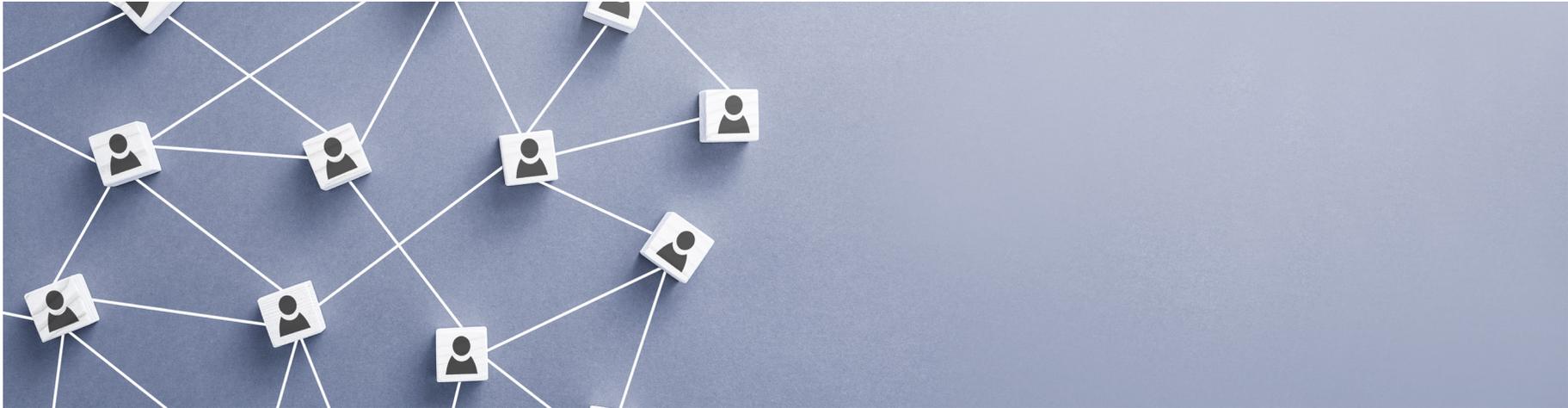




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2023

Choosing your **Charity Structure**

Charitable Incorporated Organisation (CIO) Association model

Wide membership

- Set up an association CIO if you want your charity to be a corporate body and have a wider membership, including voting members other than the charity trustees.
- You will require a constitution as your governing document – use the Charity Commission’s model association CIO constitution (or stay very close to it).

Charitable Incorporated Organisation (CIO) Foundation model

Small membership

- Set up a foundation CIO if you want your charity to be a corporate body and the only members are the trustees, and you don't want a wider membership.
- You will require a constitution as your governing document – use the Charity Commission's model association CIO constitution (or stay very close to it).

Company Limited by Guarantee (CLG)

With or without a wider membership

- A corporate body can be set up with or without a wider membership.
- Choose articles of association as your governing document.

Unincorporated Association

If you want a wide membership

- The trustees are personally liable.
- The charity will not be able to enter into contracts or control some investments in its own name.
- Two or more trustees, a corporate custodian trustee or the charities' land holding service, will have to 'hold' any land on your charity's behalf.
- Relatively small in terms of assets.

Trust

Without a wide membership

→ Unlikely

To employ a significant number of staff.

To carry on any kind of business.

→ Will make grants but doesn't do any other type of work.

→ The trust deed must specify a sum of money, land or some other assets that your charity will start with (it doesn't matter how much). Otherwise, you won't be able to register it with the Charity Commission.

How to change the governing document of a CIO



If your charity is a CIO, you can agree to the changes by either:

- getting written agreement to the resolution from all the CIO's members
- getting a 75% majority of votes cast at a general meeting of the CIO's members



You'll need to get the Charity Commission to approve 'regulated alterations' with changes to:

- your CIO or charitable company's purposes
- what happens to property on winding up
- rules on paying a trustee or someone connected to them from its funds

How to change the governing document of a CLG



If your charity is a company, you can agree to the changes as a:

- 'special resolution' at a general meeting.

You must send a signed copy of the resolution along with a PDF of your amended articles to both the Commission and Companies House within 15 working days.

How to change the governing document of an Association or Trust



The Law allows:

- change of name
- how members and trustees are appointed
- how meetings should be managed
- whether a charity can work with other charities

In addition, if your charity has an income of £10,000 or under and doesn't have 'designated' or 'specie' and/or 'permanent endowment' land, you can change charitable purposes provided they are similar.



You CANNOT change the rules yourself for:

- spending money or land held as permanent endowment
- paying a trustee or someone connected to them
- third parties having the right to nominate trustees or take part in other decisions

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