involve

MAKING A DIFFERENCE LOCALLY

Guide #3

Reducing trustees' liability

A guide to *changing* your unincorporated charity into a Charitable Incorporated Organisation.

This guide is for your *existing* unincorporated charity, to change it to a different legal structure that better protects your trustees.

(This is NOT a guide to setting up a charity/CIO – that's Guide #2)

inTRUSTed

EFFECTIVE RECRUITMENT & SUPPORT FOR TRUSTEES

This guide is for groups that can be supported by **in**vol**ve** Community Services: primarily those in Bracknell Forest and Wokingham Borough, or elsewhere in the Thames Valley. If you're outside those areas, please feel free to use our Guide, but you may get better support from similar organisations in your own area who are also [NAVCA members].

We have tried to make our guide as accurate as we can, based on the Charity Commission guidance, which is definitive. If you find our mistakes here, please let us know as soon as possible.

v24 Last updated 25/10/2025

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MAKING A DIFFERENCE LOCALLY

A guide to *converting* or *changing* your unincorporated charity or Community Amateur Sports Club to a Charitable Incorporated Organisation

involve Community Services does not provide legal advice; you may want to obtain qualified legal help with your group's incorporation

Although we hope this guide is comprehensive, you may not need *every* step detailed here; we suggest you use this guide alongside involve Community Services employees' advice, use qualified legal experts (suggested sources: LawWorks; Law Society), or pay an organisation to do it for you *(see page 4)*, although you can just do it yourself for free!

inTRUSTed

EFFECTIVE RECRUITMENT & SUPPORT FOR TRUSTEES

Incorporating your charity,

to reduce personal liability to your trustees, amongst other benefits

What is "incorporation"?
It's simply changing your charity's legal structure to become a 'corporation', which has its **own** legal identity.

In this Guide, we use "charity" to also mean a Charitable Trust, Charitable Foundation, Community Amateur Sports Club or any unincorporated not-for-private-profit charitable group.

"We don't know if our charity is 'incorporated'! How do we find out?"
Search the Charity Commission for your charity's Governance > look at 'Organisation Type'.
"Other" or "Trust" are unincorporated; "Charitable Company" or "CIO" are incorporated. *If you're unsure, ask* ***involve.***

If your charity is *unincorporated*, it cannot hold any property or assets in its own name, shouldn't be employing people, and cannot be held legally responsible. Instead, each trustee is **personally and individually** liable for all the actions of the charity. If things go wrong, **each trustee may have to cover costs**. Every trustee's name should be on any contracts, etc., and when trustees change, those documents must be changed, which can be costly…

A corporate charity, however, limits the financial liability of all individuals who are trustees to a small agreed amount, often £1. Such an organisation can properly apply for, hold, issue and agree contracts, including with Local/Central Government, and the NHS, if needed.

This Guide looks complicated, because it's comprehensive. **involve** can go through each step with you, although *you must take the actions yourself*.

Most unincorporated charities want to incorporate to limit trustees' personal liability, and although there are other reasons to incorporate, **involve** believes that protecting trustees should probably be your main reason to do it.

This guide assumes your trustees want to undertake the incorporation yourselves: it is not difficult but you **must** be very precise.

Advice from Blandy & Blandy, a local law firm specialising in charities, including incorporation.
(This reads like an advert, but is good advice nevertheless).
Incorporating a Charity - The Process, Timescale and Cost for an Existing Charity

You can do this yourself for free by following this Guide (or others), but it takes time and focused administrational effort. You could use Solicitors who have Charity Law expertise, or other organisations and companies to help convert your unincorporated charity into a CIO, although they will charge between £600 and £1500.
Examples *(NOT recommendations and not the only ones)* include Charity Excellence Framework, Charlie Cattell, Mounteney, BusinessLegal Ltd., OK Charity, Simply 3rd Sector, or Charity Expert.
If your group has a clear "Christian ethos", you could pay Stewardship, who are a Christian charity, to create your new CIO.
involve Community Services doesn't know how well any of these organisations will help you…

You will need to be sure that your trustees have the power to change your structure and there aren't any restrictions in your current rules.
Check your existing Constitution; and see this Guide pages 19-22.
For most charities, these steps shouldn't stop you; if you're unsure, you can share your Constitution with **involve,** or take qualified legal advice.

