

Carmichael.

Setting up a new Community, Voluntary or Charitable Organisation.

Published September 2018

Setting up a non-profit of any sort (community, voluntary, charity) can be an exciting project. People who are inspired to make a difference, to address unmet needs or to make a change in the way things work can achieve great things. It is almost impossible to make significant progress without involving others and organising the work that needs to be done. Sooner or later it becomes necessary to set up an organisation to progress ideas and take action – having the vision is only one step on the journey. If you want to create an organisation that will capture your vision and turn it into a reality a number of practical steps will have to be taken.

Establish the Need

Community / Voluntary organisations and Charities are usually set up in order to address a problem or meet a need. This might be a problem experienced within a local community or an issue facing people within society at large. You may or may not have experience of the particular condition or situation yourself, either way you will need to establish the extent of need and the ability to demonstrate the need to others.

Useful questions to ask:

- How many people are affected by this issue?
- Who is affected (e.g. does gender, age or location make a difference)?
- What impact does the issue have on people's lives?
- What do people need to address the issue?
- What are the financial implications for the individual or for society as a whole?

The answers to these questions make the case for your organisation and why it is needed. Another aspect of establishing the need is making sure that this work is not already being done by another organisation. It is a waste of time, energy and money to duplicate existing organisations and those resources could be better used to meet the need that you have identified. Do not set up a new group if something already exists that you could join; you will create unnecessary work for yourself and potential funders will not look too kindly on this type of duplication.

Searching for a similar organisation:

See the list of Useful Organisations on the last page of this information leaflet to assist in finding if a similar organisation to the one you have in mind exists. Even if you do not find a group doing exactly what you think is needed, you may locate a suitable umbrella organisation or parent body either at home or abroad. It may be easier to start off as a local branch of a more established organisation if an appropriate body exists.

Find the People

Once you are satisfied that you are not duplicating the work of an existing group you should set about finding some more people to work with you. It is important to do this as early in the process as possible. Although it may be tempting to push ahead on your own for a while, you will soon reach the stage where it is too much work for one person. It is more difficult to entice other people in a project if they get the impression that you only want them because you are swamped with work, so do not wait until you are desperate to start looking for help.

Involving other people at an early stage is also important in terms of building commitment to the new organisation. If people have been involved in making decisions about the aims and activities of the group they will have more investment in it and a greater sense of ownership. A common failing among fledgling organisations is that they are regarded as the 'baby' of one highly enthusiastic individual who does not understand why they are being left to do all of the work. The successful functioning of any voluntary or community group relies on the commitment and hard work of a number of individuals and this kind of teamwork needs to be developed from the beginning.

Ways of finding people:

- Word of mouth: ask around family, friends and work colleagues
- Use local avenues such as notices in newsagents' windows, supermarket and library noticeboards, local newsletters and papers or use social media
- Talk to relevant professionals who may come into contact with people who are affected by the issue you are concerned with
- Call a public meeting for people interested in the issue and ask for volunteers to join a working group to take things forward
- See the list of Useful Organisations on the last page of this information leaflet to connect with organisations that may prove useful in helping find people interested in the same issue(s) you are.

Once you advertise that you are interested in a specific issue there is a risk that you may be inundated with people needing help from you rather than people wanting to help you get things organised. Try and be clear in any of your communications that you are looking for people prepared to help set something up. You may need to explain to people that you are not in a position to help them at the moment. While this is difficult to do, you need to avoid a situation where you are spending so much time answering queries or supporting other people you have no time left to set up the organisation itself.

Identify the Aims and Activities

Your organisation needs to have clear aims that arise out of the need you have identified. In other words what is the purpose of your group? Why does it exist? Some typical examples from voluntary and community groups might include:

- To empower people to actively influence the social and economic policies that impact on their lives

- To increase awareness of a specific issue within the general public
- To promote understanding and respect between people from different communities
- To improve the local environment
- To promote research into the causes of a specific medical condition and its effective treatment
- To challenge discrimination against socially excluded groups

The activities that your organisation engages in should flow from the aims that you have set. These are the things that will be done in order to achieve your aims. For example, this could take the form of:

- Providing information
- Running support groups
- Providing social activities for senior citizens
- Running after-school clubs
- Organising volunteers to help with a community garden
- Providing training

When you are deciding what activities your organisation will engage in it is important to be realistic and keep things achievable. There will always be someone who thinks that your group should do more but it is important to keep things manageable, particularly at the start.

Decide on a Structure

Early in the life of an organisation it will become necessary to make decisions about its structure. There are two main issues to consider: becoming a company limited by guarantee (CLG) or a charity. It is possible to become both a CLG **and** register as a charity. Some groups choose one type of or status only and some choose neither. Some advantages and disadvantages are listed below.

Unincorporated Groups

An unincorporated group is a group with no legal status, neither a registered company nor a registered charity.

| Advantages | Disadvantages |
|--|---|
| Can be set up quickly and cheaply. | Individuals may be held legally liable for any problems or debts arising out of the group's activities. |
| There is less bureaucracy involved in running the group. | It may be difficult for the group to own property or employ staff. |

| | |
|--|--|
| No reporting to Company or Charity Regulators. | Difficult to apply for funding opportunities / grants. |
|--|--|

An unincorporated group works best where the group intends to stay small and informal. If your group does not intend to employ staff, own property or borrow money and if annual income is likely to remain below €10,000 then this may be the most appropriate structure, unless there is a strong need for public credibility or a funder requires your group to have some legal status.

