



Argyll and Bute Third Sector Interface

Deciding on Membership

Membership organisations are probably the most common type of organisation in the voluntary sector. They have a two-tier structure where the board is elected by, and accountable to, a wider body of ordinary members.

Many mainstream charities are membership organisations, e.g. SCVO and the National Trust. Various social clubs and sports clubs, most community-led charities, community development trusts, housing associations and credit unions also fall within this category.

Different roles

Members can attend the Annual General Meeting (AGM) and have the power to take certain fundamental decisions, such as making changes to the constitution and dissolving the organisation. They also elect board members. The board hold regular meetings between AGMs and control and supervise the activities of the organisation. They monitor the financial position of the organisation. Don't be put off setting up a membership organisation just because the steering group can't identify people who would be interested in forming the wider membership. That concern is common. If you think there should be an election process at an AGM even if it is expected that attendance may be low, then a membership organisation is the right option.

Your members

Despite appearances it is the members who have ultimate control rather than the board, so it is important to carefully consider who can be eligible for membership. Here are some of the things you need to think about:

- who are you going to invite as members? Residents of the local area? Or defined categories of people with similar interests such as older people, children, disabled people, etc?
- are you going to charge people to be a member, and if so, how much?
- what does membership entitle them to do?
- how will you appoint new members, and how long membership will last, eg a financial year?
- how will you remove members from your organisation if you need to?
- can employees of the organisation also be members, and can they serve on the management committee? If they can, what voting rights will they have? How will you address any potential conflicts of interest?
- should bodies, as distinct from individuals, be entitled to membership?
- should the board have power to veto any application for membership?
- should someone who no longer fulfils the qualifications automatically cease to be a member?
- would you allow young people under 16 to become members?

Legal structures for a membership organisation

The possible legal structures for a membership organisation would be:

- a voluntary association
- a company limited by guarantee
- an industrial and provident society
- Scottish Charitable Incorporated Organisation (SCIO)

With certain legal structures, members have more responsibilities than others (e.g. SCIO). This should be taken into account when deciding what type of legal structure would be best for the organisation.

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Argyll and Bute Third Sector Interface is a Company Limited by Guarantee in Scotland No. SC277345
Scottish Charity No. SC029947

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If you decide not to be a membership organisation then the possible legal structures would be:

- a single tier SCIO
- a trust

As always, our team are on hand to offer support in addition to the self-Serve System.

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