Although there are other ways to incorporate a charity, those are often more complex to run. The Charity Commission and **involve** recommend your charity becomes a **Charitable Incorporated Organisation** (CIO).

Becoming a Charitable Incorporated Organisation (CIO) needs some quite precise and administrative actions, but is much-easier once your charity has done those steps. **involve** also believes it's easy once set-up and running.

Over 85% of *NEW* charity registrations are CIOs

You could change your unincorporated charity to become a Charitable **Company Limited by Guarantee** (CLG), which is another incorporated structure for Registered Charities.
But a CLG needs to be administratively run as a Limited Company, with annual fees and DUAL reporting, plus the need for Trustees/Directors to have verified IDs. This is because a charity that is also a CLG must report every year to *Companies House* as well as to the Charity Commission. There are also financial penalties for any late reporting to CH.
If you decide you want to become a CLG, it's probably better to discuss with involve, who can advise.

Steps to incorporating as a CIO

Your trustees have discussed the reasons you'd like to incorporate, most-probably to reduce the personal liability to your trustees. Trustees have also done thorough checks about your potential liabilities: if you have employees, pensions, contracts, etc., etc.

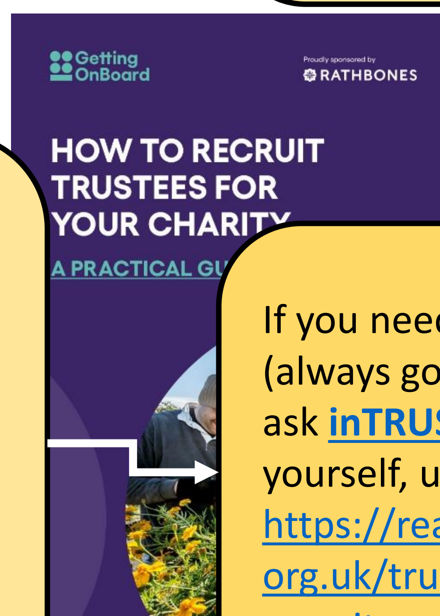
Details of these checks below, pages 9, 19-22

This list of 'checks' isn't comprehensive. Ask involve if you're unsure about these liabilities.

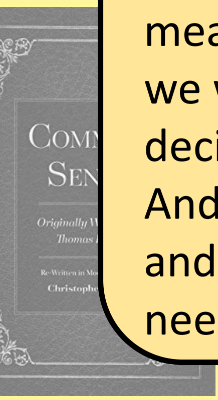
*If your unincorporated charity is already employing staff, it's an even greater reason to incorporate, as **all trustees are individually responsible** for those employees.*

You have at least three trustees.

Ideally, you should have more, maybe between five and nine, although that depends on your financial size, scope of what you do, and is your choice.



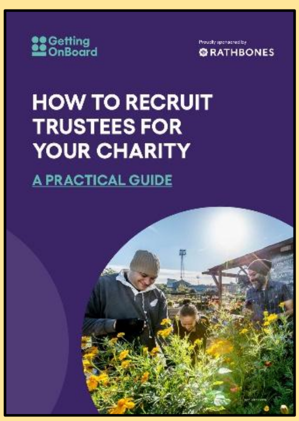
If you need more trustees (always good ☺) ask **inTRUSTed**, or do it yourself, using https://reachvolunteering.org.uk/trustee-recruitment-cycle



The more-diverse your Board is, the better: by diversity, yes we do mean age, ethnicity, gender, etc., but we also mean ***diversity of thought***. If everyone thinks the same, we won't have trustees who constructively challenge our decisions and we'll end up with 'groupthink'.
And diverse trustees obviously bring diverse experiences and knowledge, bring more 'common sense', a trait much-needed on trustee Boards ☺

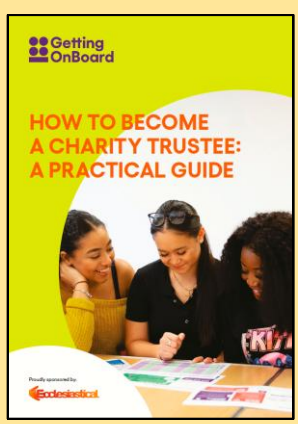
Unfortunately, the easy-to-access source of good trustee recruitment information, the charity "Getting on Board" closed in 2024 due to lack of funding ☹, and you can no longer download their guides.
involve has copies of all of their main guides – intrusted@involve.community

How to recruit trustees for your charity



How to diversify your charity's Board

How to recruit Black and Asian trustees for your Board



How to become a charity trustee

Your existing charity's Annual Return, Trustees' Annual Report and Accounts MUST BE **up-to-date and filed on time** with the Charity Commission. Check your charity's entry via https://register-of-charities.charitycommission.gov.uk/charity-search
The Charity Commission will refuse your incorporation if your filing is not up-to-date.

