



CREATING AND MANAGING AN ASSOCIATION

ASSOCIATION FOR PROMOTING ENTREPRENEURSHIP
AND EDUCATION (APEE)

INTRODUCTION

In every society, each individual (or group of individuals) always needs his/her fellows to live harmoniously and achieve their goals. Therefore, he/she absolutely needs to associate. The fact of associating should be part of the desire to pursue a common goal with other people, whether physical or moral. This is the principle of "intuitu personae" which means "depending on the other". This collaboration must be the *raison d'être* of the future business, especially when it comes at the time of creation. In this case, the different stakeholders develop the business plan together. Associating often comes down to sharing decisions and outcomes, whether positive or negative. At launch, exchanging ideas with a Partner Can enhance creativity. Indeed, an association brings together women and men, happy to meet, beyond their differences; happy to forge new social ties, and quite simply to come together united by the same passion; happy to bring the best of themselves, whether it's practicing a sport, sharing an art, culture, helping the underprivileged, getting out of solitude, protecting the environment, communicating, exchanging, ... or quite simply reinventing "living together" in a meaningless society. Partnering for a purpose other than profit is a breath of fresh air in a world where being successful in life is too often confused with being successful in life. Spectators of a world that ignores them many, regardless of their age, find with the association a new lease of life ... and sometimes even the humanity they lacked.

In this world where everything seems to escape us, an association - the cement of social cohesion - gives hope to build a different society which is stronger in terms of its differences, more tolerant and united. To create an association is to plant the seeds of a more altruistic, united, and responsible society; the one we will leave to future generations. Because it is an integral part of social life and has its roots in people, the association deserves to be encouraged to find its true dimension in a divided world where everyone aspires to more unity and brotherhood.

The overall objective of this module is to train dummies on how to create and manage an association. Thus, it is divided into 6 essential parts where each part contains chapters and sub chapters.

PART ONE: CREATING AN ASSOCIATION: EMPLOYMENT MODEL

This part deals with the principles of project choice. After acknowledging the basics (notions, elementary knowledge) of creating an association, one has to proceed with two stages: writing the statutes and declare the association to the ministry having in its attributions the character of his/her association in order to obtain accreditation.

I. WHY CHOOSING ASSOCIATION?

1.1. Association or commercial company?

There is a difference between association and a commercial company. For this, it becomes necessary to distinguish the two before integrating one or the other since the choice between the two is also significant. Indeed, if your goal is to make a profit in order to share it, you will turn to the commercial company which consists of sharing the profits gained. On the contrary, an association cannot

redistribute the profits to its members. Rather, they meet for a purpose other than that and any profits are reinvested in the pursuit of an associative project.

1.2. Association or EIG (Economic Interest Group)?

An association also differs from the Economic Interest Group (EIG) in that an EIG aims at facilitating and developing the economic activity of its members. In addition, members of an EIG have access to debt unlike members of an association.

1.3. Association or Union?

An association and the union are also different but have one thing in common: defending the professional interests of members. However, the union remains the most suitable form of defending the professional interests of its members. In addition, an association can have the most varied objectives except that of defending Professional interests while the union has only one objective: that of defending the Professional interests of its members.

1.4. Association or Foundation?

For a long time, foundations and associations were confused because both are dedicated to the non-profit interest, and it was not until 1987 that the word *foundation* appeared in French law. Today their characteristics are very different:

- While an association is the grouping of several people with the will to act together around a common objective, a foundation exists by the irrevocable allocation of goods for the realization of a work of general interest. A foundation is private money made available for a public cause.
- If both are necessarily non-profit, the association can defend the interests of an organized group (former students of a school, environmental defenders, etc.), while the foundation is an institution dedicated to the general interest, the supervision of the State is there as the guarantor of the public utility.
- The association disappears with the dispersion of its members, while the foundation can outlive on its founder (s).
- Administration is very different: an association has by nature a democratic functioning (decisions are taken by the general assembly of its members, during which each member has one vote), while the foundation has a governance based on a board of directors which makes the decisions.

1.5. An association recognized as public utility

It is a declared and published association with a mission of general interest, particularly in the philanthropic, social, health, educational, scientific and cultural fields.

To receive this title in Burundi, an association must be at least five years old, with significant achievements in areas of public utility. (Association law in Burundi, in its article 3, line 6)

1.6. The non-profit association

A non-profit association is a grouping of at least two people, who decide to put resources together in order to carry out an activity with a primary goal other than their personal enrichment. The disinterested nature of the activity therefore prohibits the distribution of a profit to the partners. But it

does not imply that the activity is non-commercial, or that it is in deficit: the object of the association can therefore be commercial (such as the distribution of fair trade products) and the budget surplus can serve the development of the association.

