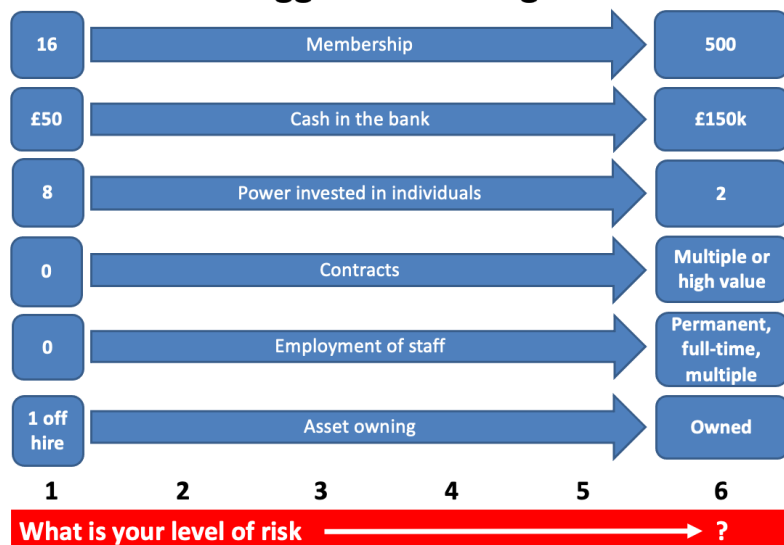
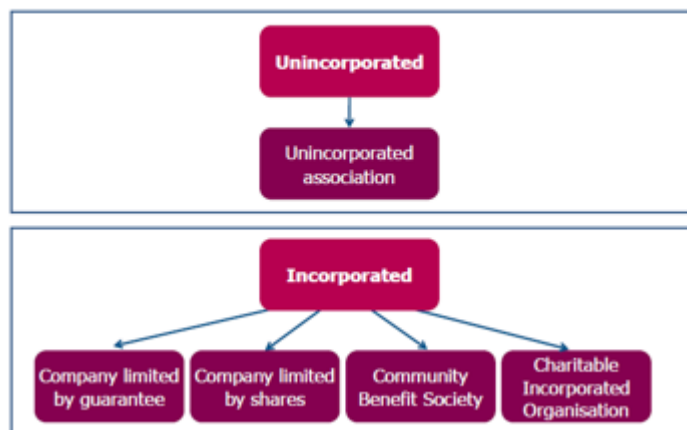


Why should we look to change?

Triggers for Change



Type of Organisational Structure



What we are now SCBTC, TC, MW & RD

Unincorporated Association

- The club is not a separate legal entity
- Contracts will be in the name of an individual member
- Individuals have unlimited liability
- There are no formal administration requirements
- There are no legal governance requirements
- These requirements should however be good practice for a club anyway
- Statutory requirements (operating within the law) applies to all clubs

Route recommended to protect the Directors of the club – so no personal liability SCBTC Ltd

Company limited by guarantee

- Most common structure for sports clubs when set up as a company
- Owned by the members (as they vote in Directors who run the club)
- The Directors all agree to cover a fixed amount of the club's debts (usually £1)
- All companies limited by guarantee are private

We then looked at the principles of good Governance and the requirements in terms of documentation.

Principles of Good Governance

- Governing documentation with a clear purpose
- Inclusive and accessible
- Governing committee meets regularly and decision making is recorded
- Conflicts of interest are recognised, managed by the chair and recorded
- At least 3 people on the committee are unrelated or non cohabiting
- Governing committee membership is considerate of skills needed and diversity required to represent the community
- Regular election of committee members, members should ideally serve no more than 9 years
- Bank account and 2 signatories
- Annual accounts are prepared, independently scrutinised and made available to members

To become incorporated you will need to provide the following documents*.

Memorandum of Association: This is a short document confirming your intention to form a company, signed by the people in your club agreeing to become members of that company.

• **Articles of Association:** These are your club's internal rulebook, as chosen by your members. These articles are legally binding on the club and all of its members. The articles help to ensure your club's business runs as smoothly as possible and will set out how decisions are taken by your members and directors, who will most likely be your committee. The articles are your club's new ultimate governing document and set out your club's high-level rules and regulations. You may add additional rules, called bye-laws, which cover the more practical issues of running the club, such as how new members are admitted to the club, etc. You will have to notify Companies House every time you make changes to your Articles of Association. This is a legal requirement and you may be committing an offence if you do not comply. Some of the larger NGBs (e.g. the Rugby Football Union and the Football Association) have used legal experts to put together sports specific model articles for their clubs to use. Once again, there is nothing to stop you having a look at this information, which is usually readily available on their websites, in order to assess its suitability for your sport/club.

• **Bye-laws:** These are basically more in-depth rules than your club's Articles of Association and identify how your club will be run.

Your bye-laws could cover areas such as:

- Requirements for directors
- Operation of club bank account(s)
- Composition of your club's committee
- Frequency and participation of meetings
- Admission of new members
- Membership subscription and fees
- Membership rights and privileges
- Disciplinary actions

If you already have a **Constitution** detailing this information, this can be adopted as your club's byelaws.

If you are an unincorporated club, a constitution should be sufficient.

Based on experience we recommend that less information is held within the Memorandum of Association and Articles and more information is held within the bye-laws.

Full powerpoint available if anyone would like more detail.

<http://www.companieshouse.gov.uk/>