If your CC entry shows your charity hasn't filed these, *if required* (depends on your £s turnover), **you MUST do this before proceeding**.
If you didn't need to file these documents (very small groups only), you can proceed with the next steps in this Guide.
If you're unsure about filing, please ask ***involve*** *for guidance.*

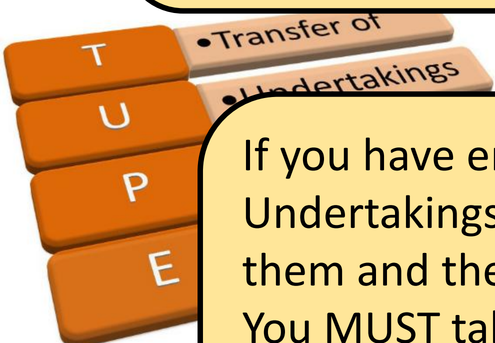
If your charity's entry shows you've missed deadlines but have now filed these documents, you can proceed, but please ensure your to-be-newly-incorporated charity files on time in future, as this is required. Late filing impacts on your reputation and fundraising: it is all your trustees' legal responsibility to ensure this.
The Charity Commission will display a "charity is defaulting notice" if you miss deadlines, and that record stays in public view for at least 5 years ☹

Parallel Running

Parallel Running

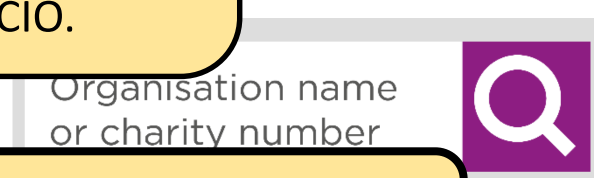
In order to keep your charitable activities running and serving your beneficiaries, you will need to create this new CIO, register it with the Charity Commission, have it running in outline *at the same time* as your existing charity.

You then agree a date when you will transfer all of its assets and liabilities – finances, contracts, leases, employees, volunteers, buildings, transport, mops & buckets, etc., etc. - of your current unincorporated charity's "resources" to the newly-created CIO.



If you have employees, TUPE (Transfer of Undertakings Protection of Employment) will apply to them and their employment contracts.
You MUST take qualified HR/legal advice to ensure you do that safely and legally.
This is **separate from this Registration** and can be done ***after*** you've registered the new charity.

If you have grants, contracts, leases or rental agreements, and many other formal & contractual liabilities, you will need to transfer them too, but this also can be done ***after*** the registration of your new CIO.



Your new CIO will have a new Constitution and a new charity number, as it's legally a different organisation.

involve advise you to use the Charity Commission template Constitution (more on pages 15 & 16, below) in your formation of the new CIO. They're not difficult to use, and **involve** have guidance based on the templates, for which parts to vary/agree/delete. If you stray much from the templates, the Charity Commission may refuse to Register your new CIO or question why you've made unusual changes.

Although you will get a new charity number as your register, **involve** *strongly suggest* you use the same name for your charity. And, yes, you can have both charities with the same name during this parallel period.

Unless you REALLY need to change your charity's name, it's not recommended to do so, as you lose your community's and the public's perception of your charity and may have to create a whole new branding campaign.

You would also need to inform everyone internal (employees, volunteers, trustees) and external (funders, donors, banks, deliveries, suppliers, contractors, Local Authorities, etc., etc.) to stop confusion.

You'll need to inform many of those about your incorporation anyway (probably not needed for the public), **but if the name's the same, they'll be little confusion** and it'll be easier.

What's in a name?

A blog about why you might want to change your name

You must be aware of the different charity numbers when in this transfer period. It's often useful to for you refer to "Unincorporated Charity 123456" and "CIO 9876543", so you know which organisation you're talking about; this will stop when you finally close "123456".

