



# **LIONS CLUBS INTERNATIONAL**

## **MD 105**

### **CHARITY PACK FOR CLUBS IN ENGLAND AND WALES**

#### **PACK 1 : FOR NEW CHARITABLE TRUSTS**

**Enclosures:**

1. Notes for Guidance
2. Draft Trust Deed
3. Form Stamps 61 (not attached – obtain copy from Stamp Office or from <http://www.inlandrevenue.gov.uk/so/so61.pdf>)
4. Draft club resolution to indemnify Trustees
5. Standard document for evidencing change of Trustees

In addition, clubs should telephone the charity commission for a pack to register a Charity, which will include forms APP1 and DEC1 referred to in the notes. The addresses and telephone numbers of the Charity Commission offices are set out in paragraph 14 of the notes that follow.

Alternatively, the form can be downloaded from the Charity Commission website - <http://www.charity-commission.gov.uk/publications/default.asp>

*updated 27/2/2002*



# LIONS CLUBS INTERNATIONAL

## MD 105

### MODEL DECLARATION OF TRUST

#### NOTES FOR GUIDANCE

1. The Model Declaration of Trust has been approved by the Charity Commission for use by Lions Clubs in setting up a charitable Trust in England and Wales.
2. The use of the model form is not obligatory but has been drafted to assist Clubs. It may be amended to suit an individual Club's specific requirements but Clubs are strongly advised to seek legal advice from the Multiple District Legal Adviser before amending the deed. Any amendments must be approved by the Charity Commission.
3. Main points in the deed.
  - 3.1 The deed provides for there to be three named trustees initially. Their names and addresses must be inserted in the first section of the Deed.
  - 3.2. All Trustees must be members of the Lions Club. Any Trustee who leaves the club will be deemed to automatically retire as a Trustee. This prevents the situation that frequently arose in the past when trustees left the club, but still technically remained as Trustees.
  - 3.3. The first trustees will retire on the expiration of 1, 2 and 3 years respectively, so that the Club will each year appoint one replacement trustee. A retiring trustee may be re-appointed. Replacement trustees will be appointed for a term of three years. The date of retirement has been set at 30th June to coincide with the change of Club Officers. Clubs are recommended to elect a trustee at the same time as normal club officer elections. It is hoped that when clubs get into the pattern of annual appointments, it will also solve the problem that previously existed of 'lifetime' Trustee being forgotten about, leaving or dying resulting in problems for the Club in identifying the Trustees.
  - 3.4 The President, Secretary and Treasurer of the Club will automatically be trustees in addition to the three appointed. They have the same voting powers as the elected Trustees.

- 3.5 The club can remove a Trustee by resolution passed by a two thirds majority vote at a club meeting provided at least 7 days notice has been given to the Trustee and he has been given the opportunity to be heard.
  - 3.6 The Trustees must meet at least once a month - this could be before a club meeting if required.
  - 3.7 To maintain control of the Trust Fund by the Club - conflicts between the club and the Trustees have arisen in the past - the trustees must seek the approval of the club before exercising their powers. In return it is recommended that the club indemnify the Trustees from any claims arising out of their actions provided such approval is sought. This should stop the reluctance of some club members from becoming Trustees.
  - 3.8 There are occasions where the Trust Fund needs to raise money itself, rather than through the Lions Club - eg to gain concessions as a Registered Charity. The deed accordingly gives the Trustees such power (subject to the approval of the club) but excludes permanent trading. This is at the insistence of the Charity Commission. It will not prevent the Trust from selling donated goods in a Charity shop, but would prevent it eg from buying goods for resale as a normal shopkeeper.
4. Once the details have been completed and the draft deed has been approved by the Club, it should be dated and signed by the three named Trustees in the presence of a witness, the witness should also sign the deed and state his address and occupation. The Trustees should also complete and sign the Charity Commission Form DEC1 (Declaration by Charity Trustees) to signify their acceptance of acting as a Trustee.
  5. *If the club has decided to amend the model form deed in any way, it is strongly recommended that a copy of the amendments are first sent to the MD Legal Adviser and then a draft is sent to the Charity Commission for approval before signature and stamping.*
  6. The signed deed should be sent to the nearest Inland Revenue Stamp Duty Office with a completed form STAMPS 61 (address on the reverse of the form) and a cheque for £5 in payment of stamp duty.
  7. Upon return from the Stamp Duty Office a photocopy of the signed and stamped deed should be sent to the Charity Commissioners with the Form DEC1 (see paragraph 4) and application for registration in form APP1 (obtained from the Charity Commission).
  8. Upon completion of registration, the Club will be advised of the Charity Registration number.
  9. All cheque books and stationery in the name of the Charitable Trust must include the words "A registered charity" or "Charity Registration number ??????". This information should **not** be stated on normal club notepaper or club cheques. If required, the club notepaper could include the words "*Incorporating \*\*\*\*\* Lions Club Charitable Trust (Charity Number ????????)*"
  10. The charity account **must** be kept separate from any other Club accounts. No money should be paid from the Charity Account to the Lions Club as this could jeopardise the charitable status of the Trust. Clubs are recommended to retain an "Activity" account to cover advance fund raising expenditure.