I.6.1. The request for recognition

Any association wishing to work on Burundian territory must register. The request for recognition should be sent to the Ministry of Interior and must be accompanied by the following documents certified sincere and true by the signatories of the request, in duplicate:

- The statutes of the organization;
- The extract from the deliberation of the general meeting authorizing the request for recognition of public utility.
- The list of members of the association with the indication of their age, nationality, profession and domicile;
- Etc.

1.6.2. Annual report of associations

Each association is required to draw up an annual report. This is required by the associative law in Burundi in its article 27.

II. FROM THE IDEA TO THE CREATION OF AN ASSOCIATION: SOME TERGIVERSATIONS

Introduction

From reflection to idea, from idea to name and then to the headquarters of the association, the promoter of the association is gradually giving shape to his work.

2.1. Anyone can create an association

Anyone aged 16 and over can create an association. No nationality condition is required. So even a foreigner can found an association with its headquarters in Burundi. In addition, people under the protection of justice, a minor under 16, authorized by his legal representative, a person deprived of his civil rights have the right to create an association.

2.2. The purpose of the association

To choose the object of the association or its goal, the founder is free, but this object must not be illegal or contrary to the laws and morality. The illegality is assessed not only with regard to the statutory purpose of the association but also with regard to its real activity.

2.3. Two people, that's all ...

To create an association, two people are enough. This does not mean that an association is made by two people only, but it does mean that from two people it can be called an association. It should be noted that availability, enthusiasm, flexibility of character are qualities of great importance to the people composing an association for its good functionality. In addition, these people must share the same vision and sense of teamwork. Of course, no one is perfect, but you can learn these qualities. You just have to put your own money into it. Therefore, the association is a space of mutual development where each one improves upon contact with others.

2.4. Name

Regarding the name of the association, you are not bound by the name "association". You can however find any other name of your choice, for example: club, circle, friendly, etc. it should be emphasized that the association's declaration is sufficient to protect its name provided it is original.

2.5. The head office: spoiled for choice

By headquarters, we mean the physical address of the association or the environment in which your association is located. The head office can be in premises rented or belonging to the association, or in a domiciliation company. It can also be located at a member's home, at the address of premises provided by a public authority.

III. DRAFTING THE STATUTES, WRITING THE INTERNAL REGULATIONS AND MEETING THE CONSTITUTIVE GENERAL ASSEMBLY

Introduction

It is essential to draft the statutes and internal regulations. This means: establishing a convention that all members will have to respect.

3.1. Drafting the statutes

Writing the statutes requires a given reflection and concentration to get a good start. That's why it's important to take your time. Sometimes, drafting the statutes is taken randomly. However, they are the foundations of the association because at any time, in all circumstances, to know what you can or must do, they are a resource and an essential reference to which you will turn to carry out your planned actions and you'll be glad you got it all planned. The statutes are indeed a "driving thread" throughout the life of the association and in many occasions that one does not expect. In addition, the rights and obligations of members become clear thanks to the statutes of associations.

When writing down statutes of your association, you have to paste them to your activities and your objectives. Be realistic and imaginative, see the association in several years. In addition, plan the

development of your association and anticipate problems to prepare safeguards. When drafting the articles of association, it is useful for everyone to ask themselves inconvenient questions in order to anticipate any disputes that may arise. So, without the solution having been considered, problems related to how to find a solution can be observed. A few questions should be asked before drafting the statutes: - What if the president, who is the only one present at the general meeting, is elected thanks to the mandates he holds?

-What if a member does not pay their membership fee?

- And if an accident occurs, is the association insured? Etc.

The statutes generally include the following main clauses:

- Name - object – head office - duration;
- Composition;
- Administration-operation;
- Resources;
- Existence of internal regulations;
- Dissolution.

a. Name (Denomination)

The name indication is the first article in the statutes of associations. However, you are not obliged to include "association" as name. So, it may well be called otherwise, for example: **friendly, league, club, institute, group, society, circle**, etc. for this end, you have to think carefully about the choice of the name because if you want to change it, you will then be forced to modify the statutes and make an amending declaration to the administration. In addition, the name plays a key role as it embodies strength and a goal to be achieved. It must therefore be parallel to the objective of the association.

b. Object

The purpose of the association must not be against the law and good morals. In making the object of your association, it is necessary to think about the activities you will carry out in the future to try to widen the space of your activities. It is undoubtedly necessary to provide a margin of maneuver which allows the leaders to have freedom of maneuver, otherwise the association risks of being stuck. It's good putting an end to the misconception that an association cannot exercise a lucrative activity. It's perfectly legal because you have to live well. On the other hand, nonprofit does not mean living on assistantship. An association is subjected of course to respect the tax legislation in particular, and it can exercise an economic activity precisely to finance its object. However, economic activities, such as sales (T-shirts, books, etc.), services, must be provided for in the statutes, even if they are reserved for members of the association only. Otherwise, the latter can be victim of penal and administrative sanctions.

c. The association's head office

The registered office of the association is a place, specified in the statutes, where the administrative direction of the association is located. It is usually the place where the meetings of the general

assembly and the administration council will take place, where correspondence is sent and where the archives are located.