Only ONE of these will apply to your current group. If this doesn't make sense or you're unsure, ask **involve** for guidance		
We are an existing unincorporated Registered Charity,	**We are an unincorporated community group,**	**We are a Charitable Trust** (most of which are unincorporated)
and we want to reduce the personal liability to our trustees; we understand the initial administrative effort needed to set up a CIO, including changing our charity number, but want the eventual easier regulation by the Charity Commission.	not previously Registered as a charity with the Charity Commission, and we have an income over £5,000 per annum. Even if you only exceed £5k once, you are legally required to Register as a charity. ***involve** recommends the CIO route*	and we want to reduce the personal liability to our trustees. If you are unsure whether your Trust is incorporated, you can [check via Companies House]() to see if there is a Limited Company in existence with your Trust's name. If you *ARE* incorporated, there's obviously no need for the action outlined in this guide, or others.
Use this Guide #3	**You don't need this Guide.** If you are *not* already a Registered Charity, **use our [Guide #2]()** - Setting Up a Charity/Converting your Community Group to a Charity, which takes the CIO route.	If you are an *unincorporated* Trust that is Registered with the Charity Commission, **use this Guide #3.**

Our existing unincorporated charity is one of the following:		
1. With voting members	**2. Without voting members**	**3. We want to remove voting members** THIS IS PROBABLY AN UNUSUAL OR UNLIKELY OPTION
THIS PAGE	Go to page 13	Go to page 14

We have checked our existing Constitution and we are clear that we are an unincorporated **charity with members who can vote** at our AGM to elect our current trustees.
Our members may also receive other benefits, but they can clearly vote for who they want as trustees ("the Committee") at our AGM.

For example, many unincorporated Community Centres are this structure.

*If you're unsure about this, ask **involve** to look at your Constitution with you.*

You **MUST** use the *Association* model template to become an **Association CIO**.

Now, go to page 15

Our existing unincorporated charity is one of the following:		
1. With voting members	**2. Without voting members**	**3. We want to remove voting members** THIS IS PROBABLY AN UNUSUAL OR UNLIKELY OPTION
Go to page 12	THIS PAGE	Go to page 14

We have checked our existing Constitution and we are clear that we are an unincorporated charity **without any voting membership.**

We may have people we call "members", who get certain benefits from their membership, and we may even £charge those people to be members, but those people ***cannot vote* at the AGM** or elect the trustees (the "Committee").
There may even be other benefits to their membership, but we are clear that voting for trustees isn't one of them.

We may be a Charitable Trust without voting membership, or we may be an unincorporated Registered Charity.

*CHECK THIS thoroughly to ensure you don't have voting members, and if you're unsure, ask **involve** to look at your Constitution with you.*

You can use the *Foundation* model template to become a **Foundation CIO**.

Now, go to page 15

Our existing unincorporated charity is one of the following:		
1. With voting members	**2. Without voting members**	**3. We want to remove voting members** **THIS IS PROBABLY AN UNUSUAL OR UNLIKELY OPTION**
Go to page 12	Go to page 13	THIS PAGE

We are clear from our Constitution that we are an unincorporated charity with **members who *should* vote** at our AGM to elect our current trustees, but we don't want that voting process to continue. We want to *remove membership* and their voting, and we are aware of the consequences to those members who will be disenfranchised, and possibly to our public image and reputation.
This might be applicable if your membership has diminished to low or no numbers and you want to revise that membership responsibility in order to better serve your beneficiaries.

For your new CIO, you can still have 'members' who won't be able to vote (as page 13) but can still have other involvement in the services provided by your new CIO.

You must inform any voting members you may still have, if that's possible, by calling a meeting of them, but if you cannot do that, or no one responds to this meeting, you may have done all that you can, to alleviate risk and manage your reputation.
Still take care – this is your current and future charity's reputation!

*If you're unsure about this, ask **involve** to look at your Constitution with you, and for further advice. If you are unclear, this case may be one where you need to take external qualified legal advice, which is not **involve.***

As long as your existing voting members agree to lose their vote, or you have checked that you effectively have no remaining voting members, and you have clearly taken those steps above, you can use the *Foundation* model template to become a **Foundation CIO.**

Charity Commission guidance on CIO Association and Foundation Models (this guidance isn't particularly clear – ask **inVOLve** for more clarity and examples, if you're unsure.

