

AGENTS FOR CITIZEN-DRIVEN TRANSFORMATION (ACT)

ESTABLISHING THE LEGAL ENTITY AND DEVELOPING A CONSTITUTION IN A CSO IN NIGERIA



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ACKNOWLEDGEMENTS

This Toolkit has been produced as a resource to support the capacity development of CSOs¹ in Nigeria that are participating in the implementation of the EU Agents for Citizen-Driven Transformation (ACT) Programme in Nigeria. The content and materials used to develop this Toolkit were sourced and modified from existing, openly accessible, third-party material providing guidance for the organisational strengthening of the not-for-profit sector. The ACT Programme would like to thank and acknowledge the source material, referenced below.

¹ For CSOs – ACT includes CBOs, Community Associations, CSOs and CS Networks

PART 1: ESTABLISHING A CSO - THE LEGAL STRUCTURE

Before focusing on the CSO's Constitution, it may be useful to refer to the basic requirements (which are regularly updated) to register a CSO.

What matters need consideration before commencing registration?

Typically, the registration of a CSO is undertaken by its Founder(s) - one or more individuals that have conceived the idea of setting up the organisation. S/he/they will have to answer several preliminary questions which will help to determine the structure and approach to registering the CSO, such as:

- i. What are the mission, purpose and objectives of the CSO?
- ii. How will the CSO be funded?
- iii. What will the CSO be called? (It is advised that a minimum of two possible names are selected at this stage, as approval of names is usually subject to availability - the name will only be approved where it is not statutorily restricted or close enough to the name of an existing entity to be confusing)
- iv. Who will run the affairs of the CSO?
- v. To what extent do the trustees of the CSO desire to be liable for the actions of the CSO?
- vi. Does the CSO intend to do business or be a not-for-profit?

Some CSOs seek to receive income from grants and donations, while others can generate income by selling goods and services. It is important to know how the CSO will generate income when choosing the right legal structure to apply for – it is worth considering that those CSOs that generate an income may find it difficult to attract grants and donations.

A Not for Profit (NFP) is an organisation that is established to promote a charitable, or other non-profit, cause. It could focus on issues that are social, cultural, educational,

religious, health, people with disabilities, youth, children, older people, or any other cause. A NFP has no 'owners/shareholders'.

For guidance to register an NGO/CSO in Nigeria, follow [this link](#).

Is a NFP (CSO/NGO) organisation prohibited from doing business?

A NFP organisation can do business provided that the intent is to utilise any profit generated from its operations towards promoting its cause, without distribution of any profit to members. In other words, a NFP organisation is a broad term for all independent organisations whose purpose is something other than making profit for directors, members, and shareholders. Different types of organisations can be not-for-profit – it is not a legal structure in itself, but they can choose the most appropriate legal structure, based on their focus.

In Nigeria, at Federal level and under Companies and Allied Matters Act (CAMA), there are two possible options² for registration as a NFP organisation under Nigerian Law:

1. Incorporated Trusteeship ([Part F of CAMA 2020](#))

This involves the trustees as legal representatives of a body or community of people bound together to achieve a common set of objectives. Upon incorporation, the trustees are given the status of a 'body corporate' and granted 'legal responsibility' making them custodians, primarily, of the assets of the organisation they represent. In some cases, they are also vested with the responsibility of serving as the governing body of the association with administrative and management oversight. In other cases, their roles are limited to looking after the assets and properties of the association while a governing body is put in place in charge of the administration and management of the organisation, responsible for protecting the rights, duties and responsibilities of the organisation, etc.

However, if the CSO establishes itself as an un-incorporated charity, it doesn't have its own legal personality, so it can't sign any contracts in the CSO's name. This means that contracts (eg: staff or donor contracts) must be signed by one of the trustees, who can then be held personally liable for any debts. Choosing to be incorporated or un-incorporated is at the discretion of the CSO. Many CSOs choose to incorporate as it affords limited liability to its trustees.

² These are not the only options for registering as a CSO in Nigeria. Other options include registration (at Federal and State levels) under Cooperative Societies Act, CSOs established by an Act of Parliament and, at sub-national level, registration with designated MDAs mandated by their respective State/Local governments to register certain types of CSOs.

What documents are required for registering an Incorporated Trusteeship?

