



To form a non-profit association



Are you forming a non-profit association in
Gotland, Sweden?
Read this information.

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ASSOCIATION

MEANING: Federation of persons (1. Groups of people) for the procurement 1. The assertion of certain common interests 1. For the exercise of certain activities.

Source: Swedish Academy Dictionary

Why form an association?

To get in touch with people with common interests you can join an established association that carries out the activities you're interested in. If the association doesn't exist or the activities in existing associations are not designed the way you wish, you can form your own association. You can of course conduct these activities without being an association, but there are advantages to conducting activities in an association.



You should remember that since you form a new association you commit to responsibilities in administrative and organizational tasks. Sometimes it will feel boring and industrious. But forming a new association is also the beginning to an amusing, rewarding and educational time in your life.

The main reason for the formation would be that the association is a legal entity, the association can own assets and take financial responsibilities. It can also be party in an agreement and may appear as a party before the courts and authorities. Please note: A legal entity can be bankrupt. It's the legal entity, the association, who accounts for the relations that arise within the association. The board of directors can be personally responsible only if they don't carry out their mission properly.

Individuals are basically free of personal economic liability.



It is very important that the representatives of the association have fundamental knowledge of legal terms in this subject!

What is required?

In short, it merely requires that you decide to form an association, adopt a name, choose a board and adopt bylaws/statute. The statute is the "game rules" for the association. If the association is joining a national organization, the national organization usually can provide with their basic statutes.

If you choose not to join a national organization, Kultur- och fritidsförvaltningen can provide some examples of basic statutes for you to work with. There are some certain headers that is fixed in the statutes to maintain the democracy.

There's is no minimum of persons to form an association. But to form an economic association requires at least three persons. Theoretical you can be just three people, but in practice you will probably require more people to carry out the responsibility and tasks within the board.



Preparations

Contact the possible national organization that you will join. Gather the initiators and prepare the formation meeting with suggestions of board assignments, statues and an agenda.

Summon people by advertising in the newspaper or in another community, that the association is about to be formed. All people should be able to come. Basically, you cannot shut anyone out in the name of democracy.

Formation meeting

Following agenda is to recommend in the formation meeting:

§ 1 Opening of the meeting

Someone of the initiators greets the attendance welcome, briefly tells the background story and the purpose of the meeting and introduce all the people who have been working with the preparations.

§ 2 Determination of attendance/Electoral register

Make a list of all the attendances names. It can be used as an electoral register in case voting is required. The attendance list is always an appendix to the formation meeting protocol.

§ 3 Approval of agenda

The agenda is recited for approval of the assembly.

§ 4 Election of president for the meeting

A moderator is elected to lead the meeting.

§ 5 Election of secretary for the meeting

A secretary is elected to take notes of this first formation meeting.

§ 6 Election of two adjusters, vote counters

The adjusters check, adjust and certify the contence of the protocol. They also do the vote counting if that's required.

§ 7 Information from the initiators

Give information about the preparations.

§ 8 Question of formation of association

Ask the assembly if they agrees to form the association. Note the statement of the assembly clearly in the protocol.

§ 9 Determination of the name

Share all name suggestions. The name should associate with the activity or the purpose.

§ 10 Determination of statues

Go through the suggestion of statues that is prepared. Go through the sections and approve them one by one. Note the statement of the assembly clearly in the protocol.

§ 11 Joining national organization

Make a formal decision about applying for affiliation to national organization.

§ 12 Determination of membership fee

Decide the annual memeberhip fee for the next fiscal year.

§ 13 Election of interim board

Elect a president and due to the statues the board members and substitutes for the time till next and the first annual meeting.

§ 14 Election of accountants

Elect two accountants. They are not allowed in the board because they are to review the boards administration, management and accounts.

§ 15 Election of nominators

As a suggestion designate three persons, one convenor. The nominators prepare the election of names to the board and other functions to the annual meeting. The nominators are not allowed in the board.

§ 16 Other errands

For example, elect a committee for administration tasks or activity tasks.

§ 17 Discuss a businessplan

Initiators inform of the plan of coming activities.

§ 18 Other questions

No financial issues can be determined under this section. Financial errands has always an own section in the agenda. Under this section you could decide when the next board meeting or membership meeting should take place.

§ 19 The closure of the meeting

The new interim board president closures the meeting

When the meeting has worked through all these sections on the agenda and when the protocol is ready and adjusted, the association is formally formed, provided § 8-10 is clarified in the protocol.

The board

The board elected at the formation meeting is called interim board because it is just a temporary solution until the annual meeting due to the statutes. The interim board works mainly with start-up issues and the term of office can vary due to the time of the year the association was formed and the statutes content.

The first board meeting – statutory meeting

At the first board meeting after the formation meeting, the board shall, like after every annual meeting, constitute their assignments and designate the signatories. *This is an important meeting which always results in a protocol of its own.*



To constitute means to organize yourself. Who do what within the board. You assign the mission of the cashier, the secretary, the signatories and other missions the board might have. There's no obstacles that one person have more than one mission. But recommendation is to distribute the work so individuals don't get overloaded.

Signatories mean one or two individuals in the board who have the legal right to sign financial documents in the name of the association. This is needed for the association to open an account at the bank. The bank, your national organization and the tax office require three documents that proves the existence of the association. Those three documents are: the statutes, the protocol from the formation meeting and the protocol from constitution.



The first annual meeting

At the first annual meeting the permanent board is elected for the term of office. The most common way is to elect the chairman and half of the board members for a period of one year and the other half for a period of two years. At the next annual meeting new election is required of half of the board members. With this procedure you keep some competence in the board all the time and avoid a total change of board members.

All errands, sections at the annual meeting is required to be in the statutes

Board responsibilities

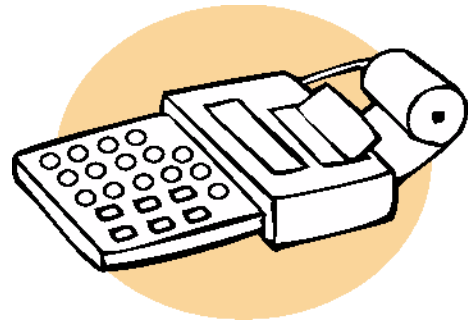
The election at the annual meeting is a confidence from the other members to run the association. The board is all together the representatives for the association and the members.

The task is to run the association due to laws and rules in the society and the statues. The task is also to conduct the decisions from the annual meeting and the activity plan. The board is responsible to administer the means and to be transparent with all documents and the accounts to the elected accountants. The board has to prepare the annual meeting where all members are welcome. It is up to each member of the board to conduct the tasks correctly, loyal and considerate. *If a board member doesn't correspond to what's required he/she could be personally responsible for the damages.*

Membership directory

The members is the association, a membership directory is therefore required. The membership directory ought to contain full name, address, when last membership was paid and date of birth.

It is very important to keep a revised directory of members. Associations who are eligible a financial support from, for example, Region Gotland has to declare for their members. Sometimes in the application and sometimes when it's requested.



Financial Accounting

Because small and large associations manage finances, you have to, right from the start get a good way to handle your economy. To recommend is a book-keeping system of some sort. So you easily can present and be reviewed.

It's the task of the board to present before the members, National Associations, tax office and the municipality as Region Gotland accounting and report of the activities in a correct and easily understood way. Use earnings and balance sheet. *Earnings sheet* is the compilation of incoming and outgoing money. *Balance sheet* is the compilation of the association's assets and liabilities.

To make it easier it's recommended to use calendar year as the financial fiscal year. (1 jan - 31 dec)

Help and advice

To get advice and help before forming your association you can contact Region Gotland and Kultur- och fritidsförvaltningen or to your district- or national organization.

Region Gotland and Sweden

The Nordic Countries are well known for the way of conducting activities in organizations like non-profit associations. The associations make a great bearing in society. To be a member in an association is a good way into the society and learn to know people. In general each person in Gotland has a membership or engagement in at least five different associations of some kind. To work within a non-profit association is common and takes a great part of our community. It has become a sector, a movement that we in Sweden call “Föreningslivet”

We at the culture- and leisure department can help you with questions when you are about to form an association. But we recommend to look for an association that you can join and maybe be a part in its development before you decide to start a new association. Region Gotland has a Directory of associations to search in. www.gotland.se/foreningsregister

Contact Culture- and leisure department, Region gotland

Association advicer

tfn. 0498-26 96 76

e-post: forening@gotland.se

Culture developer

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Bankgiro 339-8328

Postgiro 18 97 50-3



Lexicon

Accountant	Revisor
Agenda	Dagordning
Annual meeting	Årsmöte
Association, federation	Förening
Balance sheet	Balansräkning
Board meeting	Styrelsemöte
Business plan	Verksamhetsplan
Community	Samhälle
Compilation	Sammanställning
Conducting activities	Utföra verksamhet
Convenor	Sammankallande
Corporate identity	Organisationsnummer
Designate	Utse
Directory	Register
Earning sheet	Resultaträkning
Eligible	Berättigad
Errands	Ärenden
Fiscal year	Verksamhetsår
Fiscal year	Budgetår
Formation meeting	Bildandemöte
Legal entity	Juridisk person
Liability	Ansvar
Membership directory	Medlemsmatrikel
Movement	Rörelse
Municipal	Kommunal
National organization	Riksorganisation
Nominators	Valberedning
President	Ordförande
Represent	Föerträder
Section	Punkt i protokoll
Sector	Branch
Signatory	Firmatecknare
Split financial year	Brutet räkenskapsår
Statues (bylaws)	Stadgar
Tax Office	Skatteverket
Term of office	Mandatperiod

Checklist

- Association idea**
You and your friends have a common activity on a voluntary basis, but the activities have some costs. You need an organized management of the cash around your common activity. The idea with an association is just a democratic way to organize it.
- Statues (Document no 1)**
Work through some statues that fits your association. The statue shows how your association is based. A new board should be able to read the statues and know exactly how the association should be run.
Remember: the statues are the members' rights and the boards' guideline.
- Formation meeting (Document no 2)**
1st meeting. In the protocol: Date, attendants, description of the main purpose, decision that shows "this association adopt this statues", signed by minimum two attendants.
- Statutory meeting (Document no 3)**
2nd meeting. This document describes the constitution - who does what on the board and who are the signatories. In the protocol: Date, constitution of the board with names and roles, the signatories' names and date of birth number and their signatures. Signed by two attendants. This protocol proves that the signatories have the trust of the account.
- Statues, Formation meeting, Statutory meeting**
NOW YOU HAVE FORMED YOUR ASSOCIATION! You have three documents. All these signed documents proves your association. Make copies – always keep the originals.
- Apply for registration with Tax Office**
Send your application along with your three documents to register your association to get a corporate identity (**organisationsnummer**)
- Apply for an account at the bank**
Go to the bank, bring these three documents to open an account (**kontonummer**) for your association.
- Register at your National Association**
If you have a National Association to join, bring these three documents along with the application.
- Apply for registration at Culture- and leisure department**
With a registration at Kultur- och fritidsförvaltningen you will be shown in the Directory of associations and you will be entitled to apply for contributions or rent facilities to a subsidized price.