An association can freely choose its head office. It can be fixed:

- In a room belonging to it,
- In a rented room,
- In premises made available to it by a public authority,
- At the home of one of its members,
- With a domiciliation company,
- Etc.

d. The duration of an association

The duration of an association depends on your will: it can be indefinite or cleared after a certain number of years or even when the goal is achieved. For example, an association whose object is the construction of a building will be dissolved for extinction of the corporate object upon completion of the construction.

If the association is for a fixed term, it automatically ends at the fixed term. In order to avoid its dissolution, you can, before the fixed date, extend the duration of the association according to the procedures required to amend the statutes.

e. The functioning of an association

According to the law of the 1st of July 1901, each association can choose its mode of operation as it wishes, and itself defines the rules which govern it. Therefore, it can operate horizontally, without the need to appoint a president, secretary and an accountant. Otherwise, the association's statutes (possibly supplemented by internal regulations) must mention these governing bodies, specifying their names, professions, nationality, domicile, roles and powers of the legal representative, etc.

There are three organs of the association:

- General assembly,
- Members of the administration council.
- And the office (president, vice, secretary, and accountant)

In principle, the functioning of an association is freely chosen by the founding members. Except for certain types of associations whose operating bodies and their attributions, as well as their legal representatives, are the subject of internal regulations or special provisions.

f. The dissolution of an association

Dissolution means the end of the life of association and it results in the liquidation of its assets. As in matters of society, it is a principle that the association survives on its own for the purposes of its liquidation. The capacity of the association after its dissolution is, however, limited to operations related to the liquidation, such as legal action, in order to collect debts. The association is automatically dissolved in certain specific cases:

- When the purpose for which it was established has been definitively achieved;
- When it is for a fixed period and this period has expired;
- When the association has only one member.

3.2. The internal regulation of an association

The internal regulation of an association is a document whose vocation is to specify the details of the functioning of the association, as well as the provisions which are susceptible to frequent modifications. It thus completes the statutes of the Association. This document supplements certain internal operating rules of the association, without having to modify the statutes. It also helps to avoid making the statutes too precise and changing them very often. To avoid subsequent conflicts, post it on the association's rooms and give one to each member upon joining.

In order for the Association's internal regulation to be valid, it must meet three conditions:

- It must be in accordance with the law and the statutes of the Association;
- It must be adopted under the conditions provided for by the statutes. If the statutes of the Association are silent on this subject, the internal regulation must be adopted by the General Assembly of the Association;
- Finally, the internal regulations must be given to all members of the Association.

In the end, it is necessary to provide in the statutes for the body which drafts and approves the internal regulations. The choice of this body is free, but it is better when it is the administration council.

a. The content of internal regulation

The content of the internal regulation must neither modify nor contradict the statutes of the association. In general, it specifies the following points:

- **Activities:** - operating rules of the association;
 - dates of meetings;
 - organization of an annual event and
 - activity schedules.
- **Members:** - different categories of association members (member founders, actives, sponsors, of honor, of right ...)

- the price of membership fees for each category of members;
 - payment of contributions (period, amount);
 - members' obligations and disciplinary sanctions, exclusion and delisting procedures.
- **The equipment:** - who can use it? when?

b. The value of internal regulation

The internal regulation has the same force as the statutes. This to say that its non-respect for the members becomes a fault which can be sanctioned. The rule of procedure concerns only the internal reports of the association and it is neither declared nor published. However, it can be changed by the approving body.

IV. ADMINISTRATIVE FORMALITIES

Introduction

The association is a space for freedom. The intervention of the administration is therefore reduced to its simplest expression: a declaration. A new association must therefore have a declaration of its existence to be administratively recognized. It should be noted that the declaration indicates the name, object, seat of the non-profit association as well as the names, professions, and residences of those responsible for its administration or direction. In addition, the declaration is made by the president of the constituent general assembly to the municipal administrator where the association has its office. A receipt is issued as soon as the file is complete.

4.1. The association's declaration

Once the statutes are drafted and approved, the difficult part is done. You then have to declare the association. The declaration is therefore an element containing the following points:

- The title of the association (its name) as well as its acronym if it has one;
- The purpose of the association;
- The address of the association's registered office;
- The date of the assembly that decided to create the association (if there is a constitutive assembly).

