

EAST OF ENGLAND FAITHS COUNCIL

Guidance on governance and constitutions for Local Inter Faith Groups

March 2010

1. This document provides suggestions for Local Inter Faith groups regarding governance and constitutional arrangements. For the purposes of this document, we are taking 'faith' to mean 'a specific system of religious beliefs' and 'inter faith' to mean a process or organisation that brings together faiths to improve mutual understanding and promote their co-operation in relation to civic society.
2. Inter Faith Groups are generally quite small with limited resources. Governance may seem daunting but it is worth getting it right from the outset to avoid longer term problems. It is important for the group to have a governing document. This is the formal document that describes your organisation, what it is for, and how it intends to manage its affairs. We suggest you use the Charity Commission Model Constitution as this gives you a tried and tested format to follow. For more detail read the *Small Print* section at the end of this document.

The Principle of using a Charity Commission Model Constitution

3. The Charity Commission offers useful advice on constitutional matters and some key points are provided at *Small Print 1*.
4. You can adopt a Model Constitution recommended by the Charity Commission whether or not you currently intend to register as a charity.
5. If you have no intention of ever growing beyond an income of £5,000 p.a. then you can use the Model Constitution for a small charity, which can be found at <http://www.charitycommission.gov.uk/registration/smallcharity.asp>. However £5,000 is not a lot of money and it may not be too long before you have this sort of income from a combination of membership subscriptions, grants, and possibly income for activities and projects you may develop.
6. If you believe your organisation will exceed this figure then consider the Model Constitution for an unincorporated association. This can be found at <http://www.charitycommission.gov.uk/Library/publications/pdfs/gd3text.pdf>.
7. 'Unincorporated' means that you are not establishing a corporate structure or company (this becomes more important for organisations that handle a lot of money and/or have staff and/or buildings and significant assets). However 'association' means that you are formally associating together for a particular purpose that is more than the individuals involved; and the organisation will be run by a management committee (who become trustees if charitable status is obtained). There is more about being an Unincorporated Association at *Small Print 2*.
8. Do not be put off by the length of the document. The main thing is that it provides a ready-made template that in effect becomes the "instruction manual" explaining the rules that apply to how your organisation runs itself, and how it relates to external bodies and issues.

Completing the Model Constitution

9. The Model Constitution for a Small Charity can be downloaded in a Word document and completed on a computer; the one for an Unincorporated Association comes in pdf form and the simplest approach is to print it out and fill it in by hand.
10. Both documents need you to enter the name you have chosen for your organisation e.g. Township Inter-Faith Group.
11. Each constitution requires “Purposes” (small charity) or “Objects” (association) which are in effect the same thing. This section requires you to write your own Objects for your Inter-Faith Group; think carefully about what you write. You need to be clear about what your organisation has been set up to do. This is covered in some detail at *Small Print 3*, where some specific examples are given.
12. The other area that you might want to adapt is Membership (paragraph 5 for a Small Charity; Part 2 paragraph 7 for an Association). This is covered at *Small Print 4*.
13. When you have finalised a draft constitution it then needs to be adopted (paragraph 10 for a Small Charity; right at the beginning for an Association though with signatures at the end). It is best to adopt the constitution at a public meeting when your supporters can “own” the new formal arrangements, but it can also be done at a meeting of those who are or who intend to be the committee or trustees. Once adopted the initial trustees or committee members sign the document.

Charitable Status

14. While your annual income stays below £5,000 you cannot register as a charity. However once your income goes above £5,000 and if you have charitable Objects as set out in this document, you must register and this has significant benefits:
 - a) It can make your group more credible with the public and stakeholders
 - b) There is a level of external validation that demonstrates this is not just an idea that has been dreamt up by a few well-meaning people. It gives your group more authority.
 - c) Access to funds is less limited for charities
15. Even if your income is below £5,000, provided you have a charitable constitution, it is acceptable to refer to your Group as a charity or to call it charitable. It is also worth joining your local Council for Voluntary Service (CVS) or similar organisation because for a small fee you will be entitled to support and information, and again membership adds a level of credibility within the community.

