

# **Modernising Kent Advanced Motorcyclists Group**

## **The background**

When Kent Advanced Motorcyclists Group (KAMG) was set up 40 years ago there was very little choice about the type of structure to choose and so rightly it was founded as an unincorporated association, the Group applied for and was given charitable status. In line with Charity Commission rules the members responsible for directing and governing the charity are the trustees of the charity, in our case this is all members of the Group Committee.

Times have moved on and it is now possible to set up (or convert) associations such as KAMG into Charitable Incorporated Organisations (CIO). When an unincorporated charity converts to a CIO a new charity is created, the assets from the old charity are transferred and the old charity wound up.

## **The disadvantages of an unincorporated charity**

An unincorporated charity such as KAMG is not a legal entity and so cannot enter into contracts in its own name. This means that the trustees have to enter into contracts on KAMG's behalf; currently this includes the hire of storage facilities, payment of hotels for training and social rides and underwriting the Group's bank accounts.

An unincorporated cannot be sued in its own name but instead the trustees can be held personally liable if something goes wrong. Should KAMG be sued then potentially the trustees' liability is unlimited. Although there is some insurance cover in place to protect the trustees it is organised for KAMG by IAM RoadSmart and not every eventuality is covered.

## **Charitable Incorporated Organisations**

By converting KAMG to a CIO the trustees would be protected in the event of financial failure of the Group through fraud or uninsured losses. As a CIO KAMG would be able to enter into contracts in its own name and not rely upon the good nature of any individual member, the Group would be able to obtain business banking facilities which would make it much easier to make payments electronically. Although technically there is a lot of difference between an unincorporated association and a CIO, on a day-to-day basis it is unlikely members of KAMG would see any difference.

## **The 3 tiers of governance**

Should KAMG convert to a CIO there would be three tiers of governance.

- KAMG CIO constitution,
- IAM RoadSmart Group Rules of Affiliation,
- KAMG Governance, Policies and Procedures.

If there is any conflict between these three then this is the order of precedence.

### **KAMG CIO constitution**

As with any organisation a CIO must have a written constitution. Amongst other things the constitution sets out the CIO's objects, the rules regarding annual general meetings and extraordinary meetings, how to close the charity and what would happen to its assets if it is dissolved. The constitution can be looked at and relied upon by any third party dealing with the charity – for example any bank that we apply to for a bank account.

### **IAM RoadSmart Group Rules of Affiliation**

Once KAMG CIO has been formed then the members must choose whether or not to affiliate with IAM RoadSmart. If the members choose to affiliate with IAM RoadSmart then KAMG must adopt and agree to abide by the IAM RoadSmart Group Rules of Affiliation which are

published in the Group Affiliate Handbook. (GAH) This provides a framework that standardises the training given by all IAM RoadSmart affiliated groups.

The GAH sets out the rules for Group composition, membership categories, roles and responsibilities of the committee. IAM RoadSmart provides training toolkits for Observer and Associate training and conducts the Observer and Associate assessments. IAM RoadSmart organises insurance cover for training. No Group is allowed to alter or amend the IAM RoadSmart Group Rules of Affiliation in any way.

### **KAMG Governance, Policies and Procedures**

Whilst the general framework is covered by the CIO constitution and the IAM RoadSmart Group Rules of Affiliation we also need some local rules peculiar to our Group. This would include areas such as the composition of the Training Sub Committee, how IDCAM's and Machine Control Days are organised, how Group Training Rides and Social rides are run and who can attend them. These and more are detailed in the document KAMG Governance, Policies and Procedures.

### **The recommendation**

The recommendation of the KAMG Committee is that we change our current constitutional status as a simple unincorporated charity, to become a Charitable Incorporate Organisation (CIO), that KAMG CIO affiliates to IAM RoadSmart and that it adopts the KAMG Governance, Policies and Procedures document.

Most members won't notice any difference if the change is agreed although membership standing orders and gift aid declarations would need updating to the new charity. However, changing to a CIO would help to safeguard the trustees from personal financial liability, KAMG would be able to enter into contracts in its own name and we would be able to obtain better banking facilities. We do not believe that a change to CIO will cost more to run and there will be minimal additional administration. Our working assumption is that our new legal name would be Kent Advanced Motorcyclists Group CIO and we will still be known as KAMG with the same logo etc.

### **Timing**

For a few of us there will be a lot of work to draft up a new CIO constitution acceptable to the Charity Commission, get approval from the IAM, set up a new bank account, register with HMRC for gift aid, shut down the existing charity and let all our key contacts know of the change etc. Given all we need to do, we think the best time for any change to become effective will be 1<sup>st</sup> January 2025.

At the AGM the Committee will be asking members to approve the change to a CIO structure and the new constitution, to approve affiliation to IAM RoadSmart and to approve the updated KAMG Governance, Policies and Procedures document. There is a link to our key documents below if you are interested in having a look at the detail.

If you have any comments or queries prior to the AGM please ask:

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