It should be noted that there is no time limit required to declare your association. But as long as it is not declared and it has not proceeded to the insertion in the official journal, it has no legal personality. If you have a website of your association, it must be mentioned in a declaration. There are also elements to attach to a declaration :

- A copy of the report of the constituent assembly (if there was a meeting) signed by at least one person in charge of administration and including the name and first name of the signatory;

- A copy of the statutes dated and signed by at least two of the persons indicated on the list of directors, their names, first names, function in the association being specified;
- A list of the people in charge of administration with the indication of their names, first names, professions, domiciles and nationalities
- A list of member associations (of a union or federation of associations).

PART TWO: RUNNING AN SOCIATION

To function, an association needs its members, leaders, assemblies. Complementary, all these vital organs fit together perfectly and act within a framework defined by the statutes and internal regulation. The association also needs a room to operate. Living forces, a common project, a roof, this is what is enough to make life more beautiful and better!

V. MEMBERS OF THE ASSOCIATION

5.1. The principle: freedom

The association freely determines the conditions of membership. And everyone is free to join or not to an association. Whoever chooses to be a member of an association, as in any contract, has rights, but he must also respect obligations.

5.2 An opportunity to live together

Members are the lifeblood of the association; they share the best they have. By pursuing a common goal, they learn to appreciate each other, to surpass themselves, to bring out what they have best and what everyday life has relegated to the background. The association gives members the opportunity to express their generosity, their altruism. So, the opportunity to live together.

5.3. Membership

a. Conditions

An association can freely set the conditions for membership. For example, new members can be asked to either complete the membership form or pay a membership fee. In other words, membership may be subject to certain conditions depending on the purpose of the association. Other conditions can be for example:

- ❖ An age limit;
- ❖ The practice of sport;
- ❖ The exercise of a specific profession;
- ❖ A certain quality (former student for example);
- ❖ Sponsorship (presentation by people who are already members);
- ❖ Approval by the administration council or the general assembly.

An association which requires specific conditions of membership is said to be closed, while other associations with general conditions of membership are said to be open.

It is good to specify in the statutes the conditions required to be a member of the association as well as those which concern each category of members. Also, the association is required to accept membership from anyone who meets the required conditions, which rules out any form of discrimination.

b. Categories of members

If the association has only one category of members, all have the same rights. In case there are several categories of members, the required conditions and the specifics for each category must then be defined.

As the association can have several categories of members, it is good to provide for them in the statutes by completing the conditions of each category in the internal regulation. The categories of association members that can be predefined are, for example:

- i. Founding members: physical or moral persons who freely decide to create an association,
- ii. Associate members: physical or moral persons who send their requests to the leaders of an association to become members, once approved by the general assembly;
- iii. Active members: those who pay a membership fee and participate in the activities of the association;
- iv. Benefactor members: those who provide financial support in addition to the normal contribution or those who pay a contribution higher than the one fixed.
- v. Honorary members: physical or moral persons to whom this status is given to support the activities of the association;
- vi. Supporting members: physical or moral persons who are not members of the association but contribute to the various activities of the association;
- vii. The “right” members: those who automatically become members because of their quality. These are, for example, representatives of a public authority. These are not subject to the procedure which the other members must comply with (sponsorship, subscription, etc.)

5.3. Rights

Members of an association have both rights and obligations. In fact, anyone is free to join and withdraw from an association of their choice. In addition, members have the right to demand compliance with the statutes, in particular the benefit of the services provided therein. In the event of refusal, the member may request the resolution of the contract in court. In return for their rights, members have obligations which are for example:

- Paying the membership fee;
- Respect the statutes and internal regulations Ultimately, non-compliance with obligations leads to the loss of membership.

5.4. Sanctions

The statutes or the internal regulations may provide for a range of sanctions (warning, suspension, temporary exclusion, etc.) depending on the errors committed. It is therefore important to clearly define each fault and to clearly specify the penalties applicable to each. It is important to know who is

imposing the sanctions. In fact, the body competent to impose sanctions is freely determined by the statutes or the internal regulations (e.g. general assembly, administration council, etc.). In the end, a reproached member of an association can justify himself and can still be a member if he is right.

VI. THE LEADERS: TO EACH HIS/ HER ROLE

6.1. Administration Council

The administration council is not compulsory in an association. If it exists, its method of appointing its members are freely set by the articles of association or by-laws. It is the statutes or the internal regulations that determine the number of members of the administration council and their method of appointment (election by the general assembly, for example). Then, the term of office of the board of directors is specified in the articles of association. The procedures for inviting the administration council are provided in the articles of association or the internal regulations. Usually, it is convened on a scheduled basis, or at the request of the president, or a number of members of the board of directors.