- i. Two printed copies of the Constitution
- ii. Duly signed copies of the Minutes of the Meeting appointing the Trustees and authorizing the application
- iii. Production of an Iron Seal
- iv. Identity Cards and Passport Photographs of each Trustee
- v. Duly completed Form CAC/IT/1 (Application form)
- vi. Duly completed CAC1.1 (Registration form)

2. Company Limited by Guarantee (Part B (section 26) of CAMA 2020)

The above link provides for the registration of a category of companies referred to as 'limited by guarantee'. This is suitable for a company set up to promote charity, religion, culture, health, education, poverty alleviation, women's rights, disability rights, etc. The income and property of such a company can only be used towards promoting its objectives – it is restricted from using any part of its income or property for the personal use of its members, it is also restricted from distributing any profit. Like any company, the 'limited by guarantee' company has its affairs led by its governing body (Board of Directors, trustees, executive council, governing council, etc), whose liability is limited to the extent they have agreed at its inception. The company is 'owned' by its members, this means that its members are responsible for future debts or liabilities of the company to the extent that has been agreed at the time of registration (usually as an agreed monetary limit). In other words, they are liable only up to that agreed limit as outlined in the registration document and are protected against being liable for the full extent of any liabilities or debts.

To be considered a charity, a CSO must have charitable aims and be run for the public benefit. This will require a governing document (a Constitution or Memorandum and Articles of Association in the case of Company Limited by Guarantee) that shows that the CSO's aims are legally charitable. The CSO will then be entitled to benefits such as tax relief and access to grants only available to CSOs (charities).

What documents are required for registering a Company Limited by Guarantee?

- i. Application letter
- ii. Constitution, or Memorandum and Articles of Association
- iii. Letter of Consent of Attorney General of the

Federation (this can be procured by submission of an application letter and approval by the AGF)

- iv. Payment of Stamp Duty Fees to the Federal Board of Inland Revenue.
- v. Notice of address of the registered office
- vi. Identity Cards and Passport Photographs of the Directors.
- vii. Duly Completed Form CAC 1.1 (Registration Form)

Should the CSO register its NFP as a Company Limited by Guarantee or as an Incorporated Trusteeship?

Either is possible. However, those organisations who wish to be involved in some sort of business seem to prefer to be registered as a Company Limited by Guarantee, as this is more familiar in the business world. The Company itself will be a legal entity, with a Board of Directors, and can contract (or sue, or be sued) in its name. The Incorporated Trusteeship has its legal personality vested in its Trustees – it can only contract, sue and be sued, in the joint name of its Trustees.

For speed, Incorporated Trusteeship is often a preferred choice for CSOs in Nigeria – however, the Trustees must be fully aware of their responsibilities to comply with due diligence, legal requirements and the accountability of the CSO to achieving its Objectives in line with its Vision, Mission and Values, its constitution and its organisational strategy. This option is useful for CSOs with financial obligations, eg: employing staff and running an office.

The main advantages of the incorporation of trustees, include³:

- The property of the charity is vested in the name of the incorporated body. This avoids the need for the execution of deeds transferring land or investments to new names whenever new holding trustees are appointed, and
- the trustees may enter contracts and sue and be sued in the name of the incorporated body (and not be responsible themselves, as individuals).

Some basics for governing a CSO

- Payment of trustees/governing body – to ensure the public benefit, CSOs are not permitted to pay their trustees.
- Governance, accounts, and record-keeping – CSOs must keep good records which should include minutes of the details of the charity's (CSO's) finances, their activities and of meetings of their trustees/governing body.

- CSOs must adhere to the rules in their governing document (eg: their constitution) and must comply with the legal requirements for registration and annual reporting.
- It is good practice to keep records of minutes of meetings and agreed actions of the governing body, with dates to be completed and person(s) responsible, for monitoring and follow-up.
- It is good practice to ensure that there is G&SI data disaggregation details recorded of the trustees/governing body, which should include those with local level representation and understanding of the sector and context, as well as the skills required to carry out their duties and responsibilities professionally.
- It will serve as a reference point and help to resolve potential controversy.
- External stakeholders (eg: government, donors) will want to see that the CSO is democratic, focuses on gender and social inclusion and is accountable. The constitution will provide a clear procedure by which decisions are made.

Developing the content of a constitution

It is important to develop a constitution that reflects the way in which the CSO intends to work. There is no point in having too much bureaucracy or writing down lists of intentions simply because it is thought that this is what is expected.