11. It is strongly recommended that the club pass a resolution in the form of the enclosed draft indemnifying the Trustees from future claims.
12. The appointment of new Trustees each year and any resignations or removals should be evidenced by the standard form enclosed with these instructions and signed by the club President, or other chairman of the club meeting.
13. Any further queries should be directed to the Multiple District Legal Adviser.
14. The addresses of the Charity Commission Offices are:

London Office

Harmsworth House,  
13-15 Boverie Street  
London  
EC4Y 8DP

Taunton office Liverpool Office

Woodfield House,  
Tangier  
Taunton  
Somerset TA1 4BL

2<sup>nd</sup> Floor  
20 Kings Parade,  
Queens Dock  
Liverpool  
L3 4DQ

Telephone 0870 333 0123 for all offices



Lions Club.

## 2 Objects

The Trustees shall hold the Trust fund and its income upon trust to apply them for any purpose which is charitable according to the law of England and Wales whether for the benefit of any individual or group of people or for the benefit of any other organisation established for charitable purposes. ("the objects") **PROVIDED ALWAYS** that the Trustees shall not apply the trust fund or any part thereof without first obtaining the approval of the Lions Club at a Lions Club meeting.

## 3 Powers

In furtherance of the objects and upon the prior approval of the Lions Club but not otherwise the Trustees may exercise any of the following powers.

- (i) to raise funds and invite and receive contributions: Provided that in raising funds the Trustees shall not undertake any permanent trading activity and shall conform to any relevant statutory regulations;
- (ii) to buy, take on lease or in exchange, hire or otherwise acquire any property necessary for the achievement of the objects and to maintain and equip it for use;
- (iii) subject to any consents required by law to sell, lease or otherwise dispose of all or any part of the property comprised in the trust fund;
- (iv) subject to any consents required by law, to borrow money and to charge the whole or any part of the trust fund with repayment of the money so borrowed;
- (v) to co-operate with other charities, voluntary bodies and statutory authorities operating in furtherance of the objects or of similar charitable purposes and to exchange information and advice with them;
- (vi) to establish or support any charitable trusts, associations or institutions formed for the objects or any of them;
- (vii) to delegate to any one or more of the Trustees the transaction of any business or the performance of any act required to be transacted or performed in the execution of the trusts of the Charity and which is within the professional or business competence of such trustee or trustees: Provided that the Trustees shall exercise reasonable supervision over any trustee or trustees acting on their behalf under this provision and shall ensure that all their acts and proceedings are fully and promptly reported to them;
- (viii) to invest the trust fund in such investments as are authorised by law for the investment of Trust Funds.
- (ix) to do all such other lawful things as are necessary for the achievement of the objects.

#### **4 Appointment of trustees**

4.1. The body of trustees shall consist when complete of 6 persons being:

3 nominated trustees being members of the Lions Club and

3 ex-officio trustees;

4.2. The first trustees shall be the first nominated trustees and shall hold office for the following periods respectively

- (i) From the date hereof until the 30th June in the next calendar year
- (ii) From the date hereof until the 30th June in the next but one calendar year
- (iii) From the date hereof until the 30th June in the next but two calendar year

Thereafter the nominated trustees shall be appointed by the Lions Club at a Lions Club meeting. Each appointment shall be made for a term of three years or in the event of a vacancy in the office of a nominated trustee prior to the expiration of his term of office, for such period as the trustee whose place he has filled would have continued in office. The chairman of the meeting shall cause the name of each person appointed to be notified forthwith to the trustees.