The powers of the administration council are for example:

- Write the internal regulation;
- Manage the assets of the association;
- Pronounce the sanctions on members;
- Authorize the president to take legal action;
- Define the guidelines of the association.

6.2. Office

The office is a body which is also provided for in the statutes. It is composed of a president, a vice-president, a secretary or a treasurer. There can be several secretaries, accountants ...

It is preferable that the office be appointed by the administration council rather than by the general assembly. If one of its members becomes vacant, the new appointment will be simpler and faster.

For associations with few members, the board, consisting of a president, a secretary and an accountant is sufficient.

6.3. President

The president is chosen by the members of the administration council, but he or she can also be chosen in the general assembly. His/ her roles are usually:

- Presiding the administration council, the bureau and the assemblies;
- Represent associations;
- Make and sign contracts;
- Ensure the execution of decisions taken by the administration council and the general assembly;

- Call for the general assembly;
- Present the activity report at a general meeting.

The other members of the office have the following functions:

. For the secretary:

- Maintain the membership file
- Call for general meetings, the bureau and the administration council.
- Writing the reports of meetings.
- Ensuring the association's correspondence.
- Carrying out declarations and formalities.

. For the accountant:

- Collect contributions and donations;
- Settle expenses;
- Keep accounting records
- Participate in the establishment of the provisional budget;
- Establish the financial report for the annual general meeting.

These functions may be reduced or extended according to the provisions of the statutes or the internal regulation. Ultimately, in a small association, the president can have several hats: president, bureau, administration council. But, it is better to distribute the tasks between several people.

6.4. End of Leaders 'functions

Both the leader and the association have their lives. In principle, the reasons for the ending of the functions of managers depend on many circumstances, namely:

- The death of the manager;
- The arrival at the end of the mandate provided for by the statutes;
- The dissolution of the association;
- Resignation;
- Revocation; - etc.

VII. THE ASSEMBLIES: A GREAT OPPORTUNITY TO UNITE

The holding of assemblies is essential in the life of the association. According to EURIPIDE, none of us know what we all know together. In this chapter we distinguish **the general assembly, ordinary general assemblies and extraordinary general assemblies**

7.1. The general Assembly

The general assembly is a meeting which brings together the members of the association and which makes it possible to take important decisions. The articles of association or the internal regulation set out the procedures for inviting the general meetings. It is done either :

- In writing (letter, simple or registered letter, etc.);
- By posting at the association's headquarters;
- Verbally.

The articles of association may provide for a verbal convocation, but it is preferable to proceed in writing. Then, the convocation addressed to the members of the assembly must specify the date, place and time of the assembly as well as the various issues on the agenda to which the assembly will cover.

Regarding the body competent to call for a general assembly of the association, it is one of these 3 bodies:

- President;
- Administration Council;
- A determined number of members (a quarter, for example).

It is particularly useful to have an "attendance sheet" signed by the members present and those with a proxy. The reason for doing this is to justify that the number of people sufficient for a valid decision to be taken has been reached. The secretary takes care of it.

7.2. Powers of ordinary and extraordinary general meetings

Sometimes we do not distinguish the ordinary general assembly from the extraordinary assembly. In principle, the meetings of the ordinary general assembly aim at ruling on the current decisions, while the meetings of the extraordinary general assembly aim at adopting exceptional decisions, such as the modification of the statutes of the association or the dissolution of the association.

However, it is not mandatory to introduce this distinction. It is preferable to consider only one type of general assembly and to provide for different adoption rules depending on the importance of the decision to be taken by the association.

The following table summarizes the role of each category:

| General assembly | Administration council | President |
|---|--|---|
| <p>. Ordinary</p> <ul style="list-style-type: none"> - Approve or not the accounts; - Ratify certain current decisions taken by the leaders. <p>. Extraordinary</p> <p>Modify the statutes;</p> <ul style="list-style-type: none"> - Decide on the dissolution of the association. | <ul style="list-style-type: none"> - Ensure the smooth running of the association; - Take important decisions; - Elect the board; - Write the internal regulations; - Manage the assets of the association; - Impose sanctions on members; - Authorize the president to take legal action; - Define the orientations of the association. | <ul style="list-style-type: none"> - Preside over the administration council, the office, and the assemblies; - Represent the association in acts of civil life; - Ensure the execution of decisions taken by the board of directors or by the general assembly; - Invite the general assembly; - Present the activity report at the annual general meeting. |

VIII. THE ASSOCIATION'S ROOMS

In general, the association can be a tenant or owner of its own rooms. So, in the absence of its own rooms, the association often uses a member's room or municipal rooms for it to function.

8.1. The association is a tenant

Very often, the first concern of an association is to find rooms to carry out its activity. The association can rent a member's room or use a municipal room. It is only for the achievement of its object that the association may acquire rooms, rent them, or receive them in the form of a donation, only for associations recognized as being of public utility.