Next Steps

Once these bureaucratic but important matters are complete you can relax knowing that you have the right legal framework for your Inter-Faith Group and then you can focus on doing what you set up your group to do.

Meanwhile if you want more from the Charity Commission that’s specific to faith groups see <http://www.charitycommission.gov.uk/tcc/faithgov.asp>.

Once a constitution has been in place for some time it is good practice to review if its objects and membership is meeting its current needs.

THE SMALL PRINT

Small Print 1: Charity Commission advice on governing documents

The Charity Commission recommends that the governing document contains quite a lot of information including:

- a) what the charity is set up to do (objects);
- b) how the charity will do those things (powers);
- c) who will run it (charity trustees);
- d) what happens if changes to the administrative provisions need to be made (amendment provision);
- e) what happens if the charity wishes to wind up (dissolution provision).
- f) how the charity trustees will run it; and
- g) internal arrangements for meetings, voting, looking after money, etc.

The advice continues: “a governing document is obviously important. It is not just something that a charity has to have in order to be a registered charity. It is the charity trustees' “instruction manual” for the charity, as well as a legal document. We advise charity trustees to refer to it regularly to remind themselves what the charity's purposes are and how it should be run. Each trustee should be given a full copy of the governing document on appointment”.

See: <http://www.charitycommission.gov.uk/publications/cc22.asp#3>

Small Print 2: Charity Commission advice on being an Unincorporated Association

This is taken from <http://www.charitycommission.gov.uk/publications/cc22.asp#3> with some minor amendments in presentation.

1. Charity trustees are usually called: Executive or management committee members.
2. Constitutions are sometimes referred to as 'rules'. The terms are interchangeable but the type of governing document is the same. A constitution or rules will create an unincorporated association.
3. The 'association' part of this description means that it is an organisation consisting of a group of people who have decided to co-operate in furthering what the organisation is set up to do, and who have certain parts to play in its administration.
4. The 'unincorporated' part of the description tells you that the organisation is not a company (which is incorporated). This means that the association will not:
 - (unlike a company) have limited liability and a legal personality of its own (i.e. the charity trustees may be liable for the repayment of any debts which they have incurred on behalf of the charity: such debts can be met from the charity's own funds (if they are sufficient) unless the charity trustees had not acted prudently, lawfully, and in accordance with the charity's governing document);
 - be able to own land (and usually investments) in its own name. It will need to appoint either a custodian or holding trustee(s) to do this.
5. Which organisations use this type of structure? It may be appropriate to establish an unincorporated association where any one or more of the following applies:
 - the organisation is to be relatively small in terms of assets;
 - the organisation is to be a local branch of a national charity, and an approved constitution exists for branches;
 - it has a membership;
 - the charity trustees are elected or appointed to hold office for a fixed period of time - usually one year;
 - the charity trustees are to be elected by members;

- the views of local residents, local councils, and other bodies need to be represented through membership, or as users of the facilities; and
 - the objects of the organisation are to be carried out wholly or partly by, or through, the members (i.e. where the members undertake office or voluntary work on behalf of the organisation).
6. You are unlikely to need a professional legal adviser because as a constitution it is a simpler document than a trust deed or a memorandum and articles of association, therefore the help of a professional legal adviser to set it up is unusual.
 7. The constitution is normally put into operation by being adopted (accepted for use) at a formal meeting of those people who are, or will be, the charity trustees and the general membership. This means that you will require a final typed version of the constitution which should be:
 - signed by all the charity trustees, e.g. the committee members;
 - dated the day of the meeting at which it was agreed.
 8. It will also be necessary for the minutes of that meeting to formally record that the constitution was adopted.

