

Choosing the Right Structure for Your Club

Introduction

Being involved in a sports club can be exciting and challenging at the same time. It involves numerous professional people and volunteers who have the passion to help improve the way in which the club is operated and how sport is delivered.

What is often overlooked, however, is the way in which the club is set up and the impact that this may have on the financial and legal position of the club, and the personal risk which committee members and trustees take on. This can be of critical importance, particularly if there are financial difficulties or a claim brought against the club.

There are different legal structures available to sports clubs, ranging from members' associations to corporate bodies and there are, of course, advantages and disadvantages of each type.

It is important that committee members and trustees understand what the current situation is and consider all of the options available to them. They should then seek legal advice before considering making any changes to its structure.

Types of structures can include:

- ❖ Common forms of organisation:
 - Unincorporated Associations
 - Companies Limited by Guarantee
- ❖ Other forms of organisations:
 - Companies Limited by Shares
 - Community Interest Company
 - Charitable Incorporated Organisations
 - Industrial and Provident Society
- ❖ 3. Community Amateur Sports Club (CASC) Status
- ❖ 4. Charitable Status

Things to consider

- ❖ Doing nothing should not be an option – at least find out what structure is in place at the moment so you can fully understand the risks involved.
- ❖ Changes can impact on other financial and administrative processes, so ensure that you have commitment from members responsible for other parts of the club's business (ie the treasurer and the secretary).
- ❖ There are costs associated with changing a club's structure, so ensure you have the funds available.
- ❖ Legal advice should be sought before making any final decisions.
- ❖ Clubs with CASC and charitable status have no additional protection for their members and trustees unless they are also registered as 'limited'.
- ❖ Land-owning clubs should consider registering as a CASC or charity.
- ❖ Clubs receiving donations from members should consider taking advantage of Gift Aid.

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Further information

The **runningsports** website (www.runningsports.org) has useful resources including *Planning your Club's Future; Taxation and Sport* and *Fund-raising, Sponsorship and Grants* Quick Guides and the 'Community Amateur Sports Club' workshop, along with other downloadable Top Tips, Role Outlines and information on training, including workshops and workbooks. Alternatively, telephone the **runningsports** Hotline on 0800-363 373 for further information.

Other organisations worth checking out

Name	Telephone	Useful Resources
Sport England	0207-273 1551	Sport England has launched an online toolkit Things To Think About which provides governance support, advice and links to the Charity Commission and Companies House websites
Charles Russell	0207-203 5117	http://www.charlesrussell.co.uk/UserFiles/file/pdf/Sport/Club%20Structures.pdf
Sport and Recreation Alliance	0207-976 3900	www.sportandrecreation.org.uk/smart-sport
Law in Sport	0207-193 1877	www.lawinsport.com
RFU	0871-222 2120	Risks of Unincorporated Legal Status document and Incorporation - What You Need to Know

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