

AN ADVISORY BOOKLET ON FORMING A SPORTS CLUB

A guide to a CLUB CONSTITUTION

**sportscotland**

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## DRAFTING A CLUB CONSTITUTION

This advisory booklet has been prepared in response to frequent requests received by **sportscotland** for advice on how groups of individuals can form a properly constituted Club.

A Constitution should be a very simple document which aims to ensure the smooth working of a Club. Difficulty may arise when one tries to put what amounts to common sense into clear words. The Sample Constitution in this booklet is one way of achieving this. This is a very basic version of a Constitution and as the Club grows new issues will arise which need to be formalised, but beware – some organisations spend more time changing the Constitution than participating in their sport. Leave any problems for the Club's Executive Committee to solve. It should be emphasised that this Sample Constitution is not intended for a Club which owns significant assets or operates a professional sport.

## FORMING A SPORTS CLUB

When it is proposed to form a Club, interested individuals should agree on the membership of a Steering Committee or Group. One of its first tasks will be to draft a constitution. Having prepared a draft, the Steering Committee should then seek opinions from the prospective members, by circulating copies of the draft and by calling a meeting when the draft can be discussed.

A second draft can be prepared and circulated in the light of the views expressed and a second meeting called for the purpose of adopting the Constitution formally and forming the Club. This is the Inaugural Meeting. When the Constitution is adopted the office bearers and committee members can be elected in terms of the Constitution, subscription rates can be determined and the Club will then have been formed.

## WHAT TO INCLUDE IN THE CONSTITUTION

The major aim of the Constitution is to state clearly how the Club's procedures should work. It will not cover all contingencies and the power of discretion in cases of dispute will normally lie with the Executive Committee or with a General Meeting. It is always advisable to have a well-designed constitution covering all activities of the Club. This should include clear provisions showing what matters can be determined by the Executive Committee, what is left to the Club in General Meeting, and the majority of votes needed for each body to take an effective decision. To avoid a situation in which nothing can be done, the thresholds of the quorum necessary to constitute a meeting and the majority needed for a decision should be kept as low as possible.

To allow for detailed control of the Club's activities it may be necessary to have a set of Bye-laws. The Sample Constitution on the following pages does not include suggestions for Bye-laws because these would normally be very specific to the particular activities of the Club.

With the above in mind, the formal Constitution of the Club should state the basic structure governing Management, Finance and the Club's democratic processes.

Care should be taken to check with the governing body of the sport to ensure that the Constitution does not contradict any of its rules.

## HOW TO USE THIS BOOKLET

The following pages provide a Sample Constitution for the proper formation of a sports Club, together with clause by clause Guidance Notes. The sections of the Constitution appear on the white, left-hand pages. The accompanying Guidance Notes are on the right-hand pages for easy referral as you work through the Constitution.

SAMPLE CONSTITUTION

This sample Constitution is intended for outline guidance. When you come to apply it to your own situation you might find it advisable to consult a lawyer to ensure that you have covered all the Club's specific areas of activity. Legal advice would be essential if the Club developed to the extent that it was employing staff, applying for a liquor licence, purchasing property, borrowing, or if at any time changing circumstances, financial or otherwise, raised doubts about the relevance of the Constitution.

Some Clubs where their sport is now professional or where there are risks emanating from large sponsorships, property transactions or risks with doping control matters, have taken the step of incorporating themselves as a company limited by guarantee to minimise many of their risks. This draft constitution therefore is not for such purposes and is intended to be straight forward. Never forget to provide appropriate insurance cover for all the activities of the Club and its office-bearers.

1 NAME

The Club shall be called

.....

(Hereinafter referred to as the Club) and it shall seek affiliation to and be bound by the rules of the [ ] Association.

2. OBJECTS

2.1 The objects of the Club shall be to .....

.....

.....

2.2 The Club is committed to encouraging the highest ethical standards. All individuals involved in the Club should conduct themselves with integrity, transparency, accountability and in a fair and equitable manner.

GUIDANCE NOTES

1 *This clause is fairly self-explanatory but it would be advisable to check that no-one else in your sport or area has chose the same name. The governing body of your sport may well ask to approve Club names and you should check this. It is advisable to ascertain whether the resultant abbreviation of your Club’s name is acceptable.*

*The Club should seek to affiliate to its governing body of the Sport, or its local sub-group, if appropriate, and be bound by its rules to ensure opportunities to participate in their competitions and coaching schemes for example.*

2.1 *The Objects should be specified clearly and should define the Club’s area of operation in geographical as well as sports terms, e.g. ‘to encourage the promotion and provide facilities for the practice of the sport of ..... in ..... and undertake other activities incidental or conducive to the furtherance of these objects’.*

2.2 *The Club should formally adopt a positive approach to the ethics of sport and a statement along the lines set out in the sample constitution should provide a sensible basis to allow the Club members to enjoy their sport in an ethical framework.*

3 MEMBERSHIP

3.1 The membership shall consist of the following categories:

.....  
.....  
.....  
.....

