

## DEVELOPING A GOVERNING DOCUMENT

With a suitable legal structure selected, the next step in forming a voluntary organisation is to develop a governing document. A governing document defines what the organisation is being established to achieve and how it will operate in order to do so. Essentially it is formal set of rules that brings structure to the organisation. Key considerations when drafting your governing document include:

- What is the organisation's legal name?
- What are your organisation's purposes? (*please see section 1.8*)  Who is eligible to become a member of the organisation?
- How are the management committee (Chairperson, Treasurer, Secretary and any additional members) elected and what are its powers?
- What are the rules for meetings?
- What procedures are in place for managing the organisation's finances?
- In the event of it being dissolved, what will happen to the organisation's assets?

Although the above key considerations apply to all, the type and content of the governing document will vary depending on the legal structure selected. For instance, although an unincorporated association and Scottish Charitable Incorporated Organisation (SCIO) both have a constitution as a governing document, an unincorporated association can have a relatively simple constitution (3-4 pages) whereas a SCIO's constitution will be more substantial as it has to satisfy the 2011 SCIO Regulations. The table below details the type of governing document required for each common third sector legal structure:

Legal structure	Type of governing document
Unincorporated association	Constitution
Scottish Charitable Incorporated Organisation (SCIO)	SCIO constitution
Trust	Trust deed
Company limited by guarantee	Memorandum and articles of association
Community Interest Company (CIC)	Memorandum and articles of association

When developing a governing document it's useful to refer to a template in order to ensure that the required content is included for the legal structure selected. Thankfully a range of templates are available to the sector, a selection of which have been compiled in our [Document Library](#) to help you get started.

Although the templates can be adopted to suit, it's important that the content and purpose of each individual clause is understood and will meet the specific needs of your organisation. For example, don't simply state that "*one third of the management committee will retire at the end of each AGM*" if in reality this will not be the case and has only been included as it was part of the original template. Similarly don't edit a fifteen page SCIO constitution template down to four pages. The accompanying guidance notes for each template provide clause by clause guidance, highlighting which clauses must remain and which can be amended/removed.