

# Setting Up and Managing an Organisation



## Management Committee

**Most community organisations will have some form of management committee, trust or board, who has responsibility for decision making and who will be accountable for all activities. Therefore, it is important that workers, volunteers, and committee members are efficient and operating to standards.**

### Setting up a committee

A committee will be set up when a group of people identify a need and form an organisation to meet that need. This initial group will have several decisions and actions to take:

- What type of organisation will you be
  - a company limited by guarantee, a Community Interest Company (CIC) or a charitable group?
- Who will fill the positions of responsibility? – Chairperson, Secretary, and Treasurer
- Who will you target, how can they access your service, and how can they join your group?
- How will the work be funded?
- You must draw up a Constitution or Articles of Association – this is especially important as it will be an essential criteria with funders. Your Constitution or Articles of Association will also guide you through
  - AGM's and EGM's and procedures at both
  - Who your membership are
  - How your office bearers are appointed and their length of tenure
  - An 'alteration to the constitution' clause
  - Details of voting rights
  - A dissolution procedure
  - The Constitution or Articles of Association must be signed and dated by the Chair and one other committee member and distributed to all committee members.
- The committee will need to:
  - Open a bank account and establish an accounts system
  - Agree a system for making payments and how they are approved
  - have 3/4 designated signatures
  - agree purchasing procedures

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## Roles Within a Committee

All committees will have a Chair, Vice Chair Treasurer, and Secretary

### Chair

- Plans agendas and manages meetings
- Ensures decisions are made as required. The chair has the casting vote
- Ensures workloads are evenly distributed, everyone contributes, and arguments are resolved
- Keeps the committee and/or staff focused on aims, policies and procedures

### Vice Chair

- Carries out the roles detailed above in the absence of the Chair
- Occasionally, the Vice Chair will be the Chair of sub-committees

### Treasurer

- Ensures bills are paid on time, receipts are kept, and strict accounts are maintained
- Reports regularly on accounts and finances to the committee
- Will advise on financial matters, funding opportunities and help plan for the future
- Should countersign cheques

### Secretary

- Helps plan meetings and organises venues for committee meetings, issues invites and records minutes
- Processes correspondence and circulates information accordingly
- Promotes the organisation and manages publicity
- General administration, e.g. committee member's contact details and monitors the constitution or Articles of Association

### Overall responsibilities of a committee

- To provide stability and control for the organisation
- To be accountable for all activities to the public, funders, users, etc.
- To plan strategically and make decisions that meet the needs of its client group
- To monitor (and occasionally control) finances
- To recruit, monitor and provide support to staff
- To dedicate the time and energy needed to keep the organisation running smoothly
- To develop and acquire the necessary skills to run the organisation

NB. If your group employs staff it may be more appropriate to delegate day to day responsibilities to them.

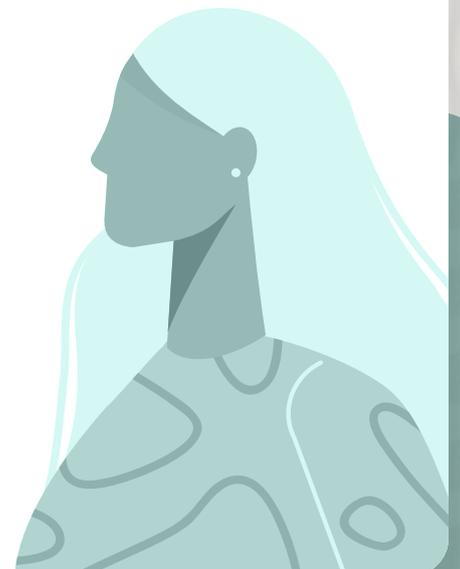
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## General Advice

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- Only elect members if they are trustworthy, responsible and have the time to commit.
- Remember the role of committee member is unpaid
- It is advisable to have no more than 12 on your committee at any given time
- The Chairperson may have emergency decision making rights
- Members should have ownership of the organisation and feel involved
- The committee should reflect the whole community and have an equal opportunities policy. Consider asking users to become involved
- Accounts should be audited or independently examined annually by an outside organisation
- Make the most of member's skills
- Do not burden the treasurer with the sole responsibility of fundraising. This should be a shared task
- When setting up, negotiate charges and prices with banks, suppliers, stockists, etc. You will be using them again in the future!
- Remember to allow committee members to have access to any training opportunities your group has access to





## Developing A Strategic Plan

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**A Strategic Plan is a document that outlines your organisation's mission, aims, objectives and plans for achievement over a specified period of time. Strategic planning is becoming increasingly important, not only to set your organisation's clear goals and help prioritise in a climate of limited resources, but as a requirement for many funders.**

### Tips on Strategic Planning

- Plan for 2-3 years at a time
- Be realistic, set targets that are achievable within your time frame
- Look at the strategic plans of similar service providers and identify prospects for sharing resources and working in partnership
- Know your limits e.g. financial, staff, resources etc.
- Add key milestones for each year to ensure you keep on track

### Contents of a Strategic plan

- An executive summary
- A brief organisation history
- The context in which you work
- Your mission statement
- Your organisation's vision and values
- A SWOT analysis
- Your strategic aims and objectives
- Targets/ action plans to achieve your goal