If you decide that this is the best structure for your group there are no specific legal requirements that you need to meet, but for your own protection there are a number of issues you need to consider. It would be wise to draw up a written constitution. Your constitution is a document which sets out your organisation's aims and activities and which establishes some basic rules for the running of the organisation. This will help with the smooth running of the organisation in the short term and will help be of further assistance if your group decides to become a charity or limited company.

If you would like some assistance drawing up a constitution the Revenue Commissioners have published a template, see: (www.revenue.ie).

Groups with Charitable Status

Many new voluntary and community groups may wish to set themselves up as a charity. Any organisation wishing to operate as a charity in the Republic of Ireland must apply to the Charities Regulatory Authority (CRA). Further information is available their website: (www.charitiesregulatoryauthority.ie).

| Advantages | Disadvantages |
|--|---|
| Credibility in the eyes of funders and the general public. | It will restrict the activities of the group to those included in its constitution. |
| It is a requirement for some funders. | Regulatory requirements. |
| Some tax benefits may become available to the group. | No Board Members (inc. founding members) can benefit financially. |

In order to be granted tax exemption for charitable purposes, groups currently need to make a formal application to the Revenue Commissioners. You must have a constitution that contains certain clauses laid down by the Revenue Commissioners, a statement of current activities and future plans, a financial statement and a list of people who are responsible for running the organisation. Further details are available on the Revenue Commissioner's website (www.revenue.ie).

Companies Limited by Guarantee

Becoming a company limited by guarantee can be time consuming and does make your organisation more bureaucratic. There are a number of legal requirements that must be met once you are a company (for example keeping a register of members and directors and

making an annual return with audited accounts to the Companies Registration Office). However there may come a point in the development of your group when it becomes a necessity (for example you want to employ staff, own property or your organisation's income is significantly greater than €10,000).

| Advantages | Disadvantages |
|--|---|
| Personal liability is limited. | Potentially bureaucratic set up process with costs. |
| Credibility in the eyes of funders and the general public. | Regulatory requirements. |
| The company can employ staff, borrow money and own property. | Legal responsibilities for Board Members. |

In order to become a company limited by guarantee you will need to draw up a constitution. This is a document incorporating the memorandum and articles of association which sets out the governance structure and purpose of the company and the responsibilities of its Directors. The constitution along with the relevant application form is then sent to the Companies Registration Office.

Further details are available on their website: www.cro.ie. See the Resources section on the Carmichael website for more guidance documents: www.carmichaelireland.ie

Get Organised

Deciding on your structure is only one aspect of setting up an organisation. There are a number of practical issues to be considered as well. You will need to identify a contact point for the organisation as well as a space where paperwork and other documentation can be kept. You will also need to make decisions about opening a bank account and setting up financial management systems. Working on your constitution will encourage you to think about these issues as well as some of the roles that people within the organisation will need to take on. For example community and voluntary organisations very often appoint a chairperson, secretary and treasurer. It is advisable to divide up the work of the organisation so that it is not all left to one person and to ensure that everyone involved understands their responsibilities.

Have a Launch

Once you are happy that you have the right structure and people in place it can be a good idea to have a special event to launch your organisation. This could take the form of an information evening, a news conference, a social activity or whatever kind of event is most suited to your aims and objectives as a group. A launch is an ideal opportunity to put your organisation on the map and raise awareness of what you are doing among your stakeholders. Do make sure you have the resources in place to deal with any subsequent enquiries or requests before you go public.

Useful Organisations

Carmichael
North Brunswick Street, Dublin 7.
T: 01 873 5702
E: info@carmichaelireland.ie
W: www.carmichaelireland.ie

Charities Regulatory Authority
3 George's Dock IFSC Dublin 1, D01 X5X0
T: 01 633 1500
E: info@charitiesregulatoryauthority.ie
W: www.charitiesregulatoryauthority.ie

Companies Registration Office
Parnell House, 14 Parnell Square
Dublin 1.
T: 01 804 5200/Lo call 1890 220 226
E: info@cro.ie W: www.cro.ie

Charities Institute Ireland
56 Fitzwilliam Square North, Dublin 2
E: info@charitiesinstituteireland.ie
W: www.charitiesinstituteireland.ie

Governance Code for CVC organisations
E: info@governancecode.ie
W: www.governancecode.ie

Volunteer Ireland
18 Eustace St, Dublin 2
T: 636 9446
E: info@volunteer.ie W: www.volunteer.ie

Activelink
2-4 Merville Road, Stillorgan, Co Dublin
T: 01 6677326
W: www.activelink.ie

Boardmatch Ireland
35 Exchequer Street, Dublin 1
T: 01 671 5005
E: info@boardmatchireland.ie
W: www.boardmatchireland.ie

Revenue Commissioners
W: <http://www.revenue.ie/en/business/charities.html>

The Wheel
48 Fleet Street, Dublin 2.
T: 01 454 8727
E: info@wheel.ie W: www.wheel.ie