The CSO's Constitution usually covers the following areas:

1. Name of the CSO
2. Aims and Objectives
3. Registered Office details
4. Members
5. Trustees and their roles (in case of incorporated Trustees)
6. Governing Body (this may be made up of the Trustees, and known as the Board of Trustees)
7. Meeting arrangements – General and Emergency meetings (including AGM)
8. Rules and procedures
9. Finances
10. Changes/amendments to the constitution (arrangements)
11. Dissolution (of the CSO)
12. Special Clause (Mandatory)

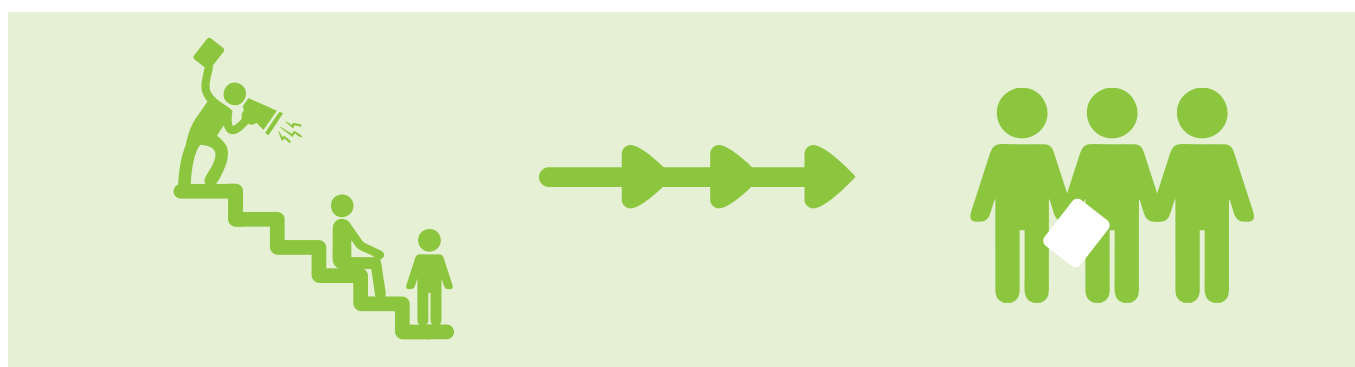
1. Name of CSO

Consider whether it is better to have a name that reflects the CSO's location, what it is doing, or both? Does it need to be 'catchy' so that it is memorable?

PART 2: A STEP-BY-STEP GUIDE TO DEVELOPING A CSO CONSTITUTION

A CSO's constitution provides details of the aims, objectives, and rules that they will follow – what the CSO is going to do and how it will do it. It is important for the following reasons:

- It is often a requirement by government for legal registration of a CSO, as it sets out the limitations and obligations of the CSO. (Similarly, a National Constitution sets in place limitations and obligations on governmental organisations with the people, providing opportunities for the public to influence the political process.)
- Without a constitution, people within the CSO can easily find themselves at cross purposes, and tasks may not get done.



2. Aims and Objectives

The aims and objectives are a statement of the CSO's long-term goals – its vision, mission, and overarching objectives - what the CSO would like to achieve, or change, and how it will achieve it. This is probably the most important part of the constitution, and it needs to be clear.

A deep discussion is necessary at this level to ensure everyone involved in the CSO (and its key stakeholders) agree on its purpose and what it will be doing. If these are clearly written, they should be shared with others to let them know what the CSO is all about.

The aims and objectives should include information about the area where the CSO will work, who will benefit from the activities of the CSO, and how they will benefit.

3. Registered Office

Details of the CSO's registered office, postal as well as email and telephone contact details, and website, if available.

4. Members

If relevant, the CSO needs to decide who will be entitled to be a member of the CSO (there are not always members in a CSO), this could be:

- The self-selected group of people who are establishing the CSO, or
- everyone who pays a membership fee, or
- everyone who lives in a certain area (eg: youth, PWDs, Girls), or
- all users and volunteers of the project, or
- anyone who supports the aims of the CSO and participates in its activities.

Will there be a membership fee?