You should use one of the Charity Commission templates for your Constitution, for the type of CIO you want. This is not your Constitution for your existing unincorporated charity, but you will probably want to include many of the same options as when you first set up your group.

Use the Charity Commission templates and amend any clauses that are unnecessary for your group or its operation (that amendment is expected by the Charity Commission and are all highlighted in the sample Guide versions we can supply).

The templates are clear about what can be amended, added or deleted, and what can't.

involve can offer a "clause check-up" service, if needed, once you're ready.

You could use their template just as guidance and then write your own Constitution, but the Charity Commission may take more time to register your charity and may even refuse if specific clauses are omitted or changed. Remember, this is a legal document that defines your charity and its work.

Advice: use a template!

(and note that templates changed in Nov 2023)

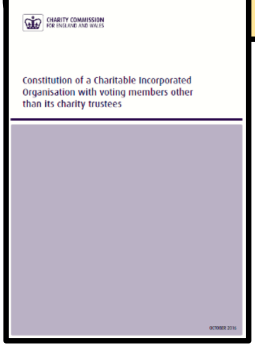
Voting members

[Association Model](#) (link downloads a Word version with the guidance notes you **MUST** read).

[Foundation Model](#) (link downloads a Word version with the guidance notes, which you **MUST** read).

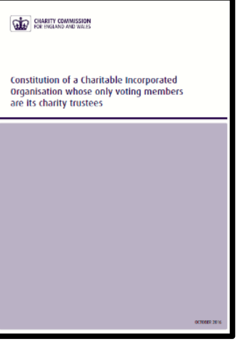
NO members

involve has a version with all the optional amendments highlighted, and with all the CC's Notes


CHARITY COMMISSION FOR ENGLAND AND WALES

Constitution of a Charitable Incorporated Organisation with voting members other than its charity trustees

involve has a version with all the optional amendments highlighted, and with all the CC's Notes


CHARITY COMMISSION FOR ENGLAND AND WALES

Constitution of a Charitable Incorporated Organisation whose only voting members are its charity trustees

Ask involve for the highlighted versions of either template

involve offer a "clause check-up" service, if needed, and we can advise and even review those amendments, although each amendment must be your group's decision.

You can ask us to meet with you to help ☺

It's also possible for us to meet with you via video

involve suggest it may be less likely that you'll want to change from what your old unincorporated charity does, its aims, objectives or purposes ("The Objects"), but now is the time to consider that, as once Registered, it's very difficult to change what your (new) charity will be set up to do.
But this could be an opportunity to update any outdated Objects or remove words that are now inappropriate.
You should read the [Charity Commission description about charity purposes](#) to refresh your understanding of these, if you're considering making changes.

But there will be additional questions from the Charity Commission if you have changed your Objects

involve suggest you don't have more than three Objects *(one is preferable)* in total, as it makes your charity seem unfocused; look at the list of 15 top-level headings of Charitable Purpose.

The Charity Commission will question your clarity of purpose if you choose more than three and may refuse to re-register your group as a charity.

You might want to look at other charities with similar aims who have recently Registered, via the Charity Commission website, to 'borrow' from their Objects or purposes.

When you start the online process, you will be asked if you have changed your Objects; **it's easier if you haven't,** but if you have or need to change those, be ready to answer and justify why you've made changes.

But a good opportunity if your Objects were out-of-date

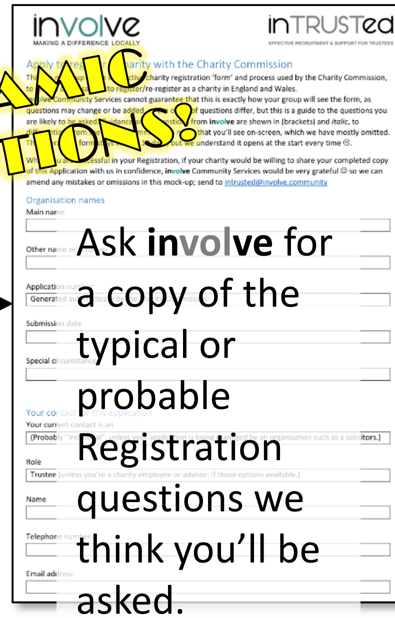
Once you have completed any amendments, additions and variations of your Constitution, you will need to meet as a group of trustees, formally agree the new Constitution and Minute that decision.
This is the "date of adoption" of your new Constitution.