8.2. The association with its own rooms

The association may own the rooms where it has its head office, and any building necessary for the achievement of its purpose.

In conclusion, whether it is owner, tenant or occupant free of charge, the association must be insured for the rooms it uses it takes out an insurance contract which covers several risks such as fire, water damage, theft with break-in, etc.

PART THREE: MANAGING AN ASSOCIATION : BE AT THE TOP !

Manage ... a word that doesn't always attract sympathy. And yet, good management is necessary for a lasting association. Management always requires more or less time and skills. Management in most cases involves resources, accounting, volunteers, staff, taxation and communication.

IX. RESOURCES: FINDING FUNDING SOURCES

To achieve their objective, associations have a heritage and resources of various origins (contributions, donations, event revenues, etc.). In principle, the small association gets by with membership fees alone. But for many associations this is not enough, we have to find other sources of funding.

9.1. Contributions

Membership fees are collected by most associations of which they often represent the only resource. The amount to be contributed is provided for by the articles of association or the internal regulations (board of directors, general assembly, etc.). In addition, the association is free to set the amount of contributions. This means that these contributions can be fixed or vary according to the categories of members but also to their situation (military, students, etc.). For example, honorary members are generally exempt from paying the membership fee while benefactor members pay a higher membership fee. It is important to mention in the statutes that the member who is not up to date with his contribution on a given date is "presumed to resign". However, if the statutes are silent on this subject, the disciplinary procedure must be implemented to exclude him from the association.

9.2. Donations

All simply declared associations can receive manual donations. But what is a manual gift? This is the hand-to-hand handing over of sums of money (cash, checks, transfers) or movable property (furniture, equipment, computers, etc.). These donations are granted without compensation by the donor.

9.3. Profitable activities

It is not forbidden for an association to have an economic activity to finance its activity, contrary to a widely held idea. Economic activity can be more or less important, occasional or habitual.

The association may well have an exclusive gainful activity. This is an interesting formula for testing an activity. But, of course, the benefits cannot be shared among members. They must be returned in full to the association.

X. ACCOUNTING

The 1901 law governing associations does not impose accounting obligations. But texts have come to define the obligations of certain associations, according to their size, their funding and their activities. As for small associations, they have simplified accounting.

10.1. Accounting for small associations

Small associations must imperatively keep accounts, the degree and nature of which will depend on the size of the association, the source of its funding (subsidy, bank loan, donation, etc.), its activity and finally the financial year, or not, a gainful activity.

In all cases, good accounting management requires rigorous classification. The following documents must be well classified. These are:

- Bank statements and slips;
- Checkout parts;
- Customer invoices classified in chronological order;
- Invoices of expenses classified in chronological order, etc.

Small associations generally keep the so-called “single-entry” cash accounts. This type of basic accounting consists of recording income and expenditure chronologically throughout the year and recapitulating these operations at the end of the year.

10.2. Accounting obligations specific to certain associations

In France, some associations are subject to the general chart of accounts adapted to associations and foundations. The associative chart of accounts mainly targets: associations receiving public aid in excess of € 23,000; associations financed by local authorities on more than 50% of their budget or for more than € 75,000, All these associations have specific and distinct obligations in relation to their charts of accounts.

10.3. Annual accounts

Very often, the statutes provide for the accounts to be submitted for approval by the general assembly. The accounts are closed by the administration council. As for the budget, it is not an accounting document but quite simply a means of management in order to achieve the planned objective.

10.4. The budget

The budget is just a management tool to achieve its goal. Indeed, it is not about personal funds but about other people's money. Its management therefore requires transparency to inspire confidence.

XI. MASTERING TAXATION: AN ASSOCIATION IS ALERTED TWICE.

Very often, association leaders are unaware that tax authorities are interested in non-profit associations. In principle, the association is not subject to commercial taxes. It is when they exercise a

gainful activity (in the fiscal sense) that they become liable to tax (corporate tax, VAT, territorial economic contributions).

Income from taxable activities are among others: Property income, rental income, income from farming, investment income, local taxes, what attracts the tax authorities, the lack of declaration, declarations filed out of time, incorrectly completed declarations, complex declarations, the lifestyle of the president, exorbitant fees, a lot of advertising, ...

XII. DONATIONS TO ASSOCIATIONS: TAX ADVANTAGES

Donations to certain associations give rights to a big reduction in income taxes. These are donations made for the benefit of works or organizations of general interest, having a philanthropic, educational, scientific, social, humanitarian, sports, family or cultural character, or intervening in the enhancement of artistic heritage, defense of the environment, associations and foundations recognized as being of public utility, cultural or charitable associations, higher education establishments, etc. Donations can be in various forms: donations in cash, in kind (equipment, furniture, computer, etc.) or income waivers (free provision of premises, transfer of copyright, etc.). These of which must be granted without consideration. In any case, if you are not sure that the donations received qualify for a tax reduction, you should ask the correspondent of the tax administration for associations.

