liability. This means that if it has more debts that it can pay and is wound up, its members as individuals are only liable for their shareholdings or the amount they have each guaranteed.

Incorporated organisations are more complicated to set up, and more closely controlled by the law, than unincorporated associations. There are four sorts of incorporated structure suitable for voluntary organisations:

- Company Limited by Guarantee
- Community Interest Company (CIC)
- Charitable Incorporated Organisation (CIO)
- Community Benefit Society (formerly the Industrial and Provident Society)

A Company Limited by Guarantee does not have shares or shareholders, and cannot distribute profits. Instead it has members, who may pay a subscription and are each liable for a limited sum if it is wound up (the guarantee). The members elect a board, or committee, or directors, and can remove them but the board has day-to-day control.

A limited company's rules are set out in a legal document called the memorandum and articles of association. This must be carefully drafted, preferably with legal advice, because the company has no power to do anything not covered by it. The Charity Commission has produced a model which is available free of charge.

Advantages

- The structure and its day-to-day operation is widely understood
- Quick and easy to establish with low registration fees.
- Can be either charitable or non-charitable (for example, as a social enterprise). If charitable, all usual charity tax reliefs are available
- Flexible as to numbers of members and whether subscriptions charged

Disadvantages

- No possibility of equity investment – can't issue shares
- High penalties for delay/failure to file information with Companies House

- If charitable, it would be registered with Companies House and the Charity Commission – need to file information/accounts with two regulators

Community Interest Company (CIC)

These are limited companies that exist to provide benefits to a community or a specific section of a community. Registered at Companies House and with the regulator of CICs. Must have objects and activities that are in the community interest – as assessed by the regulator. Community can mean a section of the community (whether in Great Britain or elsewhere). Can be limited by shares or by guarantee. Must have an ‘asset lock’ i.e. memorandum and articles must require any transfer of assets to be for full consideration – unless to another CIC or charity.

Advantages

- Flexible – can be company either limited by guarantee or by shares
- Flexibility to pay directors
- If limited by shares it can pay dividends up to a ‘dividend cap’ and can also have non-profit shares with no entitlement to dividend. Loan capital possible but with an interest cap
- Not restricted by objects/purposes which qualify as charitable

Disadvantages

Does not receive the tax advantages extended to charities - for example will not obtain business rate relief but may qualify for discretionary relief.

Charitable Incorporated Organisations (CIO)

This new legal structure is available to new organisations and existing charities that wish to convert into the CIO form. It is registered and administered solely by the Charity Commission. Charities that are already limited companies can convert to CIOs if they wish. The main advantages are a simpler governing document, and no longer having to deal with Companies House at all – only the Charity Commission therefore less bureaucracy.

Advantages

- Main intended benefit is having a single regulator – the Charity Commission
- Conversion from a company limited by guarantee should be fairly straightforward
- Simpler governing document
- No longer having to deal with Companies House – less bureaucracy

Community Benefit Societies (formerly Industrial and Provident Societies)

These are not-for-profit organisations with charitable purposes and a built-in democratic structure. They must give all members an equal say in the running of the society. The society has corporate status, and can have a share and loan capital, but must pay only moderate interest on any loan capital. Industrial and Provident Societies for the benefit of the community cannot register with the Charity Commission, but must register with the Financial Services Authority. They can apply to the Inland Revenue Charities Division to be classed as charitable for tax purposes.

Unincorporated and incorporated – what’s the difference?

UNINCORPORATED	INCORPORATED
Unlimited personal liability (joint & several)	Limited personal liability (usually £1), i.e. committed to a maximum loss
Ownership of property by individual people	Ownership of property by the organisation
No statutory framework – no governing law (unless a charity)	Clear statutory framework (with penalties for non-compliance & automatic fines for late returns)
No real accountability (unless a charity)	Clear accountability both to members/ shareholders and to a regulatory body
No automatic set up/running costs	Set up and ongoing costs (e.g. filing fees)

Registering as a Charity

To register as a charity, you will need to have proof that your income is at least £5,000 a year, unless you are a charitable incorporated organisation (CIO). If your charity is based in England and Wales and isn't a CIO, you don't have to apply to register it if its annual income is less than £5,000. But you can still apply to HM Revenue and Customs for recognition as a charity to get charity tax breaks and claim gift aid:



[Get recognition from HMRC for your charity - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

You can apply to the commission to register this sort of charity voluntarily but the commission will only consider applications in exceptional circumstances. For example, if you can prove that your

charity has been offered significant funds but has to provide a registered charity number before it can receive the funds.