You will need to create a final PDF copy of this document, to upload.

All your trustees should have their own copy of your completed new Constitution, or have easy access to a copy.

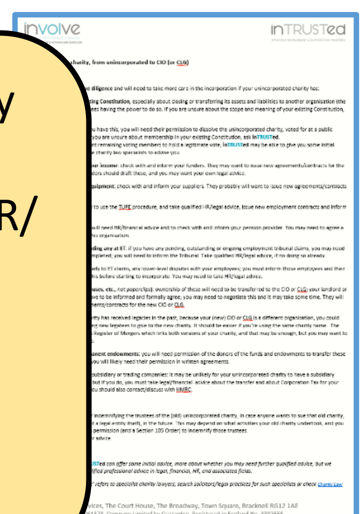
Before registering your new charity,
you must undertake 'due diligence' (=check things)

Much of what follows contains **involve**'s advice and expectations of the re-registration process, but as some of the CC's questions are **dynamic** *(will change depending on your previous answers and your organisation's current legal status)*, we have used "may" or "should" to indicate you'd best **be prepared** for those questions and have answers ready, or pend your application while you find those.
Where **involve** has used "must" or "will" we are clear that you **will** have to answer those questions and must have done the preparatory work beforehand.



Ask **involve** for a copy of the typical or probable Registration questions we think you'll be asked.

Depending on what your unincorporated charity does, and especially what you have as 'assets', you may need to use qualified legal/financial/HR/ etc. advice, which **involve** cannot provide.
Your trustees MUST undertake '**due diligence**' into several areas, which depend on the size, scope of your unincorporated charity, whether you have employees, contracts, property, etc.



Ask for our Due Diligence suggestions guide

Due Diligence #1
Trustees MUST undertake these checks and will need to take more care if your unincorporated charity has:

Restrictions in your existing unincorporated Constitution, especially about closing or transferring its assets and liabilities to another organisation (the new CIO), or about trustees having the power to do so.
Check the Dissolution Clause.
*If you are unsure about the scope and meaning of your existing Constitution, ask **involve**.*

Voting membership: (also see page 12)
If you have voting members, you **must** have their agreed permission to dissolve the unincorporated charity, voted for by a majority at a public meeting or AGM/SGM.
You must do this before you start to register the new CIO.
*If you are unsure about the powers of your membership in your existing unincorporated Constitution, ask **involve**.*

If you cannot find sufficient remaining voting members to hold a legitimate vote (also see page 14), **involve** may be able to give you some initial advice, but you may need to choose charity law specialists to advise you.

Contracts or grants for your income: you **must** check with and inform your funders. They may want to issue new agreements/contracts when the new CIO is set-up. Your funders should draft these, and you may want your own legal advice.

Insurances; Leases or contracts for equipment: you **must** check with and inform your suppliers. They will want to issue new agreements/documents for the new CIO.

Due Diligence #2
If your unincorporated charity has employees, trustees MUST undertake these checks.

Some HR/legal companies offer £reductions or free initial consultations for charities.

Employees: you **must** use the TUPE procedure, and take qualified HR/legal advice, issue new employment contracts and inform all your employees that they will be transferred to work for the new CIO. This will not detrimentally affect their employment conditions.

Employee pensions: you will need HR/financial advice and to check with and inform your pension provider. You will need to agree a transfer document with this organisation.

Employment claims, including any at Employment Tribunal: if you have any pending, outstanding or ongoing employment tribunal claims, you may need to wait for these to be completed; you will need to inform the Tribunal. You MUST take qualified HR/legal advice, if not doing so already.

Employee disputes: similarly to ET claims, any lower-level disputes with your employees, you must inform those employees and their representatives, discuss this before starting to incorporate. You may need to take HR/legal advice.

Due Diligence #3
Trustees must undertake these checks and you will need to take more care if your unincorporated charity has:

Although you may take these actions AFTER you Register your new CIO, you should check now that your trustees are able to do so. If not sure, ask **involve** or qualified legal advice.

Property (building, leased minibuses, etc., *not paperclips or computers***)**: ownership of these will need to be transferred to the CIO; your landlord or mortgage provider will have to be informed and formally agree; you may need to negotiate this and it may take some time. They will want to issue new contracts for the new CIO.