Small Print 3: Objects of an Inter Faith Group

1. You need to be sure all the key players agree what the Inter Faith Group is about otherwise assumptions might be made by some that others do not agree e.g. about what you expect to be doing and who do you expect to have as members.
2. The Objects of an organisation give it “permission” to do what it wants to do. The earlier these can be agreed the better otherwise it might get complicated if you try to develop these Objects as you go along. You need to consider questions about what you want to be and do. Do you want any/some/all of the following -
 - to be explicitly for “faith organisations” that operate within recognised religions to meet together to promote good relations and possibly have common activities?
 - to have a role to relate to wider communities of belief that might not be associated with a particular religion?
 - to provide a link between faith communities and other community groups?
 - to be formally recognised by local government and other agencies for consulting with the views of “faith” people and organisations.
3. A set of Objects can include the following; these are suggestions* but they cover the sort of areas you are likely to want to choose:
 - i. to promote knowledge, understanding and mutual respect between the followers of different religions within [the geographical area covered by the Inter-Faith Group];
This sets the scene that you are basically concerned with faith as defined by religions represented in your locality; you may want to choose a wider initial Object
 - ii. to promote friendship, trust and mutual understanding between persons of different faiths (faith for the purpose of this constitution is defined as “a specific system of religious beliefs” in the first instance those linked by the Inter Faith Network i.e. Baha’i, Buddhist, Christian, Hindu, Jain, Jew, Muslim, Sikh and Zoroastrian) and to explore shared values and the significance of faith for living;
This confirms the principle and names the faiths recognised by the Inter Faith Network; you may want to go for a wider list
 - iii. to work together to overcome ignorance, fear and misunderstanding between faiths;
This states a key theme
 - iv. to enable the local authority and local faith groups to discuss matters of mutual concern and interest;
This shows a commitment to work with the local council

- v. to promote the importance of faith being represented in public structures and engaging in civic society and to provide a means for faith communities to speak and act together on social and community issues and generally for the public benefit;

This demonstrates a willingness to have a voice for people of faith

- vi. to offer an opportunity for dialogue with all people and groups in the area covered by the Inter-Faith Group who are interested in matters of faith whether or not they have a codified framework of belief (as in 3ii above)

This expresses a willingness to have debate with those who do not fit in the criteria above but have an interest e.g. Humanists.

** We are grateful to the Barking and Dagenham Faith Forum for these suggestions and explanations.*

Small Print 4: Membership Arrangements

This section is based on offering two alternative membership models, the first (A) is an open model; the second (B) is a more focussed model

1. Option A – Open

This allows for a broad-based Group open to pretty much anyone or any organisation that expresses an interest in belonging to the group. The trustees or committee would have the final word so if an inappropriate person or organisation applied to join it could be blocked. For either a small charity or an unincorporated association we would recommend defining membership as follows: “Membership is open to individuals over eighteen or organisations who are approved by the trustees”. This wording enables you to invite membership from faith organisations (churches, mosques, synagogues etc) as well as individuals.

This Open model for membership should be suitable for most Inter Faith Groups.

2. Option B – Focussed

Alternatively you might want a membership that is more focussed and drawn from recognised faith communities in your locality that have a common religious language. The latter position does not mean dialogue with others is not possible, but the core membership comes from designated faith communities.

Wording for this focussed model might be:

- a) Faith Membership: open to organisations from the faiths listed in the Objects or other organisations that may from time to time be approved by the Trustees and who have paid the subscription (if any) set by the Trustees. Each faith organisation holding Faith Membership will count as one member of the Charity and will be entitled to one vote at any General Meetings.
- b) Affiliate or Associate Membership: open to those individuals over eighteen, organisations or other bodies interested in supporting the aims of the Charity and who have been approved by the Trustees and who have paid the subscription (if any) set by the Trustees.

3. Under either the Open model or the Focussed model it is likely to be appropriate to charge a membership fee or subscription.

Some Common Questions and Answers

Q. *Why should we have a constitution?*

A. Any new group will find it useful to clarify what it is about and set its own rules for how the group functions, and to be credible in its dealings with the wider public.

Q. *Why are you basing your guidance on Charities Commission models?*

A. It is likely that inter faith groups will have a natural tendency to act in a charitable manner, for example, having an intention to operate for the “public benefit”. As the Charity Commission has wide experience of organisations similar to our inter faith groups, it is efficient to adopt recognised best practice by using their standard documentation.

