

## **Club structure and legal status FAQ's**

Please see below some of the general questions emerging from the initial communications, clearly we are in the early stages of the programme with focus on achieving a "Limited by Guarantee" status to protect the committee members and Trustees.

We are fortunate to have support from the Poole Recreation Development Team and the Poole Communities' Trust that have supported other clubs going through the same transition, as well as other professional legal, finance and tax support.

As the team moves forward with the programme there will be further updates on the above and associated plans to move to a charitable status.

### **Question 1**

Could charitable status affect membership?

IT MIGHT INCREASE IT AS RESEARCH HAS SHOWN THAT PEOPLE ARE GENERALLY FAVOURABLY DISPOSED TO CHARITIES.

### **Question 2**

It is widely believed that you cannot retain a members-only policy (e.g. for use of the bar-restaurant)

THE WORKING GROUPS RESEARCH INDICATES THAT OTHER CHARITY CLUBS HAVE A MEMBERS ONLY POLICY, WORK IN PROGRESS.

### **Question 3**

Could membership fees be challenged, since they have to be affordable to the world at large, and for a charity, those with less resources must not be excluded.

THERE WILL BE NO CHANGE TO MEMBERSHIPS FEES AS A CONSEQUENCE OF BECOMING A CHARITY.

AS A CHARITY MEMBERSHIP FEES HAVE TO BE AFFORDABLE IN ORDER TO ENABLE ALL THOSE IN THE COMMUNITY ESPECIALLY THE POOR TO BENEFIT. HOWEVER THAT IS ALREADY THE CASE WITH THE CLUB'S EXISTING MEMBERSHIP FEE STRUCTURE AS THE CLUB IS PART OF POOLE COUNCIL ACCESS TO LEISURE SCHEME WHICH ALLOWS THOSE WITH LIMITED RESOURCES TO JOIN AS MEMBERS AT AFFORDABLE RATES.

AS PART OF THE CHARITY REGISTRATION PROCESS THE CHARITY COMMISSION WILL REVIEW THE LEVEL OF OUR FEES. IT WILL NOT ACCEPT REGISTRATION UNLESS WE HAVE ARRANGEMENTS IN PLACE, SUCH AS ACCESS TO LEISURE, TO ENABLE THOSE LESS FORTUNATE TO JOIN AT AFFORDABLE RATES.

### **Question 4**

Will club rule changes be needed to meet the conditions of a charity?

IT IS ANTICIPATED THAT CLUB RULES WILL NEED TO BE AMENDED, HOWEVER ANY CHANGES WILL ENSURE THAT THE PRINCIPLES AND ETHOS OF CURRENT RULES ARE RETAINED.

### Question 5

The major proposed benefit, of getting tax back for subscriptions, is debatable. This means that the only tax rebate would be on pure donations.

THIS IS NOT THE MAJOR BENEFIT OF BECOMING A CHARITY, INSTEAD GIVING BACK TO THE COMMUNITY AND PROMOTING HEALTHY RECREATION IS.

MOREOVER ALL OF THE CHARITY'S NON MEMBER INCOME CAN BE SHELTERED FROM CORPORATION TAX WHICH IS A SIGNIFICANT ADDITIONAL MAJOR BENEFIT AND IS A COST SAVING. LAST YEAR THE CLUB RECEIVED DONATIONS OF OVER £1600, AND THIS WOULD GENERATE AN ADDITIONAL £400 IN GIFT AID BENEFIT AT THE CURRENT RATE OF 25%.

ALSO ANY POTENTIAL BENEFACTORS WOULD BE MORE DISPOSED TO DONATE OR WILL MONEY TO A CHARITY, SO IT'S A WIN WIN FOR THE CLUB

THE GOV.UK GUIDANCE BELOW PROVIDES SOME FURTHER GUIDANCE:

3.37.7 WHERE A CHARITY SEPARATES THAT PART OF THE MEMBERSHIP SUBSCRIPTION THAT SIMPLY GIVES THE BASIC RIGHTS OF MEMBERSHIP AND DOES NO MORE THAN COVER THE BASIC ADMINISTRATION COSTS OF THE CHARITY FROM ANY PART THAT RELATES TO THE PROVISION OF SERVICES OR FACILITIES THE MEMBERSHIP ELEMENT CAN BE A GIFT. SO, FOR EXAMPLE, A SPORTS CHARITY THAT CHARGES A BASIC MEMBERSHIP SUBSCRIPTION, WITH ADDITIONAL, VARIABLE, TRAINING OR PLAYING CHARGES DEPENDING ON THE MEMBER'S STANDARD, COULD REGARD THE BASIC MEMBERSHIP AS A GIFT. THE ADDITIONAL TRAINING OR PLAYING CHARGES COULDN'T BE TREATED AS GIFTS. A CHARITY THAT CHARGES A STANDARD MEMBERSHIP FEE THAT COVERS MEMBERSHIP AND PARTICIPATION COULDN'T TREAT ANY PART OF THE SUBSCRIPTION AS A GIFT IF PARTICIPATION IN THE ACTIVITIES INVOLVED PERSONAL USE OF SERVICES OR FACILITIES.