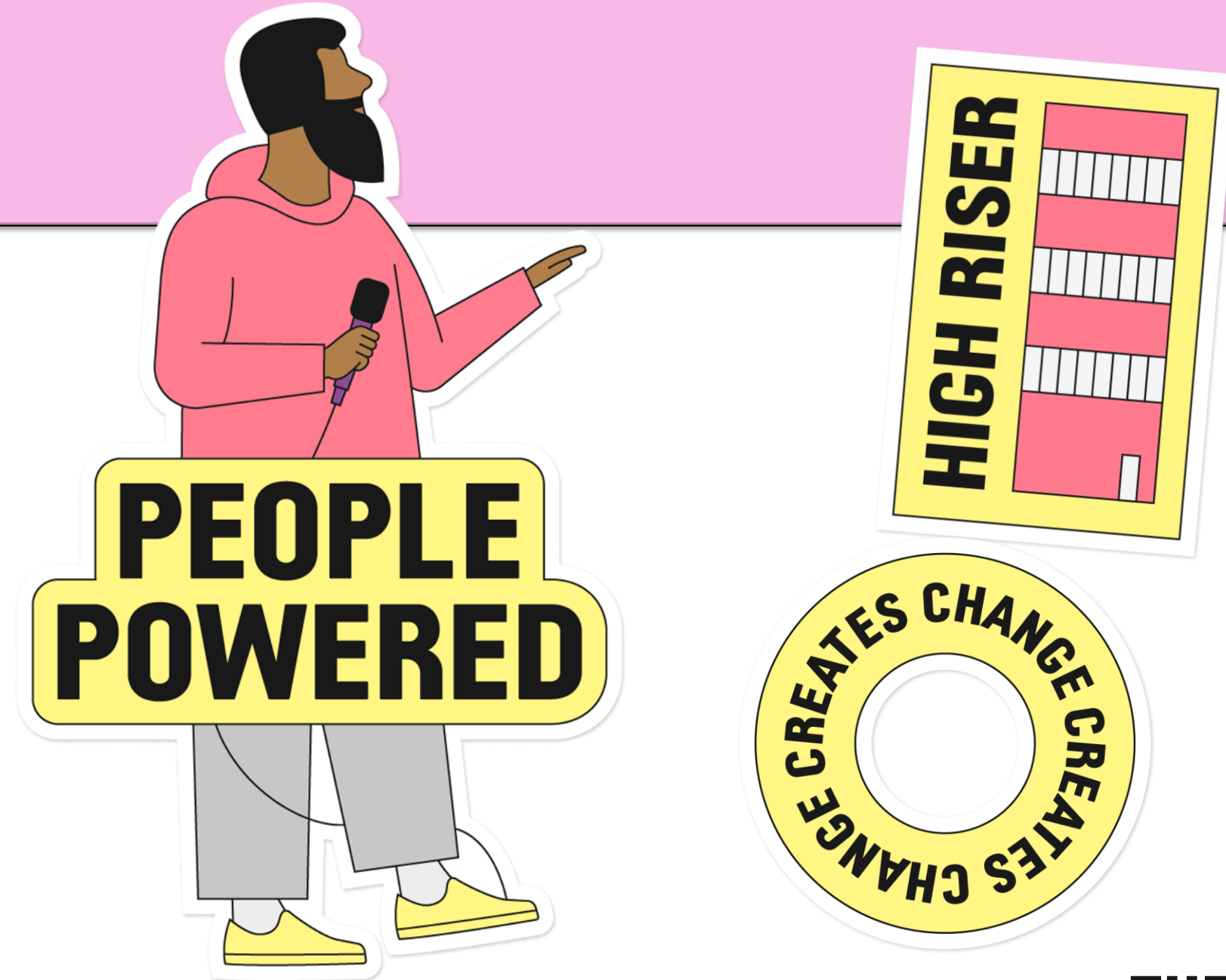
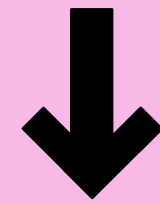