3.2 Members in each category shall pay Membership fees as fixed at each Annual General Meeting. The Club in General Meeting may also require Members to contribute to the funds of the Club by way of a special levy.

3.3 All members joining the Club shall be deemed to accept the terms of this Constitution and any Bye-laws from time to time adopted by the Club, in particular without prejudice to the foregoing generality, the requirement to conduct themselves in accordance with the Club's ethical framework and the bye-laws as to discipline set out therein.

3.4 Any person seeking to join the Club shall submit an application to the Executive Committee. Members shall be admitted by the Executive Committee. Membership is open to all and no application for membership will be refused on other than reasonable grounds. There will be no discrimination on grounds of race, occupation, sex or religious, political or other opinion.

4 MANAGEMENT

4.1 The affairs of the Club shall be conducted by an Executive Committee which shall consist of the Officers of the Club plus [ ] ordinary members, all of whom shall be elected at the Annual General Meeting..

4.2 The Officers of the Club who shall be honorary shall be the Chairman, Vice-Chairman, Treasurer and Secretary. If the post of any officer or ordinary committee member should fall vacant after such an election, the Executive Committee shall have the power to fill the vacancy until the succeeding Annual General Meeting.

4.3 All Executive Committee members must be members of the Club.

4.4 The said Officers shall also be the trustees *ex officii* of the Club who shall hold any property belonging to the Club in their name and shall further be entitled to sue and be sued on behalf of the Club as trustees *ex officii*. They shall all be entitled to personal indemnity out of the

funds of the Club where they are acting bona fide in their capacity as Officers of the Club.

- 4.5 The Executive Committee shall have full power to deal with all matters relating to the Club not reserved to a General Meeting in terms of this Constitution, including power to make public and enforce such bye-laws as the Committee feel necessary to govern the activities of the Club [including bye-laws relating to discipline].

## GUIDANCE NOTES

- 3    3.1    *Included here would be a definition of the various categories of membership which would depend greatly on the type of Club involved, e.g. junior, senior, family, school pupil.*
- 3.3    *It is likely that any court would consider this to be part of the commitment of joining a Club whether written into the Constitution or not but it is better to state clearly that this clause is part of the 'contract' of becoming a member.*
- 3.4    *Any application form for membership should contain a clause whereby the applicant consents for the purpose of the Data Protection Act, to the Club holding and processing the data on the form for the purposes of the Club.*

- 4        *Control of any Club is usually delegated to a democratically elected committee which may be called the Executive Committee, Management Committee or Committee.*

*The aim of this section should be to specify how this Committee should be formed and how they should look after the interests of the Club.*

- 4.1    *The detailed composition of Committee will vary from Club to Club but it would be normal to specify how many members will be on the Committee.*
- 4.2    *Officers are members of the Club elected to fulfil specific basic responsibilities. It may be necessary to increase the number of officers if there are major tasks to be undertaken, e.g. Fixture Secretary.*
- 4.3    *It may be necessary to be more specific if the Club has a variety of levels of membership*
- 4.4    *If Clubs do have in particular, land which they own or lease, the title to that land or lease will require to be taken in this method. This needs legal advice.*
- 4.5    *A clear statement should be made setting out the full range of the powers of the Executive Committee. The Club may find it helpful to have Bye-laws to cover matters which are really too detailed for inclusion in the Constitution e.g. clubhouse rules, club league rules, team selection, rules as to visitors, etc.*

## 5 GENERAL MEETINGS

### 5.1 Annual General Meeting

The Club shall hold an Annual General Meeting in the month of ..... to:

- Approve the minutes of the previous year's AGM.
- Receive reports from the Chairman and Honorary Secretary.
- Receive a report from the Honorary Treasurer and approve the Annual Accounts.
- Receive a report from those responsible for certifying the Club's accounts.
- Elect the Executive Committee.
- Appoint someone responsible for certifying the Club's accounts.
- Fix the subscription for the ensuing year.
- Consider changes to the Constitution.
- Review and consider any Bye-laws.
- Deal with other relevant business.

### 5.2 Extraordinary General Meeting

An Extraordinary General Meeting shall be called by an application in writing to the Secretary supported by at least 10% of the members of the Club. The Executive Committee shall also have the power to call an Extraordinary General Meeting by decision of a simple majority of its members.

### 5.3 Notices

At least 14 days' notice and the Agenda shall be given to all voting members of any General Meeting. No business shall be conducted unless fair notice thereof is contained in the Agenda.