This is entirely up to the CSO – the advantages are that it makes it very clear who is a member (those that have paid) and the fees will contribute to the CSO's financial resources. The disadvantages are that fee requirements may put people off joining. If the CSO does require a membership fee – then how will it be paid, weekly, monthly, annually? How much will it be? If this is decided annually at the AGM, this detail needs to be included in the constitution. There must be transparency and accountability on how the fees are used. How can people join? There needs to be a clear process. It is good practice to have an up-to-date membership list and to keep communication open with the membership. It must be clear how a member can cease to be a member from their side, and in what circumstances would the CSO use their authority to withdraw the membership from a member.

Benefits of membership

Depending on the type of CSO it is, if there are members it

should be clearly defined by the CSO what the benefits their membership brings to them, ie: they will be able to engage in the consultation process when discussing constitutional issues, or during the election of a Chair, or perhaps they can expect to receive a service from the CSO. If the members are requested to pay a membership fee, it is very important that everyone is clear what benefits they can expect as a fee-paying member.

Gender and Social Inclusion (Equal Opportunities and Diversity Policy)

A full equal opportunities and diversity policy is usually a separate document to the constitution. However, within the constitution it is important to add a statement of commitment to equal opportunities and diversity (Gender and Social Inclusion (G&SI).



Safeguarding Policy

A safeguarding policy can also be included in the Constitution to demonstrate the CSO's commitment to protecting Vulnerable Adults and Children in its day-to-day work.

5. Board of Trustees/Governing Body – Registration, roles and responsibilities (in the case of incorporated Trustees)

Those CSOs that are registered as an Incorporated Trusteeship or a Company Registered by Guarantee will need to engage a group of trustees that represent the skills required on a Board, they should reflect the diversity within the community the CSO represents. [\(Further information on the registration of a Board of Trustees in a CSO: an application request form can be found here.\)](#)

In this case, a clear (separate) Governance system needs to be established with:

- Details of the selection process of trustees/governing body members, avoiding conflict of interest.
- Details of the roles and responsibilities of the trustees/governing body members
- The maximum period of office per individual trustee (often 4 years, that is renewable once, but this is a matter of choice).

- The skills required to be an effective board (eg: someone with solid financial experience, the necessary technical/sectoral experience, chairing experience, etc);
- A breakdown based on gender and diversity, as a guideline for recruitment/selection of trustees.
- A Conflict of Interest (Col) Policy should outline how a potential Col is disclosed to the CSO and how that person (board member, staff member, volunteer or consultant) will be prohibited from being involved in any related matter in which there remains a conflict.

ROLES AND RESPONSIBILITIES OF THE BOARD

- *Furthering the CSO's overall purpose, as set out in its governing document/constitution, and setting its direction and strategy – for example, by developing/approving plans and strategies and monitoring progress towards them.*
- Ensuring the work of the CSO is effective, responsible and legal – for example, by the use of policies and procedures and systems for monitoring and evaluating the CSO's work.
- Safeguarding finances, resources and property and ensuring they are used to further the CSO's purposes – for example, by insuring and documenting assets, maintaining financial systems, monitoring income and expenditure and ensuring the CSO is financially viable.
- Being 'accountable' to those with an interest or stake in or who regulate the charity – for example, by preparing annual reports and accounts and consulting with stakeholders (link to risk) – in line with due diligence procedures and best practice.
- Being clear about the people who carry out work on behalf of the charity – trustees, staff, volunteers – establishing and respecting boundaries between the governance role of the board and operational or day to day matters.
- Ensuring the board operates effectively – *for example, ensuring it receives the right reports and advice, by planning the recruitment and induction of trustees/board members, providing trustees/board members with support and training or carrying out reviews or appraisals of the board's effectiveness.*

(NCVO)



A board of trustees is an appointed or elected group of individuals that has overall responsibility for the management of an organisation. The board of trustees is typically the governing body of an organisation and seeks to ensure the best interest of stakeholders in all types of management decisions. ”

(Investopedia)

A separate Governance Procedures document should be provided as an appendix to the Constitution, outlining these points clearly and providing details of the trustees in place.