12.1. Generous volunteers

The waiver of reimbursement of donations entitles donors to benefit from the tax reduction enjoyed by donors. The volunteer who consents to this waiver of reimbursement of donations establishes a note in which he expressly waives the reimbursement and leaves them as donations to the association.

12.2. Companies

Some companies support associations through patronage or sponsorship. This entitles them to tax benefits.

XIII. THE ASSOCIATION STAFF

Although most associations operate with volunteers, their development results in an increase in the number of employees as some tasks require time and skills.

13.1. Volunteering and salaried work

Volunteers are selfless people who devote part of their time to the activities of the association without monetary compensation or other benefits in kind. However, they can request reimbursement of the expenses they have incurred upon presentation of an expense report supported by supporting documents. These are in particular travel expenses, restaurant bills, gas tickets, etc. They must also be qualified.

A salaried worker is, on the contrary, governed by labor law legislation and the association, like any employer, is subject to it.

PART FOUR: ANIMATE AND DYNAMIZE AN ASSOCIATION

Running an association involves taking care of both internal and external communication. And also to organize various events.

XIV. COMMUNICATION

Today is the time of communication. For the association to be energized, the leader of the association must think about internal and external communication.

14.1. Internal communication

Internal communication aims to unite the members. It is essential and not difficult to implement. It can be done through the following tools: the newsletter, a magazine and the jars (moments of joy over a drink).

14.2. External communication: the media

It is necessary to empower someone to perform this task: the communications officer is there to avoid contradictory information, not too delayed, to debrief interventions and supervise all tasks related to external communication. To make its voice heard, the association goes through: radio stations, TV, the "open house" day, shows, conferences, the website, social networks ...

PART FIVE: DEALING WITH DIFFICULTIES

The leaders of associations must be careful and plan everything. They should know that everything will not always be smart. The leader of an association must then think about and put in place measures that prevent but also manage the difficulties that the association may encounter, until its dissolution. He/she will then be able to react in the best way to avoid these situations.

15: THE RESPONSIBILITY OF THE ASSOCIATION, OF THE LEADERS

15.1. The responsibility of the association

The association of people has rights but also responsibilities. At a certain point, its penal or civil liability may be engaged when in the exercise of its activities, the association damages a member or a third person.

15.2. Responsibility of leaders

The leader, acting as a representative of the association, is only responsible in the event of misconduct on his part. In this case, he may incur three types of liability: civil (fault, damage), penal (violation of the law such as non-declaration of statutory changes, changes of directors, organization of the insolvency of the association to prevent the collection of taxes, an offense committed with a view to obtaining an advantage (person under cover of the association) and financial (when the leader has committed a fault in the management of the association).

15.3. Insurance

As with individuals, the association also needs to insure its property and employees. Some are mandatory, others are optional.

XVI. SETTLEMENT OF DISPUTES

At some point, the association can be sued by people who feel they have been wronged by it. On the other hand, the association has the right to take legal action. An undeclared association does not have the prerogatives to take legal action. The association's representation in court is generally exercised by the President. However, the association can appoint someone else to represent it.

16.1. Managing financial difficulties

When the association is in financial difficulty, it can use preventive procedures to prevent the situation from escalating. In particular, this is an amicable solution, but when it proves insufficient, the court may place the association in question under the regime of safeguard, reorganization or liquidation.

XVII. THE END OF AN ASSOCIATION

Like a society, the association can end in split or merger. The causes of dissolution can be: statutory (when it is provided for in the statutes), voluntary (when the members decide to terminate it), judicial (when the court pronounces it) or administrative (when the dissolution measure is taken by the association).

17.1 The effects of dissolution

The dissolution results in the liquidation of the association's assets. During the entire time of dissolution, the association does not disappear to complete the ongoing operations. The articles of association provide for the methods of liquidation. If the articles of association do not provide for the terms of liquidation, it is the general meeting that pronounced the liquidation which specifies the terms of this liquidation.

17.2. The split, the merger

The association can end in split or merger. The assets of the dissolved association are transferred to another association in the event of the split. Two associations can decide to dissolve voluntarily to create another where the two meet. In this case, the members of the two old associations are members of the new association.

17.3. The transformation of an association

The association can turn into an Economic Interest Group (EIG) or a cooperative. This transformation can be carried out with the aim of facilitating the economic activity of members. When the members of the association decide to move from the association to the company, the liquidation bonus cannot be passed on to them.