4.3. If for any reason trustees cannot be appointed in accordance with the foregoing provisions, the statutory power of appointing new or additional trustees shall be exercisable.

4.4. The ex-officio trustees shall be the President, Secretary and Treasurer from time to time of the Lions Club.

#### **5 Eligibility for trusteeship**

No person shall be appointed as a trustee:

5.1 unless he has attained the age of 18 years and is a member in good standing of the Lions Club; or

5.2. if he would be disqualified from office under the provisions of the following clause

#### **6 Determination of trusteeship**

A trustee shall cease to hold office if he

6.1. is disqualified from acting as a trustee by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision); or

6.2. becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs; or

6.3. is absent from three consecutive meetings of the Trustees and the Trustees resolve that his office be

vacated; or

- 6.4. notifies to the Lions Club or to the Trustees a wish to resign (but only if at least two trustees will remain in office when the notice of resignation is to take effect); or
- 6.5. ceases (for whatever reason) to be a member of the Lions Club; or
- 6.6. is removed from office by a resolution approved by a two thirds majority vote of the Lions Club at a Lions Club meeting and at least 7 days notice of such resolution has been given to all members of the Lions Club including the Trustee concerned PROVIDED THAT he shall have been given the opportunity to be heard by such meeting before the final decision is made.

## **7 Ordinary meetings**

The Trustees shall hold at least one meeting in each month.

## **8 Calling meetings**

The first meeting of the Trustees shall be called by the President of the Lions Club or if no meeting has been called within two months after the date of this deed by any two of the Trustees. Subsequent meetings shall be arranged by the Trustees at their meetings or may be called at any time by the chairman or any two trustees upon not less than ten days' notice being given to the other trustees.

## **9 Chairman**

The President of the Lions Club shall be chairman of the meetings of the Trustees. If the chairman is not present within ten minutes after the time appointed for holding a meeting or there is no chairman the Trustees present shall choose one of their number to be chairman of the meeting.

## **10 Special meetings**

A special meeting may be called at any time by the chairman or any two trustees upon not less than four days' notice being given to the other trustees of the matters to be discussed. A special meeting may be called to take place immediately after or before an ordinary meeting.

## **11 Quorum**

There shall be a quorum when at least three trustees are present at a meeting.

## **12 Voting**

Every matter shall be determined by a majority of votes of the Trustees present and voting on the question. The chairman of the meeting shall have a casting vote whether he has or has not voted previously on the same question but no trustee in any other circumstances shall give more than one vote.

### **13 Minutes**

The trustees shall keep minutes, in books kept for the purpose, of the proceedings at their meetings.

### **14 Accounts**

The Trustees shall comply with their obligations under the Charities Act 1993 (or any statutory re-enactment or modification of that Act) with regard to:

14.1 the keeping of accounting records for the Charity;

14.2 the preparation of annual statements of account for the Charity;

14.3 the auditing or independent examination of the statements of account of the Charity; and

14.4 the transmission of the statements of account of the Charity to the Commissioners.

### **15 Annual Report**

The Trustees shall comply with their obligations under the Charities Act 1993 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual report and its transmission to the Commissioners.

### **16 Annual Return**

The Trustees shall comply with their obligations under the Charities Act 1993 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual return and its transmission to the Commissioners.

### **17 General power to make regulations**

Within the limits of this deed the Trustees shall have full power from time to time to make regulations for the management of the Charity and for the conduct of their business, including the calling of meetings, the deposit of money at a bank and the custody of documents.

### **18 Bank account**

Any bank account in which any part of the trust fund is deposited shall be operated by the Trustees and shall be held in the name of the Charity. All cheques and orders for the payment of money from such account shall be signed by at least two trustees.

### **19 Trustees not to be personally interested**

19.1 Subject to the provisions of clause 19.2, no trustee shall acquire any interest in property belonging to the Charity (otherwise than as a trustee for the Charity) or receive remuneration or be interested (otherwise than as a trustee) in any contract entered into by the Trustees).

