**Owners' Association Sample Constitution**

**Model Constitution of the XXXXXXX Association**

**1. Name**

The name of the Association shall be The [*Property Address*] Owners' Association.

**2. Objectives**

The objectives of the Association are as follows:

* To promote and protect the interests of all owners at [*property address*] on matters concerning the management and maintenance of the building and the immediate area around it.
* To ensure that every resident within the building, including owners and tenants, has an equal opportunity to become involved in the Association and its work.
* To promote a positive community spirit within [*property address*].
* To establish a Maintenance Account to hold monies in advance of communal repairs and to make regulations governing expenditure from that account.
* To establish a Building Reserve Fund to hold monies for future major repairs and improvements and to make regulations governing expenditure from that account.

**3. Membership**

1. Membership shall be open to all owners of properties at [*property address*].
2. All members must be aged 16 or over.
3. Membership shall cease on sale of property or end of tenancy as appropriate.

**4. Subscriptions**

1. Each member of the Association shall pay an annual fee of *£X* due on the [*date*] each year.
2. The annual fee will be reviewed at each AGM.
3. The fee will cover the administration and running costs of the Association. There will also be a voluntary donation policy.

**5. Committee**

1. A committee shall be elected at the Annual General Meeting (AGM) and shall serve a full 12 month term.
2. The committee shall consist of at least *three*members, who shall have the power to co-opt other members onto the committee during the course of the year.  All committee members shall have voting rights.
3. The committee shall elect from within their number the following office bearers: Chairperson, (*Vice-chairperson*,) Secretary, *(Vice-secretary*), Treasurer *and (Vice-treasurer).*
4. The committee and office bearers shall make and carry out decisions in accordance with the objectives of the Association.
5. Meetings of the committee shall be open to any member of the Association who wishes to attend.
6. There must be at least three of the committee members present for any decision to be made at a committee meeting.
7. The property manager may attend committee meetings as and when invited by the committee.
8. Committee members can be voted off if they have not attended three consecutive meetings without good reason and have not submitted their apologies.
9. Committee members must declare any interest they may have in the topic under discussion and the committee shall decide if they need to forfeit their right to vote on that matter.

**6. Conduct of Committee Meetings**

1. Committee members may only speak through the Chair.
2. Decisions shall be agreed by a simple majority, voted in through a show of hands, or a secret ballot.
3. Any offensive behaviour, including racist, sexist, ageist, homophobic or other inflammatory remarks shall not be permitted.
4. Any committee member who brings the Association into disrepute or refuses to comply with the constitution shall be expelled on the majority vote of the full committee.
5. The Secretary shall deal with all correspondence.
6. Agenda shall be distributed to the membership at least four days before a meeting, where possible. Items for the agenda should be forwarded to the Secretary and Chair at least seven days before the meeting, where possible.
7. Minutes shall be distributed to all members as soon as possible after a meeting. Minutes may be sent via post, hand delivery or electronic communication.

**7. Finances**

1. The Association may raise funds by obtaining grants from other bodies or by fundraising schemes. All money raised by or on behalf of the Association shall be applied to further its objectives.
2. All funds shall be kept in a bank account that shall be opened in the name of the Association.
3. The Secretary, Treasurer, and Chairperson shall be signatories on the account and all cheques shall require two of these signatories.
4. Accounts shall be kept by the Treasurer, and brought to every committee meeting where they may be inspected.  Failure to bring the books to a meeting on three consecutive occasions shall mean the Treasurer be asked to resign.
5. All expenditure shall be agreed and controlled by the committee. Receipts are required for all expenditure over *£5*.
6. No officer shall sign a blank cheque. All cheques shall be filled in before signatures are added.
7. Once a year, the accounts shall be audited and presented to the Annual General Meeting of the Association. The auditors shall be an appropriately qualified or experienced independent body.
8. All correspondence of the Association, including the bank statement, shall be addressed to the Secretary.

**8. General Meetings (including Special or Emergency Meetings)**

1. General meetings for all members of the Association shall be held regularly to discuss matters and to keep members fully informed of the Association's activities.
2. Members shall be given at least 14 days notice of a general meeting.
3. Members who are unable to attend the meeting may apply to the committee to join the meeting via telephone or other electronic means. Application must be made to the Secretary at least seven days before the meeting. The minutes must record how members joined the meeting and which agenda items they took part in.
4. All votes shall be decided by a simple majority of the members present. This applies to all general meetings of the Association.
5. Any member, having the written support of one third or more other members, may request the committee to call a Special General Meeting of the Association. The committee shall call the Special General Meeting within 21 days of receiving this request.

