

## Considerations for setting up a VCSE – Structure and fundraising

**This simple resource looks at some of the considerations around structure and fundraising requirements when setting up a VCSE.**

### What is a Voluntary Community and Social Enterprise (VCSE)?

- To be a VCSE your group must have charitable purposes that benefit the public. The purpose must fall within one or more of the 13 descriptions of purposes as set out by the Charities Act 2011.
- To be a VCSE you may not participate in profit making activities.

### What is the correct structure for your VCSE?

- Depending on if you choose to employ staff, purchase land, enter into contracts, have a membership etcetera will all factor into which structure is most appropriate for your VCSE.
- If you wish to hold contracts in the organisations name, then incorporation will be required to give your group a legal identity.
- Trustees of an unincorporated group will be seen as the legal identity behind your groups activities.

You may be interested in the 'Most Common forms of Voluntary, Community or Social Enterprise classification(s)' resource available on the VAR website:

<https://www.varotherham.org.uk/wp-content/uploads/2018/12/VCS-organisation-legal-structures-December-2018.pdf>

### What will your VCSE need?

Depending on your activities, your group need could take various forms. Some key points to consider are:

1. Feasibility.
2. Governing document.
3. Board of directors or trustees.
4. Appropriate group bank account.
5. Funding.
6. Accountability.
7. Reporting.

#### 1. Feasibility

- Technical – information and process.
- Economic – cost benefit analysis.
- Legal – regulatory bodies and prior commitments.
- Operational – people and divisions involved.
- Scheduling – does time required fit to the project need?

You may be interested in the 'Feasibility Studies' - resource available on the VAR website:

<https://www.varotherham.org.uk/wp-content/uploads/2018/07/Feasibility-Studies-Final-2018.pdf>

#### 2. Governing document

There are various types of governing document:

- Constitution - for groups starting out who do not plan to employ staff or purchase land.
- Other governing documents such as Articles of association may need to be considered if you do decide to employ staff or own land.

Further information is available on Charity Commission website:

<https://www.gov.uk/government/organisations/charity-commission>

You may be interested in one of VAR's template governing documents available on request. Contact details are found to the end of this document.

### 3. Board of directors or trustees

- Lead and decide how a VCSE is run.
- At the very least there should be a chairperson, treasurer and secretary.
- Must be eligible for the role.
- Usually aged 18+, some structures allow aged 16+.
- Fit and proper.
- Not disqualified from being a company director.

You may be interested in the 'Committee member roles and responsibility' resource available on the VAR website: <https://www.varotherham.org.uk/wp-content/uploads/2018/07/Committee-roles-and-responsibility-Final-2018.pdf>

### 4. Appropriate group bank account

- To apply for funding or hold funds securely and accountably.
- Community accounts are most suitable – not charged for simply having the account.
- You will need a governing document and two trustees to act as signatories to apply.
- The bank will need to understand your organisation and confirm eligibility before they will open the account.

You may be interested in the 'How to set up a group bank account' resource available on the VAR website: <https://www.varotherham.org.uk/wp-content/uploads/2018/07/How-to-set-up-a-Group-Bank-Account-Final-2018.pdf>

### 5. Funding

- Grants, sponsorship and fundraising events are some of the most common ways to raise funds.
- You will need to research, budget and risk assess to ensure your project is fully funded without bringing in too much cash – remember you must not raise a profit when a charitable project and gifted funds must only be used for the reason they were given.

You may be interested in a funding search or bid writing support available from Voluntary Action Rotherham. Contact details are found to the end of this document.

### 6. Accountability

- **Trustee** - For a charity the overall responsibility lies with the trustee to ensure aims and objectives are being followed with regulatory compliance. The trustee will therefore supervise, assist and delegate roles as appropriate.
- It is extremely rare but not impossible for a trustee to be held personally liable. This will happen if a trustee has acted improperly resulting in financial loss to the organisation, or a third party has a legal claim against the organisation to which the organisation cannot meet. It is possible to protect yourself as trustee to a higher standard if the organisation becomes incorporated e.g. becoming a CIO.

### 7. Reporting

- You must ensure to report to appropriate regulatory bodies as and when required.
- Accounts, directors, charitable activities are a few examples of items to report.

### Support

- Voluntary Action Rotherham provide a comprehensive range of specialist support services to meet your needs. For support with group structure and fundraising contact any member or the triage team:

Telephone 01709 829821 / Email [triage@varotherham.org.uk](mailto:triage@varotherham.org.uk)

Complete a triage form for support: [https://www.varotherham.org.uk/?s=triage&post\\_type=ohso\\_file\\_manager](https://www.varotherham.org.uk/?s=triage&post_type=ohso_file_manager)