LEGAL STRUCTURES & POLICIES FOR YOUR PROJECT & BEYOND



HOW TO MAKE THE MOST OF THIS SESSION

WHY IT'S IMPORTANT



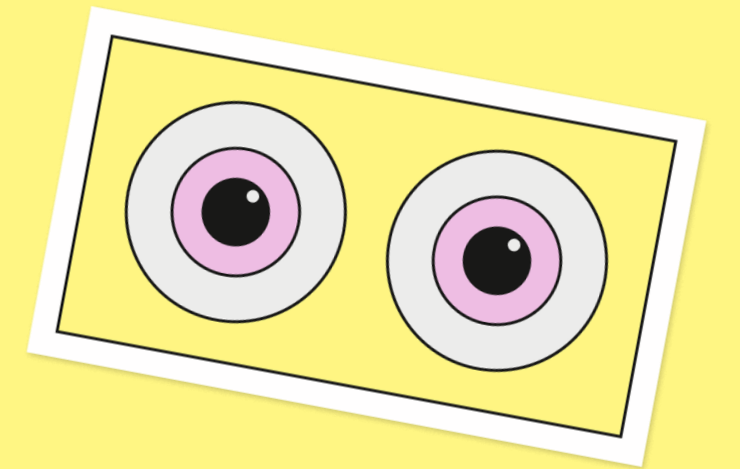
- To have longer term impact, broaden your team and create future sustainability understanding **your legal structure and governance options is key**
- Having a **Legal Structure can help with attracting funding** and make your organisation more formalised with key principals for operating and making decisions
- A legal structure needs to work alongside good governance and **clear and effective policies and procedures** to help you be clear in your processes, compliant and transparent as you grow



SESSION OVERVIEW



- **Key questions** to ask yourself when starting to formalise your structure
- A simple **overview of Legal Structure** options and implications
- Considering **Policies and Procedures** you may wish to prepare and use



CONSIDERING LEGAL STRUCTURES/SET UP

What to ask yourself or the group..?

Incorporate or not?

Ownership & Governance

- Who is running this now & who might in the future?
- Who do you foresee 'Owning' the venture?

Build a group/team/board or management committee?

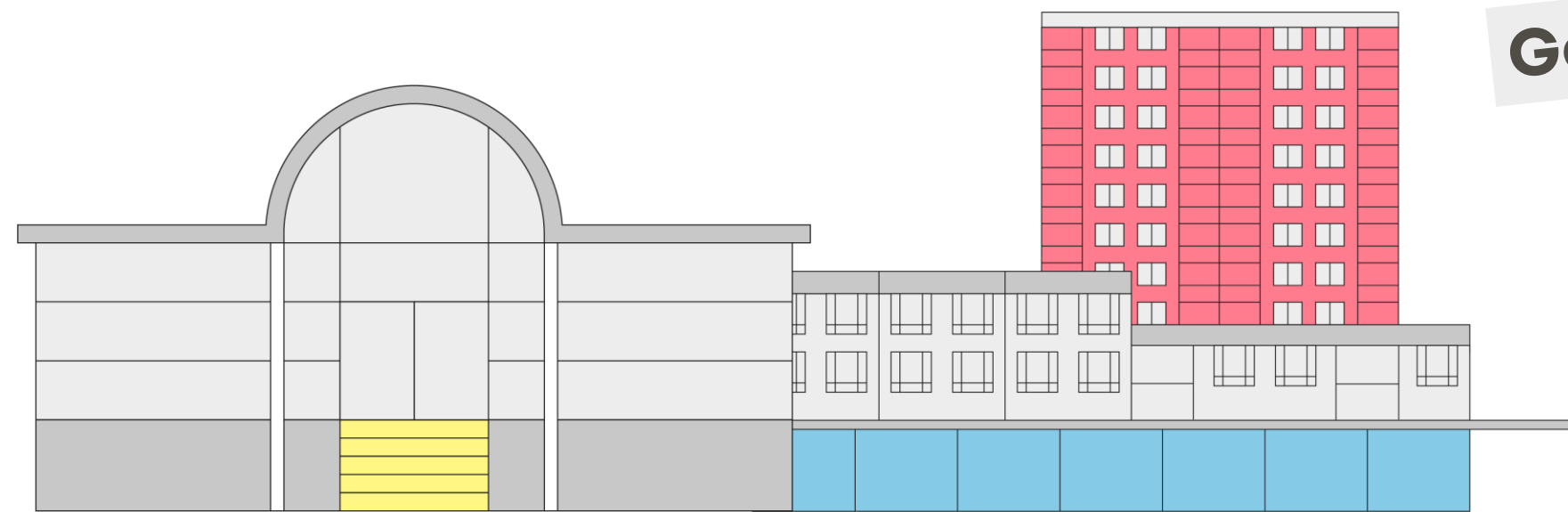
Income Generation/Profits/Tax

- How will you generate income & resources at start up/scale up?
- What might happen to profits/surpluses?
- What are the tax implications?

