

# Unincorporated Organisations

Unincorporated organisations are associations of people (the members) coming together to achieve the objects detailed in the constitution. The members elect the Management Committee to run the Association under the terms of the constitution. Associations undertaking charitable activities can register as charities with OSCR, known as charitable associations.

## Pros

- Cost nothing to establish, and very quick to set up (exists as soon as the members agree and the constitution is signed)
- No other agency need become involved (unless you are applying to be a charity)
- Not governed by any outside body - (except funders, and if you are a charity, then OSCR)
- Democratic constitution

## Cons

- Associations have no legal existence in their own right. Assets are held in the name of the individuals signing the bank account, constitution etc. These individuals are deemed to be holding them on trust on behalf of everyone who will benefit from the objects of the organisation.
- When there is a change of members, there is a need to change signatories etc, which can cost time and money, in terms of administration
- Members of the committee can be held personally liable for any obligations and debts incurred by the organisation
- Difficult to borrow money, unless individuals do so on behalf of the Association. Those individuals then become liable for the repayment of that money.

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