

A-Z of running a group or organisation

The aim of this information sheet is to help you to understand what you need to know about running your group/organisation and how to find out more. It is not an exhaustive list so if you come across something you don't understand and we've not included it please let us know.

To find out more about anything mentioned on this information sheet please use the contact details provided on the final page.

Accounts are financial reports which keep track of your organisation's money - how much comes in and goes out, how it is spent, how much you have left and whether this matches your bank statements. You are expected to produce annual accounts with your annual report to show how your organisation has managed its money over the financial year. You might be asked to produce audited accounts which mean they have been scrutinized, checked, and approved by a team of auditors or independent examiners.

Accountability means being responsible to someone/ or an official body for your actions. Charities (both registered and non- registered) often have two main lines of responsibility - to their beneficiaries and their funders donors or contractors. Registered Charities are also accountable to the Charity Commission for making sure they work within charitable law. Smaller charitable organisations which are not registered are

still accountable for making sure that they work within the remit of their governing document and that any grants received are spent on what they were given for. Trustees/ management committee members are held accountable for their organisations actions.

Added value refers to the increase in worth of a product or service as a result of a particular activity or piece of work - there is more or additional benefit than it might at first seem. For instance engaging young people in an activity which motivates them, might also raise their awareness about an issue and/or increase their long term aspirations as well as leading to reduced crime and fear of crime in a neighbourhood because they are not hanging around on the streets.

Agenda This is a plan of what you are going to discuss at a meeting. It is good practice to send it out in advance of a meeting along with the minutes of the last meeting and any papers which will help the trustees/ management committee members make decisions.

AGM (Annual General Meeting) is a meeting that is held once a year to which all the organisations members and stakeholders are invited. Elections are held for the board of trustees or management committee at AGM's. Newcastle CVS has an information sheet about running an AGM. This is available from the Newcastle CVS website:

www.cvsnewcastle.org.uk

Applying for grants This is usually done by writing a letter or filling in an application form. You are more likely to be successful if you spend time planning your work and researching potential funding. Funding information is available from Newcastle CVS's regular fortnightly email bulletin (e-inform). For support with preparing applications email fundadvice@cvsnewcastle.org.uk.

Audit a check done to work out how valid and reliable either a piece of information or a working system or practice is. The term is often used to describe the independent checking of accounts usually done by accountants.

Baseline the starting point from which you measure progress. You might collect this information as part of evidence of need or you might need to collect the information for each individual you work with at the beginning of your project. There are a number of different ways of doing this so it is important to work out what will work best for your project.

Budget the financial part of a plan where you work out what you will have to spend in order to run your organisation and carry out your work.

Business plan This document explains your organisation's goals, why you think they are attainable, and how they will be achieved. A business plan is often required for funding applications – especially if you are asking for a large sum of money. The level of information required for a business plan depends on the amount of money you are looking for and the size of your organisation. If you are preparing a business plan for the first time it is useful to have a look at a variety of business plans prepared by other organisations. The business plan itself does not have to be lengthy – they typically have

more detailed information such as work plans, market research, evaluations and funding strategies attached as appendices.

Capital funding describes funding for one off purchases such as equipment (e.g. computers, furniture, and trampoline) and costs for building or refurbishing work.

Cash flow a financial plan that gives you an overview of when money comes into your organisation and when it needs to be spent over a period of time.

Charity Charities are not-for-profit organisations that benefit the public in a way the law agrees is charitable. Charitable Incorporated Organisations and most charities with an annual income of over £5,000 have to register with the Charity Commission. Although charities with an income of £5,000 or less (and some others) don't have to register, they still must abide by charity law.

Charity Commission The body that makes sure charities meet all their legal requirements and that works with charity trustees to put things right if they go wrong. In order to become registered charitable organisations need to apply for registration to the Charity Commission. The Charity Commission website has a lot of information sheets about running an effective charity and has a searchable database of all registered charities in this country. To find out more visit www.gov.uk/government/organisations/charity-commission.

Charitable Trust/Foundation a charity set up specifically to give money to other people or organisations. Often the money comes from a bequest or will and sometimes they can be set up by wealthy organisations or individuals.

Community Interest Company (CIC) a company set up for community benefit, they are not charities and are governed by different legislation. It can be a useful legal structure for an organisation that expects to be able to earn the majority of its income from selling goods and services in the long term.

Collaboration is when two or more groups/ organisations work or plan work together. There are a lot of different ways to work with other groups and it helps to have a good working relationship with other organisations working in your area/and or doing similar work to you.

Commissioning describes the process of buying in services that meet the needs of either a particular area or group of people.

Community group is an organisation or group of people who come together with a common purpose to work for the benefit of their local neighbourhood or community of interest or identity.

Company limited by guarantee is the type of company suitable for voluntary organisations, charities, social enterprises and community groups. This type of company is controlled by the members who elect the management committee, (usually known as the Board of Directors), members cannot benefit from any profits made and each member's liability is limited to a nominal sum (usually not more than £1) which he or she guarantees to pay if the company has debts on winding up.

Constitution the set of rules that tells others what your organisation is set up to do, who it was set up to benefit and how it carries out its work and makes decisions. There are certain pieces of information that need to be there if your organisation is going to be considered eligible for funding or to

register as a charity. The constitution is often described as your governing document and it gives you your legal status as an organisation. Newcastle CVS can help you develop a constitution or check if the one you have is suitable for the work you are doing, or want to do. For more information email information@cvsnewcastle.org.uk.

Contract This is an agreement to do a specific piece of work over an agreed timescale for a specific sum of money. Contracts are less flexible than grants and if you tender for a contract, are successful then you must carry out the agreed work before you get paid.

Data protection This is the term used to describe the handling of personal information. The Data Protection Act is the main piece of legislation that governs the protection of personal data in the UK. It is important to make sure you follow the Act when sharing personal information. You can read the Act in full at www.ico.gov.uk/for_organisations/data_protection.aspx.

Due diligence is a term used to describe the background checks necessary when considering mergers, asset acquisition and contract viability.

EGM (Extraordinary General Meeting) is a meeting called in exceptional circumstances to make a decision or discuss matters of significance to your organisation.

Employing people If you employ people or are thinking about employing people to carry out the work of your organisation then it is important to make sure that trustees/ management committee members are aware of their role as employers, adopt employment policies and procedures and keep up to date with current employment law. It is also important to be clear about what you hope to achieve by employing

people and how you are going to support them in their role. If you are looking for funding to employ a worker the funding bodies will expect your organisation to show that you have the capacity to act in the role of employer. There is lots of useful information on the ACAS website www.acas.org.uk.

Evidence of need Why is your work needed? How do you know this? You should be able to answer these questions and supply solid evidence in order to be able to establish that the work you wish to do is needed. The type and amount of evidence needed will depend on the level of funding you are applying for, but at the very least you should include some kind of consultation with the people who you either want to help and/or those who understand the problems. You should be able to back this up with local, regional and/or national research information and show how you fit in with relevant strategies.

Evaluation is a report about how well an organisation is performing. Self Evaluation describes where an organisation uses its own expertise and judgement to measure its own performance. External Evaluation is where you hire a consultant or another organisation to do this. Formative Evaluation is where you use evaluation while you are still carrying out the work to help you improve and adapt it.

Full cost recovery costing a project to fully take account of all the overheads, management costs and other resources required by your organisation to support it. In order to do this it is essential that you know what the full costs of running your organisation are.

Grant This is a sum of money given to pay for a specific piece of work, salary cost or for a piece of equipment. It must be spent on what it was given for. Grants can be contributions towards your work and are not

always given to cover all the costs – it is usual to have to find some form of match funding. It is better to have a range of different types of funding coming into your organisation as it makes it more resilient to changes in policy and funding cuts.

Governing document is the document which explains what your group or organisation is all about, gives rules by which it works and gives it a legal status. For instance charitable organisations might have a constitution or memorandum and articles, or a trust deed.

Impact is the effect your organisation wants its work to have. It is very important to be able to describe this to your funders and it can be helpful to identify your outcomes over a period of time when describing the impact you want to have.

Incorporation describes when a voluntary organisation becomes a corporate body with limited liability for its members.

Inputs These are the elements you need to be able to do your work. They may include paper, IT equipment, a work base, sessional workers, telephone and insurance.

Intermediate outcome is an outcome achieved which also shows progress towards a larger outcome – a step towards a larger outcome.

Management committee is the group of people who take responsibility for running an organisation and overseeing its work. An organisations constitution should define the process by which people become committee members.

Market research identifies the need for a service or product, analyses the competition and analyses potential for bringing in income. It is very necessary to do market research if you are planning to trade in order

to further your charitable aims and objectives or if you plan to set up a trading arm to support your work.

Match funding is when funders will only fund a percentage of the total cost of a project (e.g. 50%) and require the remainder to be matched with income from other funders or donations in kind.

Meetings are formal discussions where decisions are made and recorded about what a groups or organisation is going to do.

Memorandum and articles are the form of governing document for limited companies, including charitable companies and CICs.

Milestone a key step identified which shows you are achieving a target, an output or an outcome. For some funders it is essential to identify these as part of the application process and you might want to include them in your business plan.

Minutes the official record of trustee/ committee meetings that notes actions agreed and who will take the lead on making sure they are done.

