
**CONSTITUTION OF
DIAMONDS IN THE COMMUNITY**

MACROBERTS

LLP

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CONSTITUTION

GENERAL

1. TYPE OF ORGANISATION

The organisation will, upon registration, be a Scottish Charitable Incorporated Organisation (SCIO).

2. SCOTTISH PRINCIPAL OFFICE

The principal office of the organisation will be in Scotland (and must remain in Scotland).

3. NAME

The name of the organisation is **Diamonds in the Community (“the Organisation”)**.

4. PURPOSES

The Organisation's charitable purposes are:

- (i) To advance the public participation in sport in the community of Airdrie through the promotion of participation in football and other sports which involves physical skill and exertion;
- (ii) The advancement of health in Airdrie by the promotion, alone or in conjunction with others, of the benefits of physical activity and provision of assistance in relation to sports-related and healthy life style matters;
- (iii) The advancement of community development in Airdrie by promoting alone or in conjunction with others, participation in football clubs and other sports, literacy, numeracy, employment skills, life skills, social inclusion and social activities to all sections of the community;
- (iv) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving conditions of life for the persons for whom the facilities or activities are primarily intended.
- (v) The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

5. POWERS

- 5.1 The organisation has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so.

6. RESTRICTION ON INCOME AND PROPERTY

- 6.1 No part of the income or property of the organisation may be paid or transferred (directly or indirectly) to the Charity Trustees, either in the course of the organisation's existence or on dissolution, except where this is done in direct furtherance of the organisation's charitable purposes.

7. GENERAL STRUCTURE

The structure of the organisation consists of the CHARITY TRUSTEES who are also the organisation's only members and comprise the organisation's BOARD.

8. LIABILITY OF CHARITY TRUSTEES

- 8.1 The Charity Trustees (the only members) of the organisation have no liability to pay any sums to help to meet the debts (or other liabilities) of the organisation if it is wound up; accordingly, if the organisation is unable to meet its debts, the Charity Trustees will not be held responsible.

- 8.2 The Charity Trustees have certain legal duties under the Charities and Trustee Investment (Scotland) Act 2005; and clause 8.1 does not exclude (or limit) any personal liabilities they might incur if they are in breach of those duties or in breach of other legal obligations or duties that apply to them personally.

BOARD

9 NUMBER OF CHARITY TRUSTEES

The minimum number of Charity Trustees shall be 3 (three) but (unless otherwise determined by resolution) shall not be subject to any maximum.

10 ELIGIBILITY

- 10.1 A person will not be eligible for election or appointment to the Board if he/she is disqualified from being a Charity Trustee under the Charities and Trustee Investment (Scotland) Act 2005.
- 10.2 Subject to clause 10.1, a person shall be eligible for appointment as a Charity Trustee in terms of clause 13.3 below if they support the charitable purposes of the organisation and are proposed by two or more Charity Trustees.
- 10.3 The Board shall not be obliged to appoint any eligible person as a Charity Trustee.

11. INITIAL CHARITY TRUSTEES

The individuals who signed the Charity Trustee declaration forms accompanying the application for incorporation of the organisation shall be deemed to have been appointed as Charity Trustees with effect from the date of incorporation of the organisation.

12. ANNUAL GENERAL MEETING

- 12.1 The Board must arrange a meeting of the Charity Trustees as an annual general meeting (or "AGM") in each calendar year, reporting on the immediately preceding financial year of the organisation.
- 12.2 The gap between one AGM and the next must not be longer than 15 months.
- 12.3 Notwithstanding clause 12.1, an AGM does not need to be held during the calendar year in which the organisation is formed; but the first AGM must still be held within 15 months of the date on which the organisation is incorporated and entered on the Scottish Charity Register.
- 12.4 The business of each AGM must include:-
- 5.1.1 a report by the Chair on the activities of the organisation;
 - 5.1.2 consideration of the annual statement of account of the organisation, as prepared under Section 44 of the Charities and Trustee Investment (Scotland) Act 2005;
 - 5.1.3 any election/re-election of Charity Trustees, as referred to in clauses 13.1 and 13.2.