*Private profit?
Profit for purpose?
Not for private profit?*

Got the cash to start?

Got a business model?



CONSIDERING LEGAL STRUCTURES/SET UP

What to ask yourself or the group..?

Market & Community

- Have your beneficiaries/community got the resources to buy your products/services?
- Will the community have a stake in your organisation?

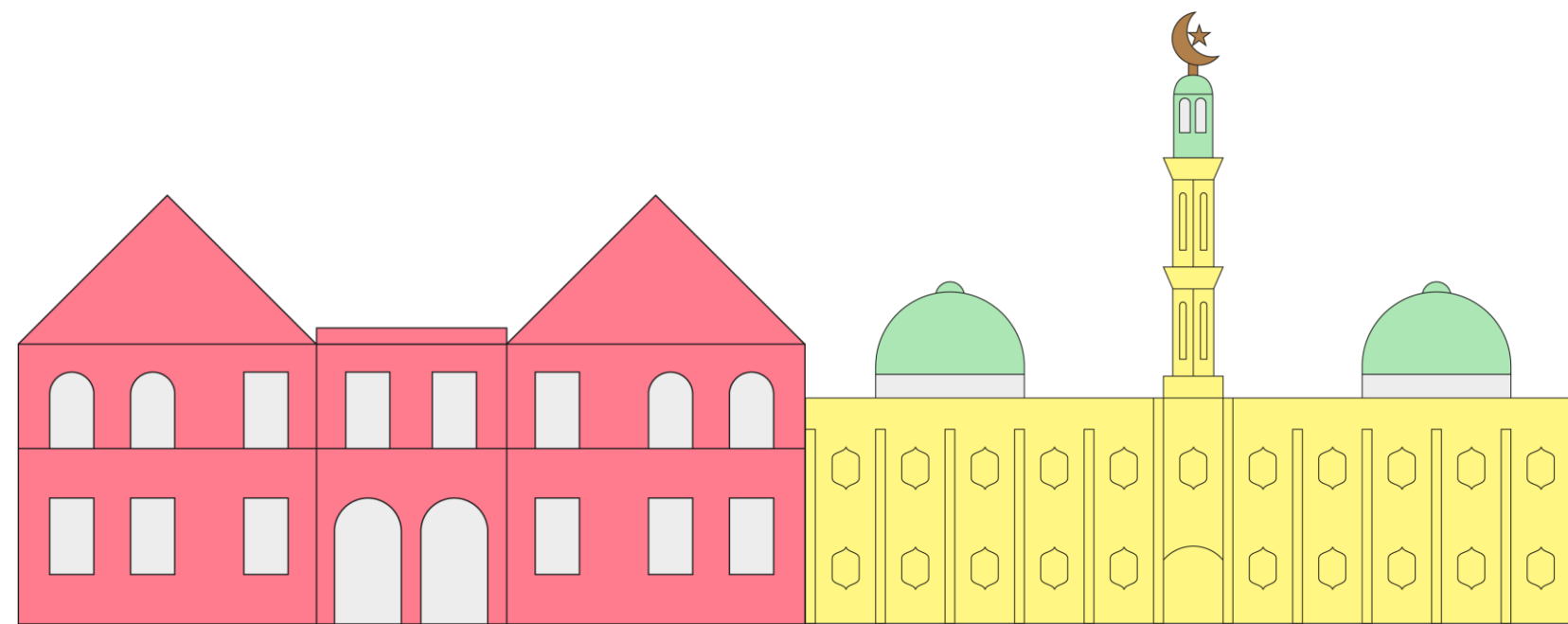
Can the community pay?

Is there a social purpose/value?

Trust, Legitimacy & Commitment

- How do you want or need this ventures to be viewed by the public??

What role will the community play in the venture?



LEGAL STRUCTURES BEYOND SELF EMPLOYMENT

When starting up as a community organisation/enterprise and seeking funding & support you need a **minimum of 3 non related directors**

Often an **Unincorporated Association** is a good pilot/test – **simple & free** with less paperwork (you will need appropriate insurance & governance)

Setting up a company incurs more **costs/accounting costs & reporting**



CHOOSING WHO TO INVITE IN

It is **your choice** as to who you invite in to govern your legal structure.

