

Guidance Notes

Starting a New Organisation

Voluntary organisation - what does it mean?

We use the term voluntary organisations 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 - voluntary organisations exist to provide a service to the community or to address certain social issues, and not for personal benefit; they are 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 and government 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, values and mission.

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 the organisation only.

Voluntary – the organisation is governed by a group of volunteers, the governing body; these are referred to as the management committee, trustees, executive committee, or board of directors, and are the people who give their time freely for the management 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 be a voluntary organisation.

Information Box

Voluntary organisations are also referred to as not-for-profit, charitable, non-governmental or third sector ...

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 in terms of appointing its management committee, decision-making and internal rules and procedures.

Third sector refers to the fact that voluntary organisations 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 organisation.

Getting started

Most voluntary organisations are started by a group of people committed to addressing a particular social problem by providing a service in a particular area or targeting a particular group of people. Starting a new organisation seems a daunting task, especially for those not familiar with the legal and practical requirements needed to set up a successful organisation.

Below is a checklist of basic steps to be taken into consideration by those starting a new organisation:

1. Get a group of founder members.
2. Agree on the purpose of the organisation.
3. Research on the need for the service, who will use the service, which other organisations are delivering similar services.
4. Recruit and train the management committee.
5. Develop the organisation's constitution.
6. Develop an action plan /business plan.
7. Open a bank account.
8. Set up the organisation's accounts.
9. Start fundraising.
10. Hold the first Annual General Meeting (AGM).
11. Develop necessary policies and procedures to run the service.
12. Review and evaluate progress.

If you would like further information or advice on any of the issues in this Guidance Notes, contact the Wandsworth Voluntary Sector Development Agency (WVSDA) on 020 8875 2844/5/6 or Email: smallgroups@wvsda.org.uk, info@wvsda.org.uk.

More Guidance Notes can be found on our website, www.wvsda.org.uk.

The Wandsworth Voluntary Sector Development Agency (WVSDA) provides information, advice and training to assist voluntary and community groups with issues relating to setting up and managing effective organisations. Whilst every effort is taken to ensure the information, advice and support we offer is current, relevant and accurate, it does not constitute legal advice.