13 ELECTION, RETIRAL, RE-ELECTION

- 13.1 At each AGM, all of the Charity Trustees must retire from office - but may then be re-elected under clause 13.2.
- 13.2 A Charity Trustee retiring at an AGM will be deemed to have been re-elected unless: -
- 13.2.1 an election process was held at the AGM and he/she was not among those elected/re-elected through that process; or
 - 13.2.2 a resolution under sub-clauses 14.1.6 -14.1.8 was put to the AGM and was carried; or

13.2.3 he/she has advised the Board before the conclusion of the AGM that it is his/her wish not to be re-appointed as a Charity Trustee.

13.3 Subject to clause 10, the Board may appoint additional persons as Charity Trustees at any time.

14 TERMINATION OF OFFICE

14.1 A Charity Trustee will automatically cease to hold office as a Charity Trustee (and shall cease to be a member) if: -

14.1.1 he/she becomes disqualified from being a Charity Trustee under the Charities and Trustee Investment (Scotland) Act 2005;

14.1.2 he/she gives the organisation a notice of resignation, signed by him/her;

14.1.3 he/she is not re-elected pursuant to clause 13.2.1;

14.1.4 he/she is not re-appointed to the Board pursuant to clause 13.2.3;

14.1.5 he/she becomes incapable for medical reasons of carrying out his/her duties as a Charity Trustee – but only if that has continued (or is expected to continue) for a period of more than six months;

14.1.6 he/she is absent (without good reason, in the opinion of the Board) from more than three consecutive meetings of the board – but only if the Board resolves to remove him/her from office;

14.1.7 he/she is removed from office by resolution of the board on the grounds that he/she is considered to have committed a material breach of the code of conduct for Charity Trustees (as referred to in clause 18);

14.1.8 he/she is removed from office by resolution of the Board on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or

14.1.9 he/she is removed from office for any other reason by resolution of the Board.

14.2 A resolution under sub-clauses 14.1.6 or 14.1.8 shall be valid only if: -

14.2.1 the Charity Trustee who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for his/her removal is to be proposed;

14.2.2 the Charity Trustee concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and

14.2.3 at least two thirds (to the nearest round number) of the Charity Trustees then in office vote in favour of the resolution.

15 REGISTER OF CHARITY TRUSTEES

15.1 The Board must keep a register of Charity Trustees, setting out the following:

15.1.1 for current Charity Trustees:

(a) his/her full name and address;

(b) the date on which he/she was appointed as a Charity Trustee; and

(c) any office held by him/her in the organisation;

15.1.2 for former Charity Trustees - for at least 6 years from the date on which he/she ceased

to be a Charity Trustee:

- (d) the name of the Charity Trustee;
- (e) any office held by him/her in the organisation; and
- (f) the date on which he/she ceased to be a Charity Trustee.

15.2 The Board must ensure that the register of Charity Trustees is updated within 28 days of any change:

15.2.1 which arises from a resolution of the Board; or

15.2.2 which is notified to the organisation.

15.3 If any person requests a copy of the register of Charity Trustees, the Board must ensure that a copy is supplied to him/her within 28 days, providing the request is reasonable; if the request is made by a person who is not a Charity Trustee of the organisation, the Board may provide a copy which has the addresses blanked out - if the Board is satisfied that including that information is likely to jeopardise the safety or security of any person or premises.

16 OFFICE-BEARERS

16.1 The Charity Trustees must elect a Chair from among themselves.

16.2 In addition to the Chair required under clause 16.1, the Charity Trustees may elect (from among themselves) further office-bearers if they consider that appropriate.

16.3 All of the office-bearers will cease to hold office at the conclusion of each AGM, but may then be re-elected under clause 16.1 or 16.2.

16.4 A person elected to any office will automatically cease to hold that office: -

16.4.1 if he/she ceases to be a Charity Trustee; or

16.4.2 if he/she gives to the organisation a notice of resignation from that office, signed by him/her.

17 POWERS OF BOARD

17.1 Except where this constitution states otherwise, the organisation (and its assets and operations) will be managed by the Board; and the Board may exercise all the powers of the organisation.

17.2 A meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

18 CHARITY TRUSTEES - GENERAL DUTIES, REMUNERATION AND CONDUCT

18.1 Each of the Charity Trustees has a duty, in exercising functions as a Charity Trustee, to act in the interests of the organisation; and, in particular, must:-

18.1.1 seek, in good faith, to ensure that the organisation acts in a manner which is in accordance with its purposes;

18.1.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

18.1.3 in circumstances giving rise to the possibility of a conflict of interest between the organisation and any other party:

- a) put the interests of the organisation before that of the other party;

- b) where any other duty prevents him/her from doing so, disclose the conflicting interest to the organisation and refrain from participating in any deliberation or decision of the other Charity Trustees with regard to the matter in question;
- 18.1.4 ensure that the organisation complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.
- 18.2 In addition to the duties outlined in clause 18.1, all of the Charity Trustees must take such steps as are reasonably practicable for the purpose of ensuring: -
- 18.2.1 that any breach of any of those duties by a Charity Trustee is corrected by the Charity Trustee concerned and not repeated; and
 - 18.2.2 that any Charity Trustee who has been in serious and persistent breach of those duties is removed as a Charity Trustee as described in clause 14.1.7.
- 18.3 Provided he/she has declared his/her interest and has not voted on the question of whether or not the organisation should enter into the arrangement, a charity trustee will not be debarred from entering into an arrangement with the organisation in which he/she has a personal interest and (subject to compliance with clause 18.4 and 20.12) he/she may maintain any personal benefit which arises from that arrangement.
- 18.4 Remuneration of Charity Trustees for provision of services may be permitted provided that the provisions of section 67 of the Charities and Trustee Investment (Scotland) Act 2005 are complied with and: .
- 18.4.1 the maximum amount of any such remuneration requires to be set out in a written agreement with the organisation;
 - 18.4.2 the Charity Trustees require, before entering into the written agreement, to have minuted their agreement that:
 - (i) the remuneration is reasonable in the circumstances;
 - (ii) it would be in the interests of the charity for those services to be provided for that maximum amount; and
 - (iii) immediately after entering into the written agreement, less than half of the total number of Charity Trustees are in receipt of remuneration.
- 18.5 No Charity Trustee may be given any remuneration by the organisation for carrying out his/her duties as a Charity Trustee.
- 18.6 The Charity Trustees may be paid all travelling and other expenses reasonably incurred by them in connection with carrying out their duties; this may include expenses relating to their attendance at meetings.
- 18.7 Each of the Charity Trustees shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board from time to time.

DECISION-MAKING BY THE CHARITY TRUSTEES

19 NOTICE OF MEETINGS

- 19.1 Any Charity Trustee may call a meeting of the Board.
- 19.2 At least 14 clear days' notice must be given of the AGM, or of a Board meeting at which the business of the meeting includes consideration of any resolution.
- 19.3 At least 7 clear days' notice must be given of each Board meeting, unless (in the opinion of the person calling the meeting) there is a degree of urgency which makes that inappropriate.

- 19.4 The notice calling an AGM or a Board meeting at which the business of the meeting includes consideration of any resolution, must specify in general terms what business is to be dealt with at the meeting, and, in the case of a resolution falling within clause 20.4 (requirement for two-thirds majority) must set out the exact terms of the resolution.
- 19.5 The reference to “clear days” in clauses 19.2 and 19.3 shall be taken to mean that, in calculating the period of notice,
- 19.5.1 the day after the notices are posted (or sent by e-mail) should be excluded; and
- 19.5.2 the day of the meeting itself should also be excluded.
- 19.6 Notice of the AGM and Board meetings must be given to all the Charity Trustees; but the accidental omission to give notice to one or more Charity Trustees will not invalidate the proceedings at the meeting.
- 19.7 Any notice which requires to be given to a Charity Trustee under this constitution must be: -
- 19.7.1 sent by post to the Charity Trustee, at the address last notified by him/her to the organisation and on the register of Charity Trustees as described in clause 14; or
- 19.7.2 sent by e-mail to the Charity Trustee, at the e-mail address last notified by him/her to the organisation. It is the responsibility of each Charity Trustee to keep their personal email details up to date.

20 PROCEDURE AT BOARD MEETINGS / AN AGM

- 20.1 No valid decisions can be taken at a Board meeting or AGM unless a quorum is participating; the quorum for Board meetings is 2 (two) Charity Trustees, present in person or participating in the manner described in clauses 20.2, 20.3 and 20.4.
- 20.2 Charity Trustees shall be deemed to be participating in a Board meeting, or part of a Board meeting when:
- 20.2.1 the meeting has been called and takes place in accordance with this constitution, and
- 20.2.2 the Charity Trustees can each communicate to the others any information or opinions they have on any particular items of the business of the meeting.
- 20.3 In determining whether Charity Trustees are participating in a meeting, it is irrelevant where any Charity Trustee is or how they communicate with each other.
- 20.4 If all the Charity Trustees in a meeting are not in the same place they may decide that the meeting is to be treated as taking place wherever any of them is.
- 20.5 If at any time the number of Charity Trustees in office falls below the number stated as the quorum in clause 20.1 the remaining Charity Trustee(s) will have power to fill the vacancies - but will not be able to take any other valid decisions.
- 20.6 The Chair of the organisation should act as chairperson of each Board meeting.
- 20.7 If the Chair is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the Charity Trustees present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.
- 20.8 Every Charity Trustee has one vote, which must be given personally.
- 20.9 All decisions at Board meetings will be made by majority vote (for procedure on resolutions either at Board meetings or AGMs see clause 21).
- 20.10 If there are an equal number of votes for and against any decision, the chairperson of the meeting will be entitled to a second (casting) vote.

- 20.11 The Board may, at its discretion, allow any person to attend and speak at a Board meeting notwithstanding that he/she is not a Charity Trustee - but on the basis that he/she must not participate in decision-making.
- 20.12 A Charity Trustee must not vote at a Board meeting (or at a meeting of a sub-committee) on any decision which relates to a matter in which he/she has a personal interest or duty which conflicts (or may conflict) with the interests of the organisation; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 20.13 For the purposes of clause 20.12: -
- 20.13.1 an interest held by an individual who is “connected” with the Charity Trustee under section 68(2) of the Charities and Trustee Investment (Scotland) Act 2005 (husband/wife, partner, child, parent, brother/sister etc) shall be deemed to be held by that Charity Trustee;
- 20.13.2 a Charity Trustee will be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter.

21 VOTING ON RESOLUTIONS

- 21.1 Every Charity Trustee has one vote with regard to voting on resolutions.
- 21.2 All decisions on resolutions will be made by majority vote - with the exception of the types of resolution listed in clause 21.4.
- 21.3 The quorum for meetings (AGMs or Board meetings) at which a resolution(s) is to be considered is 2 (two).
- 21.4 The following resolutions will be valid only if passed by not less than two thirds of those voting on the resolution at an AGM or at a Board meeting (or if passed unanimously by way of a written resolution under clause 22) and will also be subject (with the exception of clause 21.4.2) to clause 28.2:
- 21.4.1 a resolution amending the constitution (including changing the name of the organisation); or
- 21.4.2 a resolution expelling a person from Charity Trusteeship under sub-clauses 14.1.4 or 14.1.5; or
- 21.4.3 a resolution approving the amalgamation of the organisation with another SCIO (or approving the constitution of the new SCIO to be constituted as the successor pursuant to that amalgamation); or
- 21.4.4 a resolution to the effect that all of the organisation's property, rights and liabilities should be transferred to another SCIO (or agreeing to the transfer from another SCIO or other charitable organisation (whether registered in Scotland or otherwise) of all of its property, rights and liabilities); or
- 21.4.5 a resolution for the winding-up of the organisation.
- 21.5 If there are an equal number of votes for and against any resolution, the Chair or chairperson of the meeting (in the circumstances described in clause 20.7), will be entitled to a second (casting) vote.
- 21.6 A resolution put to the vote at an AGM or Board meeting will be decided on a show of hands.