If you want to become a CIO, you will need to complete a CIO constitution – the link to CIO constitution templates is below:

[Setting up a charity: model governing documents - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Once the trustees agree the constitution, you can register your CIO with the Charity Commission.

Only apply to register your charity once it's set up. This means you have:

- decided what your charity's purpose is
- decided what type of charity structure it will have
- written a governing document
- chosen a name
- recruited trustees
- decided how your charity will be funded

[How to set up a charity \(CC21a\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Use the Charity Commission's '**Apply to register a charity**' service. Once you start, you'll get a reference number that allows you to save the form and come back to it at any time within 3 months of starting it. Watch the commission's video tutorial explaining the process of applying to register a charity:

https://youtu.be/iYi_hachlgo

When you apply, you will need to provide the following information:

- your charity's main bank or building society details (sort codes, account/roll numbers)
- your charity's public contact details, including a postal address - this cannot usually be a PO Box address except in special circumstances (such as for a refuge)
- a copy of your charity's governing document as a PDF file - which has been signed or witnessed as necessary
- if your charity is a company: a copy of the certificate of incorporation and memorandum
- proof that your charity's income is over £5,000 (unless it's a CIO) - this can be its latest annual accounts, a recent bank statement or a formal offer of funding from a recognised funding body

Registering as a Social Enterprise

There are a few different structures that you can use if you want to become a social enterprise – these include:

- a limited company: [Set up a private limited company - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- a charity or CIO
- a community interest company (CIC)
- you could also register as a sole trader, but bear in mind that most funders won't support sole traders: [Set up as a sole trader - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Setting up as a CIC (Community Interest Company)

A CIC is a special type of limited company which exists to benefit the community rather than private shareholders. To set up a CIC, you'll need:

- a **'community interest statement'**, explaining what your business plans to do:

[CIC36: application to form a community interest company - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/guidance/cic36-application-to-form-a-community-interest-company)

- an **'asset lock'**- a legal promise stating that the company's assets will only be used for its social objectives, and setting limits to the money it can pay to shareholders

- a **constitution** - you can use the CIC regulator's model constitutions:

[Community interest companies: model constitutions - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/guidance/community-interest-companies-model-constitutions)

Your application will automatically be sent to the community interest company regulator for approval. The CIC regulator's guidance on setting up a CIC can be found here:

[Community interest companies: guidance chapters - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/guidance/community-interest-companies-guidance-chapters)

You can set up a CIC online with Companies House:

[Are you starting a new application? - Set up a limited company and register for Corporation Tax - GOV.UK](http://www.gov.uk/government/guidance/are-you-starting-a-new-application-set-up-a-limited-company-and-register-for-corporation-tax)

You'll need to create a Government Gateway user ID and password for your company. You cannot use your personal Government Gateway ID.

You can also use the forms from the CIC regulator to register a CIC by post:

[Community interest companies: forms and step-by-step guides - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/guidance/community-interest-companies-forms-and-step-by-step-guides)

Open a community bank account in your organisation's name

Banks and Building Societies generally require proof that your group is a voluntary, non-profit making organisation and not a private business. This could be one of the following:

- Letter from the chair/secretary of your organisation
- Copy of your organisation's constitution
- Charity registration confirmation/Trust deeds (if group is a charity)

What to think about when opening an account

- Proof of identity – passport, driving licence or two utility bills with your name and address on
- Authorisation of cheques – who will the cheque signatories be? They must not be related and you will need at least two signatories
- Accessibility – make sure the bank is easy to get to
- Night safe – ask the bank for this facility if the group does fundraising events. By disposing of the cash as soon as possible means that no cash is left on your premises
- Ask for monthly bank statements
- Register the group name with the bank or building society

- Procedure for filling out the bank mandates
- Ask about bank charges – you should not be charged as a voluntary and community organisation
- Bank Accounts for Voluntary Organisations

Some of the major banks and building societies offer special accounts for small voluntary and community groups and give free banking as long as your account is in credit.

The 2 main reasons for community bank account applications being rejected include:

- Incomplete applications, especially for online applications. Groups need to ensure that they have all the relevant information ready before they apply for a bank account
- Scoring – most banks will score any individual who is named in the application, looking at their Experian credit score, any bankruptcy, any bounced Direct Debits etc. looking back at the last 6 years.



Policies

Policies and procedures help to ensure your service users have the best experience, create a safe and accessible environment for your activities, and enable your organisation to run consistently, smoothly and fairly. They're also needed to meet legal, contractual and funding requirements.

