

DISSOLVING A NON-CHARITY - UNINCORPORATED ASSOCIATIONS

As an unincorporated association without charitable status is a voluntary organisation in its very simplest form, the process of dissolving such an organisation is relatively straightforward in comparison to organisations that are registered charities (*please see section 6.2*). As it has no regulator, a non-charity unincorporated association does not need to seek consent from a regulator prior to dissolving. It will however need to seek the consent of its members. Before taking the decision to dissolve though, you first need to ensure that you have the power to do so. Your governing document should feature a clause similar to below, commonly referred to as the 'dissolution clause'.

10. DISSOLUTION

If the Management Committee, by a simple majority, decide at any time, on ground of expense or otherwise, that it is necessary or advisable to dissolve the Organisation, it shall call a Special Meeting of the Organisation. Any assets remaining after the satisfaction of any proper debts and liabilities, shall be given or transferred equally to any charitable organisation with similar aims and objectives to the Organisation.

As illustrated in the above clause, should the Management Committee decide for whatever reason that it is necessary to dissolve the organisation, it can call a Special General Meeting (SGM) to put the decision to its members. In order for the decision to dissolve to be valid though, you must act in accordance with your constitution at all times. Although the content and detail of constitutions can vary significantly, the below provides an overview of how the typical dissolution process is conducted.

1. At a meeting which must be quorate and minuted, the Management Committee will decide by majority to call an SGM for the purpose of dissolving the organisation. Your constitution will detail whether this is a simple or two-thirds majority etc.
2. Assuming a majority decision in favour is reached, an SGM must be called in accordance with the conditions of the constitution. Typically this will require you to give members at least **14 days'** written notice detailing the purpose of the meeting. The notice period will vary from constitution to constitution but is typically either **14** or **21 days**.
3. At the SGM the resolution to dissolve the organisation will be put to the members. The meeting should be quorate and minuted. Should the members agree (the majority required will be specified in your constitution) the decision to dissolve the organisation can then be acted on.
4. The assets of the organisation will then be distributed in line with the constitution and the bank account closed. The dissolution clause may mention a specific organisation to receive the assets or it may simply state that an organisation with similar aims and objectives should be the recipient.

In order to dissolve a registered charity, depending on your legal structure please see *section 6.2* or *6.3*.