## GUIDANCE NOTES

- 5 *General Meetings are the means whereby the members of the Club exercise their democratic rights in conducting the Club's affairs.*
- 5.1 *The Annual General Meeting usually fulfils the basic purposes of electing officers and other members of the Executive Committee, of reviewing the Accounts and of considering other matters of importance to the Club membership. It also considers changes to the Constitution.*
- 5.2 *Extraordinary General Meetings (EGM) may be called to change the Constitution or for other matters of importance between Annual General Meetings. It is recommended that 10% of the members be required to call an EGM.*
- 5.3 *This clause simply aims to ensure that the membership receives proper notification of all important matters.*

## 5 GENERAL MEETINGS (CONTINUED)

### 5.4 Voting

- With the exception of changes to the Constitution, decisions put to a vote shall be resolved by simple majority at General Meetings.
- The Chairman of the Club shall hold a deliberative as well as a casting vote at general and committee meetings, in each case at the time the meeting commences its business.

### 5.5 Quora

The quorum at General Meetings shall be 20% of the members and the quorum for Committee Meetings shall be 40% of the members.

### 5.6 Changes to the Constitution

- Any change to the Constitution shall require a two thirds' majority of those present, eligible to vote and voting at a General Meeting.
- A proposal to change the Constitution must be submitted in writing to the Secretary who shall circulate the proposal to all members and allow seven days for submission of any amendments before calling a meeting in accordance with rule 5.3 above.
- All proposals for changes to the Constitution shall be signed by two members eligible to vote at a General Meeting.

## 6 FINANCE AND ACCOUNTS

6.1 The financial year shall run from ..... to ..... each year.

6.2 The Honorary Treasurer shall be responsible for the preparation of Annual Accounts of the Club.

6.3 The Accounts shall be certified by an appropriate independent person elected annually at the Annual General Meeting.

## GUIDANCE NOTES

- 5      5.4      *There is normally no need for any complicated voting procedures.*
- 5.5      *A minimum quorum at a General Meeting would normally be 20 per cent of the voting membership. A larger quorum is appropriate for the Committee.*
- 6      *It is prudent for every Club to ensure that the handling of its financial affairs is done in an efficient manner and in a way which protects the individual Committee members responsible for the handling of money.*
- 6.1      *The dates of the financial year will depend on a number of factors including the Club's season. Please ensure that the AGM date (in 5.1) leaves sufficient time for certification of the Accounts.*
- 6.2      *This is essential for the financial control of the Club.*
- 6.3      *An independent Auditor is essential to protect the interests of the Club's members. The Auditor should be a reasonably independent person and may be a Club member with a knowledge of accountancy and who is not a member of the Executive Committee.*

6 FINANCE AND ACCOUNTS (CONTINUED)

6.4 All cheques drawn against the Club's funds shall be signed by the Treasurer and one other nominated office-bearer.

6.5 All members of the Club shall be jointly and severally responsible for the financial liabilities of the Club.

7 DISSOLUTION

7.1 The Club is a non-profit making organisation. All profits and surpluses will be used to maintain or improve or develop the Club's facilities or to carry out the objects of the Association to which it is affiliated. No profit or surplus will be distributed other than to another non-profit making body on a winding-up or dissolution of the Club.

7.2 If, upon the winding up or dissolution of the Club there remains after the satisfaction of all its debts and liabilities any property whatsoever, the same shall be transferred to some other organisation or organisations having objects similar to the objects of the Club, such organisation or organisations to be determined by the members of the Club by Resolution passed at a General meeting or in the absence of such a resolution (or that the extent to which it cannot be given effect) to the Association to which the Club is affiliated.

- 6     6.4     *Normally cheques are signed by the elected officers of a Club. Often the requirement for signing cheques will be the Treasurer and one other officer but, for convenience, the Club may decide that the signature of the Treasurer is sufficient for the issue of cheques up to, say, £25. A bank manager will be able to advise on the opening of bank accounts. In the same way that officers have a cheque signing function, they also are legally responsible for any negotiations necessary in the conduct of the Club's business. Full legal advice should be sought whenever necessary.*
- 6.5     *In the event of a Club defaulting on any financial transaction the members will be jointly and severally responsible, i.e. each member is liable for the full amount but can seek to recoup any excess payment from the others. This clause may require amendment if there is a category of member (e.g. juniors) who are to be excused liability.*
- 7     *Procedures covering the dissolution of the Club must be settled. In the event of funds remaining after debts have been settled Club members may wish to specify that such funds should be given to some associated organisation e.g. the governing body of the sport concerned. The wording given in the Sample Constitution must be considered to be a basic minimum requirement and it seeks to avoid the possibility of losing the current favourable treatment of Club subscriptions from a VAT point of view, and also to comply with current Lottery conditions.*

Further information on a Club Constitution, or any other sports-related topic, is available from the SportsScotland.

This Advisory Booklet is one of a series of publications of such sports-related topics as Injuries and Sport, Sponsorships and Sport, Marketing and Sport, Drugs, Doping and Sport, Medical and Scientific Services and Dangerous Exercises. A comprehensive listing of these together with details of Information Digests, Research Reports, general information booklets and posters is contained in the Publication Catalogue, available free of charge from the SportsScotland.

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