Legacies: if your (old) charity has received legacies in the past, because your (new) CIO will be a different legal organisation, you might have difficulty convincing new legatees to give to the new charity. It should be easier if you're using the same charity name. The Charity Commission has a Register of Mergers which links both versions of your charity, and that may be enough, but you may want to take some legal/financial advice.

These will not apply to many charities, but be aware!
Restricted funds or permanent endowments: you will need permission of the donors of the funds and endowments to transfer these to the new CIO; you will need their permission in written agreements.

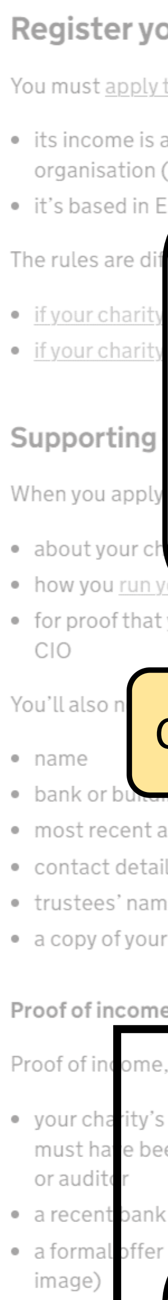
Due Diligence #4
Trustees MUST undertake these checks.
You can do these ones AFTER you Register your new CIO.

Subsidiary or trading companies: tax implications
It may be very unlikely for your unincorporated charity to have a subsidiary and/or trading company, but if you do, you must take legal/financial advice about the transfer and about Corporation Tax for your non-charity companies.
You should also contact/ discuss with HMRC.

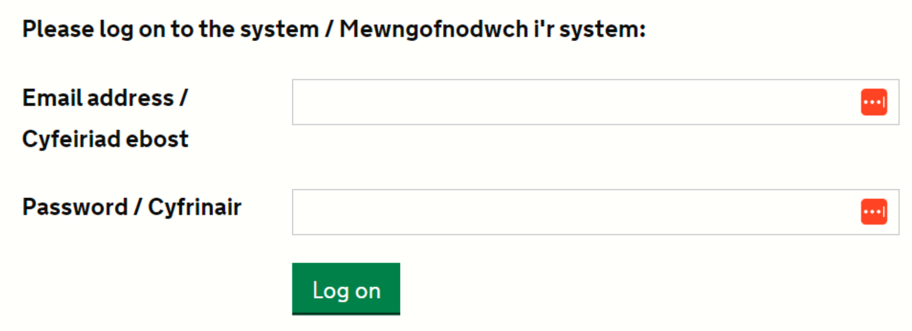
involve recommend you consider **indemnifying** the trustees of the (old) unincorporated charity, in case anyone wants to sue that old charity, and thus its individual trustees (remember: because it isn't a legal entity itself), in the future.
This will depend on what activities your old charity undertook, and you may need Charity Commission permission (and a Section 105 Order from them) to indemnify those trustees, although we understand those things aren't difficult to obtain.
If necessary, contact the Charity Commission for advice, allowing sufficient tiome to do this (several weeks at minimum).

For some of these areas of due diligence, **involve** *can offer initial advice, more about whether you may need further qualified advice, but* ***we cannot be a substitute*** *for qualified professional advice in legal, financial, HR, and associated fields.*
Reference here to 'legal advice' refers to specialist charity/HR lawyers; search solicitors/legal practices for such specialists or check the Law Society

Registering your new CIO



Go to the Charity Commission website page "Set up a charity" even though you will be re-registering



Create an account using your email and a password

involve doesn't have screenshots of this part of the process; however, the following steps suggest the questions you *could* be asked

There is a box to tick when changing your charity's structure and re-registering it, that asks if you are replacing an existing charity. When you get to that, ENSURE YOU TICK THIS BOX as this may preclude other questions from the Charity Commission (including some we still show below).

IMPORTANT!

You will be asked about your existing charity's Objects, whether you want to change them and what changes you wish to make.

Covered on pages 16 & 17

You will be asked about transferring your Assets - finances, contracts, leases, employees, volunteers, buildings, transport, etc., etc. – and how you have the authority to do this. This will probably be stated in your existing/old Constitution, but you need to have checked to be sure.
You MUST have taken HR/legal advice if you have employees, as TUPE will apply.