Clearly they need to be people you **trust**, work well with, bring **complementary skills**, have the **energy and commitment** to take the role on and are **from or understand the community**/social needs you are focussing on.

Map some ideas of who you might want to invite in and **create an overview of the role/expectations** so you can sound them out.



LEGAL STRUCTURES BEYOND SELF EMPLOYMENT

Legal forms, levels of incorporation, governing docs & regulation

Unincorporated	Constitution	Association	No core regulator
		Charitable Trust	Exempt Charity
	n/a (UTR)	Sole Trader	HMRC
Incorporated	Memorandum & Articles of Association	Company Limited by Guarantee	Charity status (CC) CIC status or left without
		Company Limited by Shares	CIC status
		Charitable Incorporated Organisation	Already a Charity (CC)
Cooperative	Rules	Bencom	Charity (CC)
		Coop (non charitable)	FSA
		Workers Coop	Cooperatives UK

LEGAL STRUCTURE

How it affects Funder / Investor preferences



Equity – revenue model & customer/social impact linkage

Social Investor Loans – revenue/margin proven, access to additional revenue streams advantageous

Philanthropic loan/grant – social impact delivery proven, efficiency proven (values impact)

Commissioned Contracts

Crowd Finance

Fundraising

AN OVERVIEW OF POLICIES & PROCEDURES

What stage are you at in developing them?

- What's **your experience** of policies & procedures?
- **Can you speak to another organisation** about when they decided/needed to put these together?
- What do they **have in place**?
- Are you starting from scratch or is there anything you **need support** with?



AN OVERVIEW OF POLICIES & PROCEDURES

A clear, appropriate & coherent set of policies & procedures helps to ensure your organisation is well run

Policies & procedures:

- Ensure **compliance** with the law & regulation
- Provide **appropriate controls** including a framework for delegation by the board of trustees to staff or volunteers - setting out roles & expectations
- **Transparency & accountability** that the board of trustees will be conducting the work of the charity appropriately
- Limit **risk**



CREATING POLICIES & PROCEDURES

Policies are **clear, simple statements** of how your organisation intends to conduct its services, actions or business

They provide a **set of guiding principles** to help with decision making

Policies don't need to be long or complicated – a **couple of paragraphs** may be all you need for each policy area



CREATING POLICIES & PROCEDURES



Procedures describe how each policy will be put into action in your organisation

Each procedure should outline:

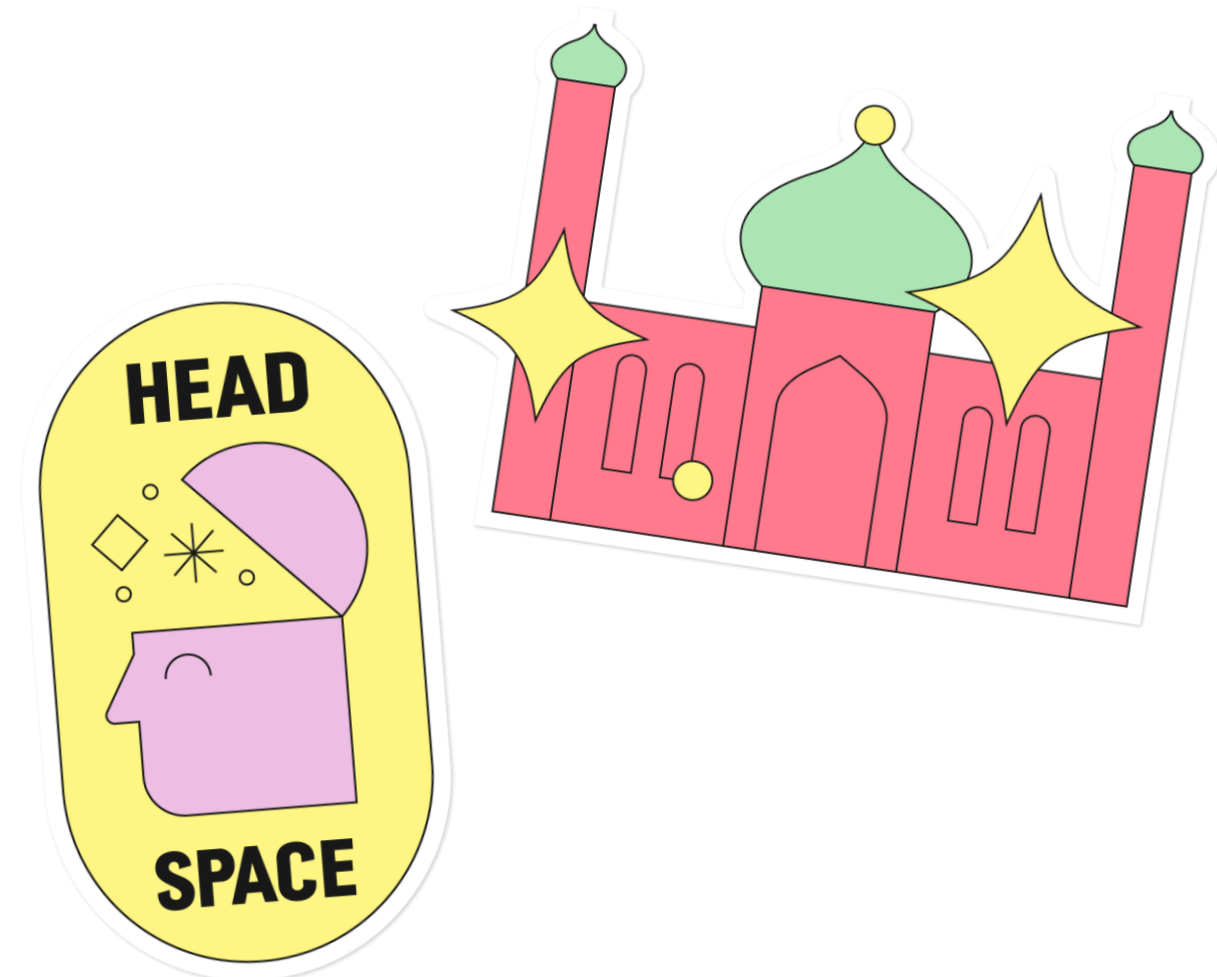
- **Who** will do what
- **What** steps they need to take
- **Which** forms or documents to use

Procedures might just be a few bullet points or instructions
They can also be forms, checklists, instructions or flowcharts

CREATING POLICIES & PROCEDURES

Policies and their accompanying **Procedures** will vary between workplaces because they reflect the values, approaches & commitments of a specific organisation and its culture

But they all share the same role in **guiding your organisation**

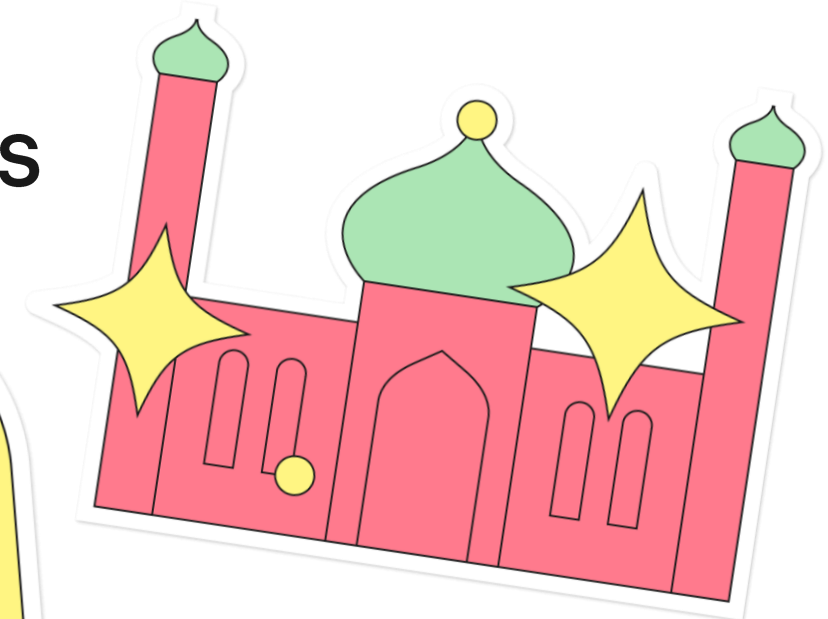
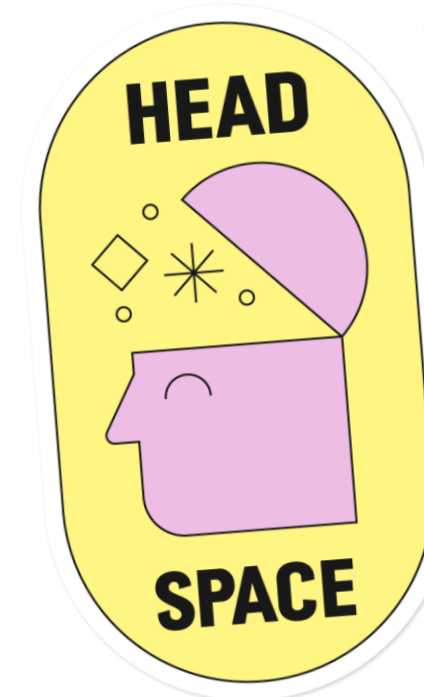