Q. *Don't you need to have a turnover over £5,000 per annum to be a charity?*

A. The minor constitution model we have proposed is based on organisations with an annual income of less than £5,000. They can still be recognised as charities and treated as such, but they do not have to register with the Charities Commission until they have grown beyond an income of £5,000 per annum.

Q. *Does being a charity limit us in terms of political actions?*

A. In short, yes. The Charity Commission advises:

- a. If a group is set up specifically to engage in political campaigning it would not be a charity at all.
- b. Political campaigning should be an incidental activity that supports or facilitates the charitable work of the group.
- c. Charities cannot support or oppose particular candidates or parties. A party or a candidate will stand for a wide range of policies and programmes and the majority of these will be irrelevant to the purposes of the charity.
- d. Trustees cannot express their own personal political views through the charity.

Q. *If a faith or inter faith group plans to host meetings with election candidates can it exclude candidates from particular parties?*

A. The Charity Commission advises:

- a. Whether or not a candidate is excluded will depend on why the meeting is being held and how it will support or facilitate its charitable work.
- b. A charity does not have to give equal "air-time" to all candidates but if it is not inviting some candidates it must have a clear reason linked to its charitable purposes. For example, excluding candidates on the grounds that their attendance may lead to public disorder, or excluding all minority parties in order to focus discussion would be acceptable reasons.
- c. The charity must not be seen to be trying to influence voters by discouraging support for any particular party or candidate.

Q. *Where can we get further information on how charities can promote religious harmony?*

A. A useful starting point might be the Charity Commission's guidance on promoting religious harmony for the public benefit:

<http://www.charitycommission.gov.uk/registeredcharities/harmony.asp>

The Inter Faith Network for the UK is also an excellent source of advice.

Q. *Do we need a professional legal adviser?*

A. Generally, no. As a constitution is a simpler document than a trust deed or a memorandum and articles of association, you may not need the help of a professional legal adviser to set it up, especially if you are using a standard one as we suggest.

Q. *What would a typical Organisational Committee look like?*

A. This group will determine the overall programme and strategy of the inter faith body and will oversee the work of any staff employed. The managing/organisational committee will be elected by members and its composition will be representative of those faiths with significant communities in the area served by the inter faith body.

Q. *What are the duties of an Organisational Committee?*

A. These may include:

- To control the affairs of the inter faith body on behalf of the Members.
- To keep accurate accounts of the finances of the inter faith body through the Treasurer. These should be available for reasonable inspection by Members and be audited before every Annual General Meeting. The inter faith body should maintain a bank current account and normally would authorise as cheque signatories two from: the Chair, Treasurer and Secretary. Others may be authorised as signatories, to make payment a speedier matter.
- To make decisions on the basis of a simple majority vote. In the case of equal votes, the Chair shall be entitled to an additional casting vote.

Q. *How can we allay the concerns of Trustees regarding their financial obligations?*

A. It is unlikely that inter faith groups are going to get into complex financial commitments, but if potential trustees are concerned it is possible to get insurance for trustees risks.

Q. *If the inter faith body is requested to nominate faith representatives to public bodies e.g. the LSP, is there any guidance on choosing someone?*

A. EEFC has available a document describing the 'job role' and the profile of someone who may take the role; please ask for this from EEFC.

Q. How might we define the rules for subscriptions for membership?

A. See also Small Print 4 above, explaining the options of Open and Focussed membership. As an example, one existing group uses the formula below.

Full Faith Forum members will be asked to pay an annual subscription to the Forum. For this, members will receive: a vote in committee elections; places on Forum events/ conferences; and involvement in consultations. The initial subscription rates will be set at £xx for Full organization Membership and £yy (£zz, if unwaged) for Full individual Membership. Future subscription rates will be set at Annual General Meetings. Associate Membership is for organizations that do not wish to have voting powers within the Faith Forum but who wish to support the work of the Forum. Donations towards the work of the Faith Forum will be encouraged from all members.

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