PART SIX: SOME IMPORTANT TIPS

This part introduces readers to a lot of tips, keys, reminders, to make the association efficient and stable. It offers answers to questions that will arise one day or another, advice for leaders, keys to energizing the association, and the formalities to be observed.

19. ANSWERS TO QUESTIONS YOU WILL ASK YOURSELF ONE DAY OR ANOTHER

You can plan ahead, but it goes without saying that at some point you realize that a question arises and no one can answer it with certainty. Everyone has their own idea ... And of course we need to have more than ideas on the question: an answer without delay.

Here are some of the sure-fire ways to act knowingly. What is the difference between manual giving, donation and bequest? Even the non-approved association can receive manual donations or furniture, but donations can be made in favor of associations recognized as being of public utility; cultural associations; approved unions of family associations and associations of general interest.

Is a loan from a member possible? The loan must be decided by the competent body in accordance with the articles of association or the internal regulations. In this case, a contract must be signed specifying the amount of the loan; the duration of the loan; the interest rate and the terms of repayment.

Is a member who records arrears in the payment of contributions excluded?

For a member to be excluded for non-payment of contributions, the statutes must provide for it. To make this decision, it is necessary to comply with the disciplinary procedures indicated in the statutes. It must then be provided for in the statutes.

Is it possible to combine several functions within the association?

The sharing of tasks and responsibilities is desirable within the association but it is when the organization does not yet have the people it needs to play these roles, instead of using people who do not boost the development of organization, it is better to combine several functions. What should be done when an officer leaves office before the end of his term? When a manager ceases his functions before the end of his mandate, it is better to anticipate this absence through statutory provisions. What is the fate of a member who has incurred a sanction of suspension? The suspended member is no longer allowed to take part in the activities of the association during the entire time of suspension. Does the member who pays his dues regain his membership rights even if his behavior displeases a large number of members? It should be noted here that the only sanction is not exclusion. Other provisions of the articles of association can be consulted to take corrective measures for certain behavioral deviations.

XX. SOME ADVICE TO ASSOCIATION LEADERS

The leader of an association leads, directs, coordinates but also assumes responsibilities. Many association leaders are tempted to overstep their powers to place orders and sign contracts. The leader who commits a fault is not protected by the association. In addition, the leader of the association must not neglect taxation; he must know that if he does not have jurisdiction, the general assembly can delegate someone else. He must also pay attention to taxation, delegate powers well, do not mix profit-making and non-profit activities, manage memberships by signing clauses respecting the statutes to adhering members before any engagement, prepare for ordinary meetings and extraordinary in strict compliance with statutory provisions. As it is never exhaustive to modify what is not provided for in the statutes and in the internal regulations, it is necessary to resort to convene the general meeting in order to review the statutes

XXI. A FEW WAYS TO BOOST YOUR ASSOCIATION

A good internal dynamic is necessary for the members as for the association. Good cohesion in the team, between members largely determine the success of an association. You have to look at the members to know their motivation and their expectations. The association must constitute a space for the development of each of its members. The leader of an association should not turn into a business manager; he must forge deep and human bonds to motivate the team. He must know how to listen to criticisms and suggestions.

He should know the following:

- The name of the association is not just a name: but an energy, a dynamic;
- The newsletter: testimonials, activity reports, this is an opportunity to unite the team and allow everyone to participate.
- Meetings to jointly decide: learning to listen to each one, to review their positions, to compare their ideas, to unite the differences, this is the opportunity to learn that each is the complement of the other and that it is this which is the wealth of the association.
- Knowing how to thank: to thank means to appreciate the work accomplished.
- Not forgetting the family: On certain occasions such as the end of the year celebrations, it is necessary to invite the family. This is an opportunity for the associates to sympathize and often to fully understand the passion of the other.
- Innovate to avoid routine: it is necessary to learn about the activities of similar associations to avoid routine.
- Training of volunteers;
- Demonstrations: the association needs to show itself in broad daylight and sometimes even hold exceptional events.

XXII. FORMALITIES TO RESPECT

Association is an area of freedom and liberty, but everything must be done within the limits of the law. Among the necessary formalities, we can mention the following: changes to the articles of association must be reported to the institution or department responsible for managing associations in its attributions. The same applies to a change of registered office; the change of name and the cessation of payments and the declaration of a refreshment bar.

- ❖ The general meeting: the terms of convening general meetings must be strictly observed;
- ❖ Subletting: it requires the prior authorization of the lessor;
- ❖ The exclusion of a member: it must respect the procedure: it must be done in strict compliance with the law;
- ❖ Para-commercialism: it consists in carrying out a commercial activity without being subject to the charges, in particular tax, borne by traders having the same activity. The association can then be condemned for unfair competition.