Suggested Basic List of Policies

These could include:

- Health and Safety
- Equality and Diversity
- Confidentiality/ GDPR
- Risk Assessment
- Volunteers – Basic Policy
- Volunteers – Expenses Policy
- Email/ internet use
- Complaints Procedure (for members, service users, public)
- Service user/member involvement

- Training policy (staff, volunteers and committee members)
- Quality/monitoring policy
- Whistleblowing
- Child/vulnerable adult protection (if working in these areas) – ‘safeguarding’

If you have paid staff:

- Staff Disciplinary procedure
- Staff Grievance procedure
- Staff Appraisal procedure
- Supervision
- Staff expenses
- Staff loans (travel, cycle, car)
- Sick Leave Policy and procedure
- Leave policy and procedure
- Time off in Lieu Policy and procedure
- Public Duties
- Recruitment Procedure
- Redundancy policy
- Induction Procedure and Checklist
- Exit interviews
- Job evaluation
- Retirement policy

DBS

Amber Valley CVS is able to act as an umbrella DBS body for groups who need to carry out a number of DBS checks (we unfortunately don't offer this service at Community Action Derby). They are able to carry out DBS checks on your behalf providing you follow their guidance. For more information, please go to: [DBS Checks – Amber Valley CVS \(avcvs.org\)](https://www.avcvs.org/dbsc). You can contact them for more details at DBS@avcvs.org or call 01773 512076.

Safeguarding Training

If your organisation will be working with children/ young people or vulnerable adults, Derby and Derbyshire Safeguarding Children Partnership offer safeguarding training which you can book online:

[Training \(ddscp.org.uk\)](https://www.ddscp.org.uk)

Insurance

Management committee members must make sure their organisation is fully insured for the work it does. What you need will depend upon the activities you carry out, if you employ staff or use volunteers and if you own or use buildings, vehicles, equipment and so on. You should nominate one committee member and, if you have them, a staff member or volunteer, to oversee all insurances and make sure they are up to date. They should report to the management committee

at least once a year, so add it to your list of annual actions. You must make sure your organisation is not under-insured because an insurer may refuse to pay out at all or will reduce the claim payment.

How to get insurance

You can buy cover directly from an insurance company or an insurance broker, which sells policies from a range of insurance companies. Unincorporated organisations will need to nominate one individual from the committee who will sign the forms and will take out the policy on behalf of the other committee members. If that person leaves, the insurance must be transferred to someone else's name. Incorporated organisations (charitable companies, industrial and provident societies, charitable incorporated organisations or CICs) can take out insurance in the name of the organisation. Most insurance companies design their policies for individuals or businesses so standard policies may cover staff but not volunteers or management committee members. You may find it cheaper and more relevant to your work to take out a specialist policy designed for the voluntary and community sector. Some insurance policies offer a lower premium if the organisation is prepared to accept more of the risk (similar to private car drivers, who can cut their premiums significantly by carrying a larger excess). Main types of cover include:



Public liability insurance

This policy will cover injury, loss or damage to any person because of the organisation's negligence. This usually including volunteers and management committee members but you should check that they are explicitly mentioned in the policy wording. There is no general requirement to have this insurance but if you provide services or activities to the public it is good practice to have it, and some funders require it. It could cover, for example, claims arising from:

- A worker breaking a client's property while visiting the client at home
- Theft of a service user's property from a community centre
- Someone who has booked a room in your premises being injured
- A child injured on faulty play equipment

Public liability insurance does not cover:

- Injury to employees caused by the employer's negligence (employers liability insurance is required for this)
- Injury, property damage or other loss caused by the provision of advice or professional services (this requires professional indemnity insurance)

Employer's liability insurance

You must take out this insurance if you employ staff - it is a statutory duty under the Employer's Liability (Compulsory Insurance) Act 1969. The policy will insure against claims by workers for illness, disease or injury caused by the organisation's negligence or breach of duty. The insurance must be for at least £5million to cover any one claim. You must prominently display the insurance certificate in all workplaces or make it easily available electronically to all staff. You must keep certificates for 40 years.

Buildings insurance

If you lease a building, check your lease to see if you are responsible for insuring any part of the building. If you own the building, it is good practice to insure it even though you do not by law have to insure buildings. However, there is a general duty under charity law to protect a charity's assets, so a committee that left a building uninsured would be negligent in its duty to the charity if it left its building uninsured. If a loan or mortgage is secured on the building, the lender will usually insist the building is insured. The policy should cover the cost of rebuilding the premises if completely destroyed, professional and other fees plus the cost of temporary accommodation during the rebuild. You could also think about business interruption insurance

Road traffic insurances

If you own and use a vehicle on the road, you must insure all drivers against third party risks as a minimum - injury or death caused to other people including passengers and damage caused to other people's property.