19.2 Any trustee who is a solicitor, accountant or other person engaged in any profession may charge and be paid all the usual professional charges for business done by him or his firm when instructed by the other trustees to act in a professional capacity on behalf of the Charity: Provided that at no time shall a majority of the trustees benefit under this provision and that a trustee shall withdraw from any meeting of the trustees at which his own instruction or remuneration, or that of his firm, is under discussion.

## **20 Management of land**

Subject to any consents which may be required by law, the trustees shall either sell or let any land belonging to the Charity which is not required to be retained or occupied in furtherance of the objects.

## **21 Repair and insurance**

The trustees shall keep in repair and insure to their full value against fire and other usual risks all the buildings of the Charity and shall also insure suitably in respect of public liability.

## **22 Amendment of Trust Deed**

22.1 The Trustees may amend the provisions of this deed, provided that:

22.1.1. no amendment may be made which has the effect of the charity ceasing to be a charity at law and

22.1.2. any amendment must be approved by resolution of a Lions Club meeting and at least fourteen days notice of such resolution must be given to all members of the Lions Club.

22.2. Any amendment shall be made by deed by the Trustees.

22.3. The Trustees should promptly send to the Commissioners a copy of any amendment made under this clause.

## **23 Trustees Indemnity**

In the execution of the trusts and powers of this deed no Trustee shall be liable for any loss to the Charity arising by reason of any improper investment made in good faith (so long as he shall have sought professional advice before making such investment) or any mistake or omission made in good faith by him or any other Trustee or any other matter other than wilful and individual fraud wrongdoing or wrongful omission on the part of the Trustee who is sought to be made liable.

## **24 Failure of Trusts**

In the event of the failure of the trusts of this deed any assets remaining after satisfaction of the debts and liabilities of the charity shall not be paid to or distributed among the Trustees but shall be given to such other charitable institution or institution having objects similar to those of the charity as the Trustees shall

decide.

**IN WITNESS** whereof the parties hereto have hereunto set their respective hands the day and year first before written.

**SIGNED AS A DEED** by the said

in the presence of:

Witness' name:

Witness' address:

**SIGNED AS A DEED** by the said

in the presence of:

Witness' name:

Witness' address:

**SIGNED AS A DEED** by the said

in the presence of:

Witness' name:

Witness' address:

## **TRUSTEES INDEMNITY - LIONS TRUST DEED**

The following resolution should be passed by your Club to indemnify the Trustees of the Club Trust Fund from any personal liability. The resolution should be noted in full in the minute book.

"IT IS RESOLVED that this Lions club shall indemnify the Trustees from time to time of the Lions Club Charitable Trust Fund from and against all claims, demands, damages and obligations made against them arising out of any act or omission carried out in good faith on behalf of the said Trust Fund PROVIDED THAT where required by the Trust Deed or any amendment thereof such act or omission had been duly approved by this Club in accordance with such provisions"

A copy of the resolution signed by the Secretary should be given to each Trustee in the following format:

*[set out resolution as passed]*

I hereby certify that a resolution in the above terms was passed by this Lions club at a duly constituted meeting of this club on the                    day of                    19   .

Signed:

Secretary

# **MEMORANDUM OF APPOINTMENT**

## **of new Trustees under S.83 Charities Act 1993**

**MEMORANDUM** of the choice and appointment of new Trustees of

Lions Club Charitable Trust Fund ('the Charitable Trust') being the charity comprised in a declaration of trust made the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_ ) by a resolution passed at a meeting of the

Lions Club ('the Lions Club') duly convened constituted and held for that purpose on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_ at \_\_\_\_\_ .

**WHEREBY IT IS DECLARED** that the persons named below were discharged from the office of trustee of the Charitable Trust or were chosen and appointed to be new trustees of the Charitable Trust respectively.

1. Names of Trustees discharged from office

Name:  
Address:  
Reason for Discharge:

Name:  
Address:  
Reason for Discharge:

Name:  
Address:  
Reason for Discharge:

2. Names of Continuing Trustees

Name:  
Address:

Name:  
Address:

Name:  
Address:

3. Names of New Trustees

Name:  
Address:

