

Change of Member: A Model Checklist for Charity Secretaries in Companies Limited by Guarantee

Overall Purpose

This Guidance Note offers an outline to the charity secretary of a charitable company limited by guarantee of the information that should be considered when dealing with a change of member, who is also a director; as such it is a generic document for charities to amend to suit their needs.

This document should be read in conjunction with ICSA Guidance Note 070616 – *A Model Checklist for a Change of Director*.

Readers are reminded that the director/member of a charitable company limited by guarantee is likely to be different to those organisations that operate a membership function to beneficiaries and supporters. Each type of member has a different role to play in the charitable company, with the director/member having to fulfil statutory requirements under company law.¹

Change of Member

- To admit a new member to the register of a guarantee company, the prospective member should sign a form of written consent to become a member. Alternatively, some Articles also provide for new members to be admitted by signing the register of members. Either way, this provides a written acknowledgement of the guarantee given under the constitution of the company.
- Any other requirements of the Articles and rules made from time to time for the admission of members should also be complied with. This may require evidence to be provided of ownership of a flat in a given block or of active participation in a particular sport or of support for the aims of a charitable company. It will usually require approval of the admission by the board, or, through delegated authority, by a committee of the board.
- The member's name, address and the date of registration should then be entered in the register of members.
- A membership certificate, where these are used, should be prepared, executed by two officers of the company (or as otherwise prescribed) and issued to the member.
- To remove a member, either a resignation should be received in a form acceptable to the directors or some event prescribed by the Articles should be proven to have taken place.
- Once the board or empowered committee decides to remove the member or accept the resignation, this should be entered promptly in the register together with the date on which membership ceased. The last item is very relevant because the former member remains liable under the guarantee for a year after membership ceases.

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¹ For detailed information on the difference between these two groups of members, please refer to the *ICSA Best Practice Guide to Companies Limited by Guarantee*.

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