Third party insurance does not cover theft or damage to the vehicle so you should seriously think about third party, fire and theft or fully comprehensive.

You must also make sure that any vehicle owned and used by employees or volunteers for work purposes are adequately covered.

What other insurance policies should you think about?

Plate glass windows

If you lease property with a shop front you may need special insurance to cover breakage either by vandals or accident - check your lease.

Professional indemnity insurance

If you provide a professional service to the general public for example advice or information, this type of policy gives cover against any claims resulting from wrong advice or negligent service. It can be extended to cover slander or libel which may be essential for campaigning organisations.

Accident and medical insurance

If you employ staff, this can cover the cost of paying sick pay, and some policies will pay out for injuries at work.

Contents insurance

This normally covers the contents of a building for theft or damage, including fire or flood. You should check whether the policy includes accidental damage and property while it is out of your building. You must tell your insurer who uses the building including other organisations and if you use volunteers. Your insurer may impose conditions on the policy such as installing additional locks or an alarm. You should keep an up to date list of the contents that the policy insures and review the list and the sum insured each year.

All risks insurance

This is usually an extension of contents insurance to cover property when it is used away from the building for example laptops and presentation equipment.

Accidental damage

This insurance is usually expensive, as it covers accidental damage to property. If the organisation shares equipment with anyone else it must tell the insurer. It may be cheaper to hire expensive equipment such as video cameras.

Equipment damage and breakdown

If your organisation has highly technical equipment such as computers, and depends heavily on them, you can insure them against damage and breakdown.

Trustee liability insurance (also known as trustee indemnity insurance)

This insurance protects trustees or management committee members against personal liability when their organisation or third party makes a legal claim against them. The policy will not give cover for dishonesty or fraud and will not remove your duty to act in good faith, with reasonable care for the organisation. If you buy trustee liability insurance, this must be disclosed in your charity's annual report.

Before buying this insurance, you should focus on putting procedures and policies in place to help reduce any potential risk. And it is important to keep the risks of personal liability in proportion - very few trustees or management committee members that have acted honestly suffer financial loss. If you are worried about risk and liability, please talk to us because we may be able to help you better understand your risks and liability and help you plan and manage any risks you face.

Insurance checklist

- Fill out forms with due care - any organisation seeking insurance cover has a duty of utmost good faith to the insurance company - so you must disclose all relevant facts (even if not asked for them) because if you don't, and you need to make a claim, the insurance cover may be invalid.
- Always read the small print - make sure you fully understand the whole policy
- Make sure that you have the right amount of cover - if you are underinsured, the insurance company may make no payment when a claim is made
- Check and revalue your property annually
- Give one person responsibility for all insurance matters
- Shop around to get the best deal - get more than one quotation
- Talk to other voluntary and community organisations - to see what cover they have
- Think about using an insurance broker - a broker may not cost any more than going direct to an insurance company and should shop around on your behalf
- If your organisation is part of a national charity - check with them if they can add you to a corporate insurance policy, which will probably save you money

Useful Links:

The Charity Commission:

[The Charity Commission - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Companies House

[Companies House - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Free support and resources for non-profits:

[NCVO - Home](#)

[Charity Excellence Framework trustee governance and management checklist](#)

Support for Social Enterprise Start-Ups – links to useful sources of advice and support tailored to social enterprises:

[The School for Social Entrepreneurs \(the-sse.org\)](http://the-sse.org)

[Social Investment » Social Enterprise UK](#)

[Inspire2Enterprise – Driving Social Enterprise Success](#)

[UnLtd - Home | The Foundation for Social Entrepreneurs |](#)

There are also platforms available that offer mentoring support or pro bono services for social enterprises including:

[Expert Impact - Home of the Human Lending Library](#)

[1-2-1 Skilled Volunteering – Hatch Enterprise](#)

[Cranfield Trust | Home](#)

[TrustLaw | Thomson Reuters Foundation](#)

The East Midlands Chamber also offers business advice to members:

[East Midlands Chamber \(Derbyshire, Nottinghamshire, Leicestershire\) \(emc-dnl.co.uk\)](http://emc-dnl.co.uk)

For advice and support about any aspect of setting up a new community group in Derby, please contact our group support team:

Community Action Derby,
Shot Tower, 1 Morledge, Derby DE1 2AW and
30 Charnwood Street, Derby DE1 2GU

01332 346266

Twitter: [@DerbyCA](https://twitter.com/DerbyCA)

Facebook: [@CommunityActionDerby](https://www.facebook.com/CommunityActionDerby)

www.communityactionderby.org.uk