For the board of trustees/governing body, the following specific officers should be agreed, and they should be selected based on their skills and experience to take on key roles (also helpful for Management Committees, but often less formal):

- Chair
- Secretary
- Treasurer

If the CSO is registered as an Unincorporated Association, it needs to be decided if there will be a committee formed. Some groups have a committee which is elected once a year (at the AGM) and is responsible for running the day-to-day affairs of the group. This is known as the management committee or executive committee, and the CSO will have to decide how many committee members to have and what officers are required. (The roles and responsibilities will be the same as those in an Incorporated Trusteeship.) However, other groups may share or rotate the jobs that need doing. Even with a management committee, the Unincorporated Association will need to take responsibility for long-term tasks, such as managing the finances. It is useful for the group to decide in advance of each meeting who will facilitate or chair the meeting and who will take minutes, as well as who will take on specific responsibilities for decisions made by the committee.



The Management Committee ensures that everything the CSO does supports its Vision, Mission, Purpose and Objectives. They establish the fundamental values and strategic direction in which the organisation operates. ”

(DIY Committee Guide)

Both management committees and board of trustees may invite other people to serve on the committee/board temporarily, known as co-opting, for a short period because they have skills or knowledge required at that time.

As with the Unincorporated Associations, for a CSO as an Incorporated Trusteeship or Company Limited by Guarantee, there will be no payment of fees by or to the trustees/members of the governing body; this is a voluntary role.

6. Governing Body

The Governing Body is a group of people (women and men) who should have a relationship with the location, constituents, and the sector of the CSO. They offer relevant experience and skills to the CSO. They will fully understand and believe in the Vision, Mission and Values of the organisation and commit to providing voluntary support for an agreed period. They oversee the work of the ED and Senior Management team and ensure that the CSO is accountable in the achievement of its strategy, for its financial due diligence and in compliance with legal requirements. They have the overarching power and authority to steer the direction of the CSO (in collaboration with the ED), to ensure that the CSO implements its activities in line with its strategic plan and, therefore, the needs of its constituent group and members.



Every charity has a governing body (most often called a board) that takes overall responsibility for its work. The board is responsible for the governance of a CSO - ensuring it is effectively and properly run and it is meeting its overall purposes as set out in its governing document/constitution. ”

(NCVO)

7. Meeting arrangements (regular, emergency and AGMs)

The CSO will need an Annual General Meeting (AGM - once a year) - for CSOs with all types of registration. This is when the CSO (Executive Director informs its members, or just its board) about the work that has been done, shares financial information and end of year accounts are approved by the board (usually signed by the Chair following agreement). Many CSOs use this as an opportunity to involve their members in the celebration of their achievements. It is also the time to, if necessary,

make any changes to the constitution (following the approval of the members/board).

With respect to board meetings, the CSO's constitution should outline:

- How often will the governing body meet?
- Who will be entitled to attend – when will it be just the governing body, or when it will be open to all members?
- How members will be notified of the date, time and venue of general meetings or for the AGM.
- How many weeks' notice will members be given of AGM and when they can expect to receive the agenda and papers prior to AGM and general meetings.
- The maximum time there can be between AGMs, usually a max of 15 months (it often follows the date the Annual Accounts can be audited).
- How many days in advance members must submit items for discussion at the AGM or general meetings?
- For unincorporated CSOs, how people can nominate themselves for the management committee (nominations are made, seconded, and approved at the AGM).
- What the quorum will be at governing body and management committee meetings (ie: the minimum number of members that must attend a meeting for it to elect officers or make decisions on behalf of the group. This should be low enough not to struggle to meet it, but high enough that major decisions are not being made by very few people).
- CSOs will hold an AGM to approve its annual accounts and to present the plans and accounts for the forthcoming period (incorporated CSOs are obliged to do this, and it is the norm for unincorporated CSOs).
- For those CSOs with Trustees/governing body and no members, the AGM is a time to ensure that the Trustees/directors are complying with their terms of office, and to consider replacements or extensions, as appropriate.
- Will the CSO aim to reach a consensus, or hold a vote to agree decisions? If decisions are to be made by voting, it is common to state in the constitution that a simple majority is required, and that if there are an equal number of votes on each side, the chair will have the casting vote. The CSO could aim to have a combination of both, where the aim is to make decisions by consensus, but a vote is called if consensus cannot be reached

Special General Meetings

A special general meeting is used to discuss important issues that need to be put before the whole membership, such as an amendment to the constitution. They can usually be called by the committee or requested by members. The constitution should state:

- How members will be notified of the date time and venue of the Special General meeting.
- How many days' notices they must be given.
- What the quorum will be for these meetings to take place.

