

**Hinckley Amateur Radio & Electronics Society**

**Notes of interpretation of Constitution**

**V1 – 27th October 2024**

**Introduction**

Within the October 2023 revision of the HARES constitution, point 12(i) states:-

*Where matters of conflict or queries regarding the constitution arise, the president shall have the decision on the correct course of action*

This document serves as a log of matters where the President has expressed an opinion using this constitutional clause such that:-

 a: Consistency between similar decisions can be taken in future

 b: Members can refer to this document in future without having to seek an opinion from the president.

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**Section 5 (Finance) – Interpretation of “125% rule”**

On 27th October 2024, the president made a recital regarding the interpretation of the 125% rule

This came about as a result of a purchase which would have exceeded the 125% spending cap. This was the first time that this rule had been an issue since it was introduced in the October 2023 constitution.

1. Firstly, regarding the “125% rule”. This was introduced at the request of several members whilst the constitution was drafted. The fact that several members requested this clearly indicates that the members themselves wish to have some control over the finances, not simply permitting the committee to spend money without any input from members. Therefore, the interpretation of this rule is strict, as written, that without requesting permission from the members, within a 13 month period after the AGM the committee must not spend in any way (the sum of all outgoings) any more than 125% of the membership subscriptions received since the last AGM (which would include the paid-up members immediately before that AGM.

2. It is intended that the committee should use reasonable efforts to ensure the “day to day running costs” are covered within this 125% rule, and a request to increase this should generally only be made for larger purchases

3. If members pay in advance for membership in the weeks before an AGM, but that refers to the following year after the AGM, that membership fee shall be counted towards the period after the AGM, not before. Therefore members paying in advance before the AGM does not count towards the spend cap for the sitting committee.

**Section 5 (Finance) – Method to increase spending cap**

On 27th October 2024, the president made a recital regarding method to raise the spending cap.

Firstly, it must be remembered that this rule actually came about as a direct result of several members requesting this to be inserted during the drafting of the October 2023 constitution. The intention was to give members more control over how finances are spent.

Therefore the process must not be complicated, but should ensure that members make an informed decision.

This following process is a pre-approved method which appears to offer a good degree of transparency in order to increase this spending cap:-

**1:** The proposal is agreed upon (perhaps by the committee as per the normal committee process). If the proposal (such as a purchase) is likely to be controversial, do some informal "consultation" with members (which for this mast you have already done)

**2:** All members are contacted with the proposal. This would include:-

A: A clear proposal of exactly what is being requested. For a purchase, a very clear description of the item to be purchased. If this is to raise the 125% spending cap for “day to day running costs”, a very clear description as to why the budget has over-run. Any conflicts of interests (such as a member being a seller) should be noted

B: Any benefits and disadvantages. This would include any thoughts given to the committee during an informal consultation process

C: Any alternative sources, thereby ensuring the proposal is the best value for money. Prior to making this proposal, the committee should have attempted to source the lowest cost either through negotiation and/or seeking alternate vendors (if possible)

D: The current state of finances (income from membership fees, savings in the account, any projected expenditure and any projected income), and a projection of what the end of year finances will look like. It is important members know the financial position - it may be a proposal will use all savings and leave the accounts very precarious, or it may be there's a large surplus.

**3:** A fair method of voting is used. The exact wording in the constitution requires that at least 50% of members consent to the proposal. Therefore the requirement is not for a “vote”, it is actually to collect a list of members supporting this proposal. It will be difficult to do secret ballots because of fraud with mail voting. Email or similar could be used. Therefore "no" votes are the same as "no replies". I would also suggest 14 days is a fair time frame.

**4:** At the end, if you get a list of 50% of the members supporting this proposal (noting that nobody with a conflict of interest is eligible to support such a proposal, you can make your purchase.

**5:** As good practice, if the vote isn't successful then you should not make a similar request for at least 3 months or until the next AGM, whichever is sooner. This stops keep trying over and over to get the members to agree

As these notes of interpretation are simply that, this above procedure is not binding, but it is expected that if there are any deviations from the above procedure then they should be reasonable and justified, and the above sets out the level of transparency and openness that should be observed with this process.

The importance is that members should be fully informed of what is being requested, that it represents good value for money and that the majority of members are happy for the money to be spent in this way.

The committee should not be concerned about asking for an increase, it is simply a method of consulting the members about major purchases.

**Section 3(e)(a) (Conduct) – Method of handling sales of donations of equipment**

On 27th October 2024, the president made a recital regarding the sale of equipment that is donated to the club.

This has come about as on a number of occasions in the past equipment has been donated to the club for sale, and members have been frustrated regarding the process.

The below process is not binding, but is a suggested process which should give good levels of openness and transparency to any sale. Furthermore by having a documented process, it sets out to anybody donating equipment the method of disposal.

A suggested process therefore is:-

1: Kit gets donated. A list of it equipment is compiled by the committee, who also determine fair market values (with a fair reasonably discretionary discount for members to get lower cost access and to expedite a quick sale, perhaps 25% discount on market value)

2: This list gets sent to members via email at least 7 days in advance of the meeting in which the equipment will be finally sold, with the list of equipment and the date/time of the meeting and the deadline for expressions of interest. The “no resale within 3 months” clause should be made known to members.

3: The kit is all laid out on a table or similar for inspection at this meeting. At least 1 hour is given for people to look at the equipment. If the equipment is too large/heavy to be laid out on a table, reasonable measures should be taken for people to inspect the equipment, where reasonably possible. At the expiry of the inspection time, this is the “deadline” by which expressions of interest must be submitted.

4: If it is not possible to allow the equipment to be inspected (such as a large mast in a garden where access is difficult), sale can proceed without inspection, by having a clear “deadline” for expressions of interest which would be during a club meeting.

5: If people are interested, they register their name before the “deadline”. This could be via email (if they can't make the meeting) or on the night

6a: At the expiry of the deadline, if only person put their name against it, they have up to 3 days after to pay.

6b: If more than one person put their name against the equipment, firstly payment will need to be made on the night (via bank transfer, cash or similar). The person running the sale must make reasonable efforts to conduct an auction between everyone who put their name down - clearly this is easier if everyone is there on the night, but you can telephone, if the person is available. If you can't get them on the telephone, it goes to whoever is in the room.

7: If the kit isn't sold to the members, then a good price should be obtained via other means which could be eBay or similar

8: If people are purchasing the kit, it is agreed that this purchase is for personal use only and if it is sold again it within 3 months and make a profit then they should donate 50% of that profit to the club. If they don't declare within 7 days they sold it and made a profit then 100% of the profit is due to the club. This clause should be made clear in writing when the list of equipment is sent out and on the night.