22 WRITTEN RESOLUTIONS BY CHARITY TRUSTEES

A resolution agreed to in writing (including by e-mail) by all the Charity Trustees will be valid if it is passed unanimously; the date of the resolution will be taken to be the date on which the

last member agreed to it, such that the resolution was passed, confirmed their agreement.

ADMINISTRATION

23 MINUTES

- 23.1 The Board must ensure that proper minutes are kept in relation to all Board meetings and meetings of sub-committees.
- 23.2 The minutes to be kept under clause 23.1 must include the names of those participating; and (so far as possible) should be signed by the Chair or chairperson of the meeting.

24 DELEGATION TO SUB-COMMITTEES

- 24.1 The Board may delegate any of their functions or powers to sub-committees; a sub-committee's members must include at least one Charity Trustee, but other members of a sub-committee need not be Charity Trustees.
- 24.2 The Board may also delegate to the Chair of the organisation (or the holder of any other post) such of their powers as they may consider appropriate.
- 24.3 When delegating powers under clause 24.1 to 24.2, the Board must set out appropriate conditions (which must include an obligation to report regularly to the Board).
- 24.4 Any delegation of powers under clause 24.1 to 24.2 may be revoked or altered by the Board at any time.
- 24.5 The rules of procedure for each sub-committee, and the provisions relating to membership of each sub-committee, shall be set by the Board.

25 OPERATION OF ACCOUNTS

- 25.1 Subject to clause 25.2, the signatures of two Board signatories will be required in relation to all operations (other than the lodging of funds) on the bank and building society accounts held by the Foundation; at least one out of the two signatures must be the signature of a charity trustee.
- 25.2 The Organisation will operate a single bank account which shall be controlled by the Trustees of the Organisation in accordance with the constitution and in compliance with all relevant charity and company law requirements.
- 25.3 Where the organisation uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in clause 25.1.

26 ACCOUNTING RECORDS AND ANNUAL ACCOUNTS

- 26.1 The Board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.
- 26.2 The Board must prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions (or if the Board consider that an audit would be appropriate for some other reason), the Board should ensure that an audit of the accounts is carried out by a qualified auditor.

MISCELLANEOUS

27 WINDING-UP

- 27.1 If the Organisation is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures of the Office of the Scottish Charity Regulator and under the Charities and Trustee Investment (Scotland) Act 2005.

27.2 If the Organisation has any surplus assets available to it before it is wound up or dissolved, these must be used for charitable purposes that are either the same as or resemble closely the charitable purposes set out in the organisation's constitution.

28 ALTERATIONS TO THE CONSTITUTION

28.1 This constitution may (subject to clause 28.2) be altered by resolution of the Charity Trustees passed at an AGM or Board meeting (subject to achieving the two thirds majority referred to in clause 21.4) or by way of a written resolution of the Charity Trustees (as described in clause 22).

28.2 The Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of the Office of the Scottish Charity Regulator (OSCR).

29 INTERPRETATION

29.1 References in this constitution to the Charities and Trustee Investment (Scotland) Act 2005 should be taken to include: -

29.1.1 any statutory provision which adds to, modifies or replaces that Act; and

29.1.2 any statutory instrument issued in pursuance of that Act or in pursuance of any statutory provision falling under paragraph 29.1.1 above.

29.2 In this constitution: -

29.2.1 "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;

29.2.2 "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.