8. Rules of procedures

- Good time-keeping – show up on time and don't extend the meeting
- Sharing papers and agenda in advance of the meeting
- Reading papers in advance and coming prepared
- Following the agenda
- Recording items and decisions
- Ensuring that the approach is inclusive
- Making time for everyone to speak and participate
- Being positive and solution focused
- Being patient, listening and not interrupting others
- Respecting each other's differing thoughts and opinions
- Valuing everyone's different inputs
- Remaining open to new ideas
- Embracing different communication styles

9. Finances

In the constitution it will be necessary to spell out how the CSO will deal with money. The following is a suggestion for consideration:

- A bank account will be maintained on behalf of the CSO at a bank agreed by the governing body/board of trustees
- There should be at least three signatories to the account (so that there should always be two available to authorise payments)
- Each transaction will require two signatures
- Records of income and expenditure will be held securely and maintained by the treasurer or (in a CSO that is either incorporated or a company limited by guarantee) by the finance director/officer
- An annual statement of accounts will be presented to the AGM
- All money raised by the CSO will be spent solely on the objectives laid out in the Constitution
- It is recommended that a group of financial rules will be developed by the committee/trustees (this will provide reassurance to donors), eg:
 - The sort of financial records that will be kept (eg: accounts book; petty cash book; spreadsheets, etc

– manual details, or provide details of the software to be used)

- Details of the bank account, name of bank, and details of signatories required
- Details of how the CSO will deal with petty cash
- The maximum amount which can be paid out to creditors (or petty cash) in cash, and approval procedures
- Broad outline of security arrangements for the storing of cash and the accounts books in the office and password protection (no names or password details of course)
- The financial year (dates)
- How often the treasurer will report to the committee/trustees (and/or the finance director will report to the trustees)

10. Changes to the Constitution

The CSO may wish to make changes to the constitution later, so it will be necessary to decide:

- Which meetings can decide to make changes to the constitution (usually the AGM)
- How much notice has to be given to the members of the proposed changes?
- If a vote will be required, and if it will have to be a simple majority or a 2/3rds majority

11. Dissolution

If the purpose of the CSO has been achieved as far as it is possible, or the aims and objectives are incapable of being achieved, the trustees should put a statement in writing containing the reasons they consider dissolution to be in the best interests of the CSO. It is likely that it will be necessary to submit this to the registration body for the CSO, alongside details of how the CSO will manage its close-down process, following the agreed procedure, which will include who will be responsible, rules to be followed regarding notifying staff, constituents, other key stakeholders such as donors, key partners, and beneficiaries, how assets and resources will be dealt with, etc.

12. Special Clause (Mandatory)

Special clause on the property of the CSO is, in the case of incorporated trustees, this is mandatory for CSOs to adopt into their constitution. So much so that during registration, the CSO must include, among the required registration documents, the minutes of the meeting where members adopted the special clause into the constitution.

DRAFTING THE CONSTITUTION

- Agree one or two people who will draft the constitution based on discussion and agreements on all the above.
- Share the draft constitution with those involved in the discussion, for comments.
- Finalise the draft constitution and take it to a meeting for formal acceptance by the CSO trustees/management committee.
- At least two trustees/committee members should sign and date the constitution to confirm it has been agreed.
- Make copies of the constitution available to all members and give a copy to all new members as they join.
- Use it to guide all meetings and decisions – including planning activities which should align with the Aims and Objectives.
- When planning and holding AGMs, check the constitution so to ensure that procedures are being followed.
- If in future, if the CSO wants to work in a way that is different to that outlined within the constitution, follow the agreed process to amend the constitution.
- Develop/approve additional documents, eg: Governance Procedures (for Board of Trustees); Strategic Plan; Gender and Social Inclusion Strategy; Human Resources policy, Conflict of Interest policy, Safeguarding policy, etc. These should be Appendices to the Constitution and used as a source to guide the trustees' monitoring role, the CSO's management and day-to-day activities with constituents, partners, and stakeholders.
- It is advisable to have the draft constitution thoroughly checked by a professional to ensure all its provisions are following the law.