Monitoring This is the information you collect that shows that you have done the work and what you have achieved. It is important to find out what monitoring is expected of you prior to putting in a funding application as it might be that you need to allow for it and include it in your budget.

Mission statement is a clear and succinct description of why an organisation exists – a broad overview of what it was set up to do in not much more than a short paragraph.

Networking is keeping in touch with individuals and other organisations who work in a similar field or area in order to share ideas, opportunities and build up good working relationships.

Not for profit is an organisation that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals.

Objectives are a mission, purpose, or standard that can be reasonably achieved within the expected timeframe and with the available resources. In general, an objective is broader in scope than a goal, and may comprise of several different goals. They serve as the basis for policy and performance appraisals, and act as glue that binds the entire organisation together.

Outcomes are the changes, benefits or results that you expect to happen as a result of the work that you do. When identifying outcomes for funding applications it is important to be as realistic as possible about what you might be able to achieve and how you are going to measure your progress.

Outputs are the activities you run or service you deliver – the everyday work you do. Outputs are usually measured alongside Outcomes because they are about the numbers of people you work with – the number attending an event or receiving your service while the Outcomes measure what you achieve through doing the work.

Outcome Indicators Measurable evidence which suggests that you are achieving your outcomes. They help you to work out and demonstrate the impact you work is having.

Overall aim is the long term change that your organisation is working towards – overall aims tend to be described in quite broad terms and should relate to your organisations purpose as it is set out in its governing document.

Overheads are the costs of equipment, employees, space and services that partly support your project but also support your

other work.

Policies are the principles and guidelines which influence and determine all of an organisation's major decisions and actions. All activities that an organisation carries out should be undertaken within the boundaries set by their policies. The policies required by an organisation vary depending on the work they do but they can include: safeguarding children and vulnerable adults, equality and diversity and health and safety.

Procedures explain how an organisation works within its policies in a practical way. They are the day to day processes that an organisation goes through.

Procurement is the process of buying appropriate goods and/or services at the best possible total cost to meet the needs of the purchaser in terms of quality and quantity, time, and location.

PQQ (Pre Qualifying Questionnaire) Authorities who use a tendering process use this Questionnaire to select the people they invite to tender to supply goods or services.

Quality systems enable an organisation to demonstrate that they are working to a particular standard and have appropriate operating systems, policies and procedures in place. There are many different types of Quality systems available – PQASSO was set up as a quality system specifically for charitable organisations.

Quorum/Quorate is the number of people needed at a meeting in order to make a decision. This figure should be stated in your governing document.

Resilience Being prepared to cope with difficult situations such as a reduction in funding – a resilient organisation is flexible, realistic and good at including risk in it's planning.

Revenue funding Ongoing costs of running your project including salaries.

Safeguarding It is the duty of every organisation working with children or vulnerable adults to put in place policies, systems and ways of working that protect their clients. For information and support on this in Newcastle go to the City Councils' website www.newcastle.gov.uk and search for Safeguarding or contact information@cvsnewcastle.org.uk.

Specific aims The smaller specific changes which your organisation is currently working towards as part of its overall aim.

SMART (Specific/ Measurable/ Achievable/ Realistic/ Targeted/and Timely) your work is more likely to attract funding if it can be described as SMART so it makes sense to think about this when planning.

Social enterprises are businesses driven by a social or environmental purpose. It is possible for a charity to be a social enterprise if it is furthering its aims and objectives through the trading it carries out.

Sustainability This word can be used in two ways:

- ✓ To describe environmental measures such as attempting to become more energy efficient, recycling and reducing waste
- ✓ To describe long term financial stability – knowing how your work is going to be paid for over a number of years – planning to generate income to support your work by selling goods or services – reducing dependence on just one source of income

SWOT (Strengths / Weaknesses/ Opportunities/ Threats) is an exercise used to help you understand where your organisation is now and balance the

negatives against the positives. You can use the whole process or concentrate on just the Strengths and Weaknesses or Opportunities and Threats depending on which has most relevance to your organisation at that time. It is best done and discussed in a group (e.g. trustees, committees and/or staff) and is often more effective if done with an independent facilitator.

Strategy is a plan of action – the steps you are going to take to move forward. A funding strategy is a plan of all that needs to be done to give you the best chance of raising the money you need.

Trading arm is a business set up to make money so its profits can be paid into the parent charity.

Trustees are the people responsible for overseeing the running of a registered charity.

USP Identifying the **U**nique **S**elling **P**oint for your organisation is a good way of helping others understand what it is that you do and why they should support you.

Voluntary organisation Any organisation that is run or overseen by volunteers can be described as a voluntary organisation.

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