# Setting Up and Managing an Organisation



## Drawing up your plan - Step by Step

Once you have decided who will be involved in your strategic planning you should:

- Organise a meeting to talk through the mission statement, action plan, finance, targets, future plans and trends
- Write an executive summary (one page maximum), outlining your mission, values, benefits to the community, etc.
- Compose a **brief history** of your group and the context in which you work in East Belfast– Include your legal status, target group and area
- Clearly define your **mission** in one concise and user focussed **statement** (35-40 words or less)
- Using this statement expand on your role in the community and summarise your vision **and values** e.g. why do you continue to exist, what is your ultimate vision
- Carry out a **SWOT analysis**
- List your **strategic aims** i.e. broad statements showing what you want to achieve. Know your limits and prioritise
- Below your aims, list the **objectives** required to achieve each one
- Within each objective specify **targets** – You may want to set a time frame for each objective and cost it to help plan for future fundraising, outlining who is primarily responsible for each target
- Once completed, decide who will be responsible for the final compilation of the first draft
- Arrange another meeting to edit this draft and finalise
- Circulate your final plan to ALL members of staff and your committee and agree dates when you will review progress
- Remember all organisational activities should relate back to the Strategic Plan

## Conducting a SWOT analysis

This is not as terrifying as it sounds and not all organisations will want to include a SWOT analysis in their plan. It is not essential, but many groups will find it is a useful tool when considering their aims and objectives, recognising their limits, and identifying 'threats' in the future that may need to be addressed in their planning.

### S – strengths

Don't be modest. List all the strengths of your organisation. How can you maintain these and build on them?

### W – weaknesses

Be honest, but try to avoid negativity. Consider how you can turn weaknesses around

### O – opportunities

What opportunities may come up in the near future - e.g. a new funding scheme may allow you to expand.

### T – threats

Anticipate changes or problems that may arise– do you need to plan for these now?

# Setting Up and Managing an Organisation



## Insurance

All community organisations need to consider their insurance needs. Individuals within the group could be held responsible if you do not have adequate cover. However, as not all organisations carry out similar activities, the level of cover required will vary depending on the degrees of risk involved.

### In sourcing your insurance you should:

- Nominate one person (committee/senior staff member) to be responsible for the issue of insurance and become the point of contact for the group.
- Establish the needs of your organisation in consultation with a qualified insurance broker who will be able to advise you.

### In purchasing insurance you should:

- Ensure that the insurance company is fully aware of your needs as a community-based organisation
- Shop around for quotes
- Purchase an adequate level of insurance to meet your needs

### Managing your insurance

Regularly review your activities and services to ensure that you do not require additional insurance cover

Renew your policy annually - before it expires!

Ensure appropriate risk assessment procedures have been carried out

Work within legislation requirements to ensure minimal risk liability

Everyone should know who to contact in an emergency

### Employers' Liability Insurance

All organisations who employ individuals must have this cover, whatever their status. Employers are also responsible for the health and safety of their employees whilst at work.

Remember to obtain insurance that covers employees, volunteers, and trustees as well as temporary, part-time, and casual staff.

### Public Liability Insurance

This cover is essential when working within the community and protects against claims made by the public. If your premises are open to the public, you **MUST** have this cover.

Always inform your insurer of special events, etc. to ensure that you do not require any additional cover. If your cover has exclusions, e.g. it may not include damage to property in car parks or reception areas, then a disclaimer notice should be displayed in a prominent position to inform the public of this fact.

### Buildings Insurance

Whether you lease or own your building it needs to be insured against damage, fire, etc. If you own your own premises, your policy should include the cost of rebuilding the property after extensive damage, including builders' fees, demolition costs, architects' fees, VAT, etc. To ensure you have adequate cover, it is useful to ask a surveyor to give you a proper estimate for rebuilding.

If you rent your premises you should have a written agreement with your landlord detailing who is responsible for organising the appropriate insurances.

# Setting Up and Managing an Organisation



## Insurance

### Consequential Loss Insurance

This covers you for an emergency when your premises have been destroyed and cannot be used. It will cover costs for you to re-house your organisation during the rebuilding process. It can also cover loss of earnings for this period.

### Contents Insurance

This covers loss or damage of property. You should take a policy that is on an, 'all risks' basis, so that your organisation is covered for theft and accidental damage as well as fire, flood, etc. Your policy should specify that goods will be replaced on a 'new for old' basis.

### Other Insurance Issues/ Possibilities

Hired Premises/Contractual Liabilities:

When hiring premises you should clarify **in writing** which party is responsible for the insurance.

Ensure you have evidence that groups using your building have taken the appropriate level of cover required.

#### Personal Accident Insurance:

Employer or public liability insurance only cover claims made where an organisation has been negligent, but, personal accident insurance gives cover for accidents, regardless of who is at fault.

#### Professional /Personal Indemnity Insurance:

If your organisation gives advice or information, even if it is free advice, you should consider this cover. It ensures you are protected against claims from individuals who have suffered financial loss due to incorrect advice being given. This policy also protects you against defamation, breach of copyright, confidentiality, and loss of documents.