CREATING POLICIES & PROCEDURES

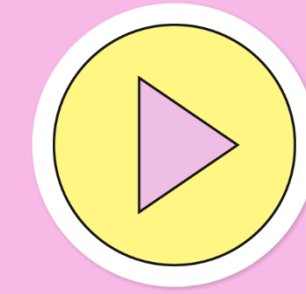
You may be able to **save time** by looking at other organisation's policies or templates as a starting point

Be sure to **check they are appropriate** for your organisation and you should adapt them for your circumstances

You should also check that the policies you adopt are **compliant with the law** and your organisation's **governing document**



ESSENTIAL POLICIES & PROCEDURES



You must have:

Health & Safety Policy if you employ 5 or more people - organisations of any size must conduct a health & safety risk assessment

Safeguarding policy for children & young people and/or vulnerable adults (if applicable)

Privacy Policy inc. **Data Protection & GDPR** (also: ICO)

Equality & Diversity Policy with particular regard to anti-discrimination & harassment of employees & volunteers as well as service users

Risk management incl. assessment & mitigation

Finance – including a **financial procedures manual** & **reserves policy**

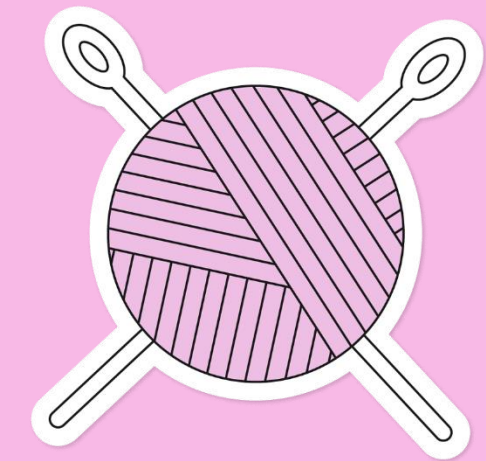
OTHER POLICIES & PROCEDURES

Other Common Policies & Procedures:

Environmental

HR related

Others...



Useful links:

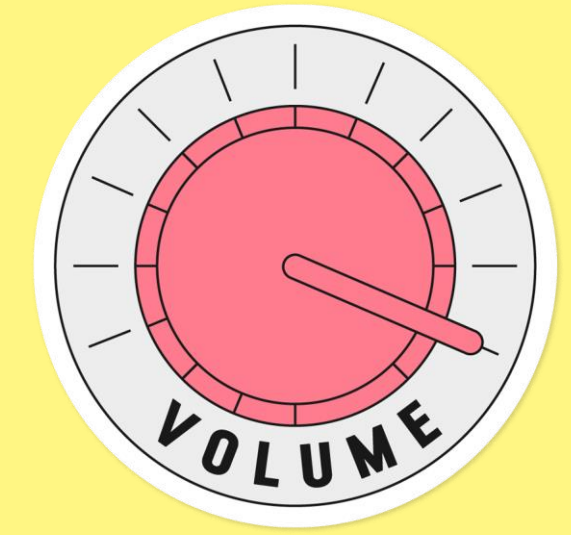
<https://knowhow.ncvo.org.uk/organisation/operations/policies-and-procedures>

Your local CVS, some funders, ICO

SESSION SUMMARY

- **Scrutinise your motives for starting to formalise**, where your income will come from, your capacity to report and administrate and how you want to be viewed, to consider appropriate legal structures
- Access **support** to aid with setting up
- Think about **policies and procedures** you need to create to communicate these with various audiences (eg. team, volunteers, beneficiaries, funders)





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