**9. Annual General Meeting**

1. An AGM shall be held every year to discuss the activities of the Association, to receive the audited accounts, and to elect the committee.
2. The AGM shall be held at a suitable venue to accommodate as many members as possible.
3. The quorum shall be one third of the membership. All votes shall be decided by a simple majority of the members present. This applies to all general meetings of the Association.
4. At least 28 days notice shall be given to members of the AGM.
5. At the AGM the resignation of all committee members shall be accepted and a new committee elected.

**10. Changes to the Constitution and regulations**

1. This constitution and any regulations governing operation of any accounts shall only be changed at a Special General Meeting of the Association or at the AGM.
2. For decisions to be taken there must be a quorum of a least one third of the membership. The voting shall be by a simple majority of members present.
3. For a Special General Meeting, all members shall be given 14 days notice of the meeting and the proposed changes.
4. For an AGM, proposed changes must be submitted to the Secretary in writing not less than 28 days before the AGM. The Secretary must notify members of any proposed changes 21 days prior to the AGM.
5. No changes to the regulations governing the Maintenance or Building Reserve Fund shall result in the operation of the account breaching any relevant legislation including the Tenements (Scotland) Act 2004 and any successor legislation.

**11. Dissolution of the Association**

1. The Association may only be dissolved by a Special General Meeting called for that purpose. Such a meeting shall come about following a proposal in writing signed by a simple majority of those remaining on the committee being submitted to the Secretary.
2. All members shall be informed of such a meeting at least 21 days before the date of the meeting.
3. Dissolution of the group shall only take effect if agreed by two thirds of the members present and voting at the meeting.
4. *Option: Any assets remaining after meeting liabilities must be distributed among local charities or other community groups with similar aims to the Association and nominated by the meeting.*
5. *Option: Any assets remaining after meeting liabilities must be distributed among existing members in proportion to the numbers of years they have paid subscriptions.*
6. Any money received via funding bodies should be returned to the funders in relation to the funding criteria.
7. On dissolution, any documents belonging to the Association shall be disposed of in a manner agreed by that meeting.

**12. Adoption**

This constitution was adopted by members at a General Meeting of the XXXXX Owners Association on [Date] and formally adopted at the subsequent committee meeting held on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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| --- | --- | --- | --- |
|   | Signed | Print name |   |
| Chairperson |   |   |   |
| Secretary |   |   |   |
| Treasurer |   |   |   |

**Regulations governing operation of the Maintenance Account**

**The Account**

These regulations will govern any account where owners deposit a sum exceeding £100 in any single payment or £200 within any calendar year.

**General rules**

The maintenance account must be a bank or building society account which is interest bearing, and the authority of at least two persons, or of a manager on whom has been conferred the right to give authority, must be required for any payment from it.

Money in the maintenance account is held in trust for all the depositors, for the purpose of being used as payment for the maintenance.

The Association may make a majority decision authorising a manager or at least two other persons (whether or not owners) to operate the maintenance account on behalf of the owners.

**Payments to the account**

The Association will give written notice with a minimum period of one calendar month of any sums required to be paid into the Account.

The notice must give:

Details of work proposed:

* details of the proposed maintenance and why it is required
* the estimated cost of carrying out that maintenance
* why the estimate is considered a reasonable estimate
* the date on which the decision to carry out the maintenance was made and the names of those by whom it was made
* a timetable for the carrying out of the maintenance, including the dates by which it is proposed the maintenance will be started and completed

Where the money is required to maintain a float, the amount requested must have been agreed *by a majority of owners or according to the rules set out in the title deeds for (property address).*

Owners shares:

* how the sum required from each owner has been arrived at
* a statement of all owners shares

Details of the maintenance account:

* the location and number of the maintenance account
* the names and addresses of the persons who will be authorised to operate the account on behalf of the owners

Repayment arrangements:

* a refund date on which repayments will be made to contributing owners in the event the work does not go ahead
* any repayments made must include the appropriate share of any interest earned on the account
* details of arrangements for owners to make a written request for repayment of the sums paid in
* the Association is not required to make any repayment where the written notice is received after a contract to carry out the maintenance has been signed

Any changes to the information given above must be notified to all owners at the earliest opportunity.

Any owner is entitled to inspect, at any reasonable time:

* any tender received in connection with the maintenance to be carried out
* repayments from the Account after work is completed

Any money held in the maintenance account, including interest, after all payments in respect of the maintenance carried out have been paid will either:

* be shared among owners according to their shares and the amount they have paid in or
* if agreed in writing, retained in the account as a float