GLOSSARY

Conflict of interest

A conflict of interest involves a person that has two competing relationships for their personal loyalty. An example is where a person might have a loyalty to a CSO as a trustee (or employee) and has loyalty to an employee of the CSO as a family member. The conflict lies where each body expects to have their best interest first. In the case of a CSO, it is not in the best interest of the CSO for the husband/wife of the ED, for example, to become a trustee (or staff member), as therein lies a conflict of interest. It is important that the CSO is rigorous in identifying potential Conflicts of Interest and maintaining and monitoring a Conflict of Interest register.

Constitution

The CSO's Constitution determines the fundamental principles of the CSO, rules of procedures of its governance, its organisational vision, mission, values, and objectives and sets forth methods to ensure accountability of its processes and procedures.

Gender and Social Inclusion

Gender and Social Inclusion (G&SI) is a concept that addresses improved equal access for all, including those who are often traditionally excluded from development initiatives, eg: women, girls, youth, poor people, people with disabilities, ethnic minority groups, older people, children, LGBTQI+, etc. G&SI supports inclusive policies and mindsets and increases voice and influence by all. It is good practice to ensure that the Board of Governors is gender balanced.

Governing Body

A group of people who are selected to formulate/ approve the CSO's policies, to ensure the CSO complies with due diligence and national/local regulations and oversees the implementation of the organisational strategy of the CSO in partnership with the non-executive body, eg: the Executive Director and Senior Management. The group acts in a part-time, voluntary capacity, and commits to support the CSO for an agreed timeframe.

Human Rights-Based Approach	A human rights-based approach (or a rights-based approach) to development means that all forms of discrimination, legitimised by human rights instruments and legislation, must be prevented. It also means that priority should be given to people who are often the most marginalised or excluded from development, and who face the biggest barriers to realising their rights.
Incorporation trusteeship	The property of the CSO is vested in the name of the CSO (incorporated body). This avoids the need to transfer any of the CSO's investments to new trustees as the board membership changes. The trustees may enter contracts, sue, or be sued, in the name of the CSO.
Not-for-profit company	This is a broad term for an independent organisation whose purpose is something other than to make private profit for directors, members, or shareholders. Many different types of organisations can be non-for-profit, including charities, CSOs (NGOs) and Community Associations.
Safeguarding policy	A safeguarding policy states what a CSO will do to protect a child or vulnerable adult within its CSO or in any way under its purview, across its programme or projects.
Strategic Plan	The CSO's strategic plan is an outline of its Vision, Mission, Values, Objectives and how it will implement and monitor its activities to achieve them. All new projects are developed in line with this. Within the strategic plan are integrated its functions - in terms of finance, accountability, human resources, etc. The strategic plan is normally for 3-5 years and is synonymous with its management; it can also be used as a communications and marketing tool. The trustees' role is to agree the strategy and to monitor progress and plans against it.
Trustees/Governing Body	Trustees of a CSO are selected objectively based on their skills, knowledge, diversity and understanding of the sector and location of the CSO. They must: make sure that the charity is carrying out the purposes for which it is set up; comply with the CSO's governing document/constitution and the law; act in the CSO's best interests; act responsibly, reasonably, and honestly (sometimes called duty of prudence – which is about exercising sound judgement); act with reasonable care and skill and comply with statutory accounting and reporting requirements.
Unincorporated trusteeship	Unincorporated organisations are easy to form, requiring the bare minimum of formalities to bring them into existence. They are flexible and can vary in size, from just a few people to many members. From the legal point of view, they are unincorporated, which means the management committee members are unable to defend themselves against any claim against.

REFERENCES/SOURCES OF INFORMATION

Corporate Affairs Commission, Nigeria: <https://www.cac.gov.ng/resources/>

DIY Committee Guide: <https://www.diycommitteeguide.org/resource/role-management-committee>

Fellow: <https://fellow.app/blog/meetings/meeting-ground-rules/>

Investopedia: <https://www.investopedia.com/terms/b/boardoftrustees.asp>

NCVO: <https://knowhow.ncvo.org.uk/governance/getting-started-in-governance/what-is-a-board>

Online Pictures:

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Find out more

Agents for Citizens Driven Transformation (ACT)

ACT@ng.britishcouncil.org

www.justice-security.ng

Key contacts

National Programme Manager: [Damilare Babalola@ng.britishcouncil.org](mailto:Damilare.Babalola@ng.britishcouncil.org)

Operations Manager: [Maxwell Anyaegbu@ng.britishcouncil.org](mailto:Maxwell.Anyaegbu@ng.britishcouncil.org)

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