#### Legal Expense Insurance:

This covers solicitor and barrister fees, court attendance allowance, opponent costs in contract disputes, property disputes and unfair dismissal disputes. Some legal cover may be provided in other insurance policies but groups providing high risk activities or working with vulnerable groups may wish to consider this additional policy.

#### Trustee Indemnity Insurance:

Committee members/board members/trust members can be held personally responsible for breach of trust, if they fail in their duty of care to act as reasonable business people causing a loss to the organisation. This cover protects them from personal loss or bankruptcy. The policy does not include cover against fraudulent or dishonest activities.

#### Fidelity Insurance:

This provides cover against theft or dishonesty by volunteers, employees, or board members.

#### Using External Facilities, e.g. outdoor pursuits centres:

You should obtain written information from the activity centre detailing their insurance cover for visitors to the centre.



## Insurance

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### Risk Assessment

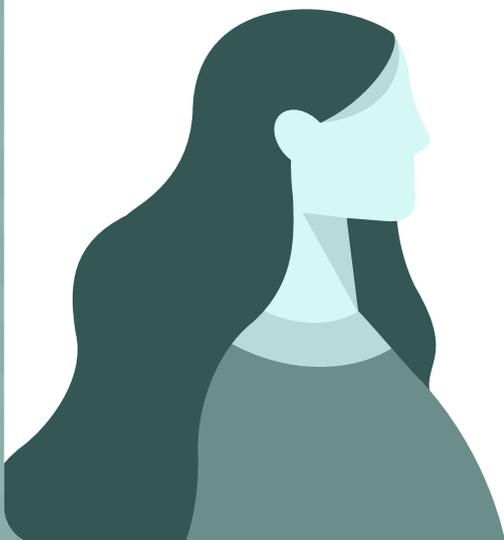
Many insurers require a risk assessment to be carried out, and some even offer cheaper insurance as a result. Risk assessments should identify the probability of an accident occurring, followed by the implementation of procedures to minimise the risks of those situations arising.

A risk assessment is a written document detailing the potential risks connected with the services and activities your organisation provides and it can include:

- Risks to data protected information that your organisation has
- Risks relating to use of equipment or machinery
- Risks relating to unreliable income
- Risks to your organisation's reputation

You should:

- Review your potential risks
- Score and prioritise risks, placing those most likely to happen as a high-risk priority
- Devise a risk management strategy; how will you minimise risk and potential accidents?
- Involve the committee and/or all relevant staff and ensure they know their responsibilities for risk minimisation
- Write up your document and review this every six months



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## Dealing With a Crisis

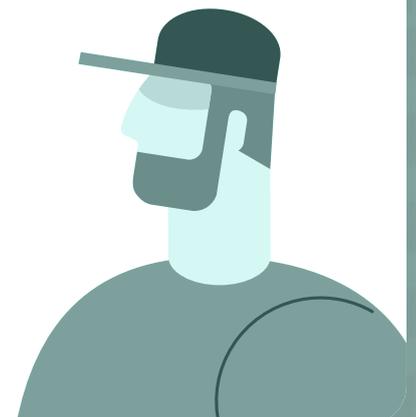
**Forward planning is crucial in project management, however, this is not always possible, and you may find yourself in a crisis. The following steps should be taken immediately if a crisis occurs.**

### First steps

- Stay calm and approach the situation rationally
- Hold an emergency committee/board/trustees meeting, as the ultimate responsibility will lie with them if the problem is not resolved
- Explain the situation and discuss the reasons for, and consequences of, the crisis
- Identify if the problem is short or long term, to help determine your course of action
- If it is a funding crisis, temporarily stop all non-essential expenditure
- Be sure you are justified in taking this action and you are aware of any consequences
- Do not scaremonger among the committee/staff/volunteers, it is important to maintain confidence
- If the source of the crisis was within your organisation take appropriate action

### Questions to be answered

- What happened?
- Why? Poor management, funding cuts, delayed payments, failed project, short staffed
- Could the problem have been predicted? If yes, why was it not dealt with?
- What are your options?





## Dealing With a Crisis

### If the problem will affect your funding you must:

- Clarify and rectify the problem
- Prepare a case for your funder, to explain what happened, what can be done, and how this will be avoided in the future
- Be totally honest– do not risk your relationship with the funder

### If the crisis is funding related you should:

- Get in touch with the funding body.
- Establish the possibility of the funding being withdrawn/affected/ temporarily suspended
- Check your contract/funding agreement to see if the decision is legitimate
- Find out who made the decision - Is it final?
- Investigate the appeal process
- Campaign for a reversal on the decision. Involve local media or councillors if you suspect a breach of contract or an unjust funding cut
- Work with the decision maker. Prepare your appeal and present a strong case for continuing to back your organisation– Show annual reports, accounts, evidence of need for your project (see advice sheet 1), success stories, etc.
- Gain support from local agencies who value your work and use this to strengthen your case
- Contact statutory bodies and large local funders to see if you qualify for emergency grant aid or gap funding
- Put procedures into place to avoid a similar situation in the future
- Begin to source alternative long-term funding

