

## **Jesmond Library – Different types of Members**

Anyone wishing to borrow a book from Jesmond Library has to become a member of the library. By the end of March 2014 there were 693 members of the library - by now there will be quite a few more.

The "Friends of Jesmond Library" is a charitable company set up to run the library. It is both a limited company, registered with Companies House, and a registered charity, registered with the Charity Commission.

There are a number of very important reasons for becoming a charitable company, such as enabling the "Friends" to enter into legally binding contracts with the Council and others, and to reclaim Gift Aid from HMRC, and to limit the personal liability of the trustees, should we ever be forced into liquidation.

In order to obtain the approval of both Companies House and the Charity Commission the "Friends" has to have formal "Articles of Association" approved by both bodies. The simplest way of achieving this in a short time is to follow the model Articles published by the Charity Commission, which we therefore did, achieving formal approval in a few weeks and enabling us to negotiate formally with the Council, open a bank account, reclaim Gift Aid etc.

The model articles published by the Charity Commission define the role of "members of the company", giving them a legal status in running the company. The articles also establish the role of the directors of the company (also known as the trustees) and makes it clear that all members of the company have to have their membership approved by the directors.

The model articles published by the Charity Commission also make it clear that only members of the company are entitled to

vote at general meetings or annual general meetings. In the example of the Friends of Library it would be completely impractical and unnecessary for all people wishing to borrow a book (ie the members of the library) to also become formal "members of the company".

Nevertheless the trustees deliberately decided to hold an open public meeting last night, in order to invite as many people as possible to come and hear about our first year, and give us feedback. Because only the members of the company were eligible to vote, we got that part of the meeting over quickly, in private, rather than force everyone else to sit and watch. We also wanted to devote as much time as possible to the open and non-legal discussion, rather than the fairly boring legal requirements.

Our use of the term "Founder Members" as part of our fund-raising strategy may also have caused confusion. The role of Founder Members has been extremely important in providing us with substantial initial capital, but we have never asked the Founder Members to go through a formal approval process and become "members of the company". Given that we now have well over 200 Founder Members, it would also be impractical for us to ask all Founder Members to become "members of the company" in a legal sense. Nevertheless, out of courtesy and recognising the importance of their generosity, we did invite all the Founder Members to last night's meeting.

**To summarise - Jesmond Library has three types of "member": "members of the library" who sign up to borrow books; "founder members" who very generously gave us the funding needed to reopen the library; and "members of the charitable company, the "Friends of Jesmond Library" " who have a specific role set out in the articles of the company. All three groups were invited to last night's public meeting, but only the latter would have been legally allowed to vote on**

**formal resolutions.**

Chris Clarke

Company Secretary, Friends of Jesmond Library