Re-check pages 19-22 about your due diligence

If your charity has Endowed funds (probably less-likely) you must have written permission from those donors to transfer your funds to the new charity; you *may* have to upload that proof to the Charity Commission. If you do have Endowed funds, you should get qualified financial advice before you start this process.

The following are some steps you *may not* be asked to take, as the Charity Commission may use information about your existing unincorporated charity. The online questions are dynamic and changing, but **involve** have included the steps we are aware of here, so you are prepared *if* you are asked. You can pause the online application for up to 30 days, to proceed with any of these additional actions or find extra information if asked by the Charity Commission during the process.

When you first applied to the Charity Commission to Register your unincorporated charity, if after 2009 you will have been asked to provide proof of your Benefit to the Public.

*Although the Charity Commission might not question this, you should note they are much stricter about Registration now, than when you first Registered, and **you should be prepared to be asked**.*

We suggest that you are prepared to answer how you pass the Public Benefit 'test'. You **must read** the Charity Commission guidance about Public Benefit. This clearly relates to your charitable purposes, your Objects, and what you will be doing for your beneficiaries. Your new charity and what it will do must clearly demonstrate what the benefit is to the public and how you will constantly achieve that.

Public Benefit requirement

Public Benefit requirement

DYNAMIC QUESTIONS, may change depending on your answers!

You should create an explanation of your public benefit, probably as a separate reference document, although you won't have to send it to them, just complete an online box. You may need to put all the details in this box during the online registration process; having it pre-prepared makes it easier.

Having links to accredited research, studies and online 'proof' of the need for your service and the benefit it provides, will make it easier to convince the Charity Commission

☹ Just saying "we will benefit the public in AnyTown by providing a playgroup" will **not** be sufficient.

☹ Just saying "we will help people in poverty who come us" will **not** be sufficient because you haven't explained how you know *who* they are, and can evidence that those people are in poverty.

The Charity Commission say (in their guidance) that you need to *understand* **Public Benefit** and you **must** explain your understanding to them when you apply to re-register:

Public Benefit requirement

- The Benefit – **how** what you do benefits 'your public', what **evidence** and **proof** you have of that, not just your opinion, or even just the opinion of those benefitting

- The Public – **who** your charity will benefit, how that isn't a small set of people; you must have **evidence** and **proof** of who you expect to benefit. *(Although if your charity uses the "prevention of poverty" clause, you may need to only clearly demonstrate The Benefit, above).*

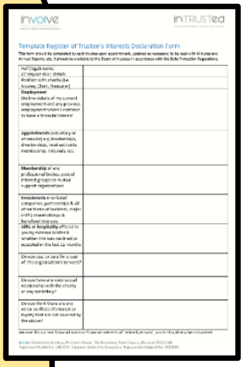
Although we've said you *may not* be asked again by the Charity Commission about Public Benefit for your new CIO, **involve** strongly suggests you are prepared!

DYNAMIC QUESTIONS, may change depending on your answers!

What the Charity Commission see as "evidence and proof" during Registration is harder to define, but if you've done some research, a survey, or have written evidence from other people, including statistics or reports, you can also refer to that in your Public Benefit summary. This is where having a prepared, separate document ready, will save you Registration time and should pre-empt their questions.
But be clear you must provide that **genuine evidence**, not just your **opinion**. In your application you can also upload this evidence document to the Charity Commission, but you must also refer to it, ideally with online links and dates.
Do this research, etc., before you start the process and have it to hand!

For a CIO, all of your trustees must be over 16 years' old, but we'd recommend that the majority are over 18.
Trustees must fulfil the eligibility criteria.

Although you don't send a *Register of Trustees' Interests* to the Charity Commission as part of registration, it's good practice for each trustee to complete that Register for your own records; *ask **involve** for a template.*



Your charity will then know of any potential Conflicts of Interest before they arrive. Your Register will also give you information about "connected parties" - close family members of trustees – whose details you might eventually have to give to the Charity Commission if they, or trustees, are supplying goods or services to the charity

It's bad practice for trustees to be related as family members to other trustees. Some older-established charities may have family-related trustees, but the Charity Commission will now ask for explicit detail about how you will manage any Conflicts of Interest, and how you will ensure there is enough of a majority of 'unconflicted' trustees at every meeting. They may even refuse Registration if you can't convince them.

Ideally, you need trustees who live in the UK; you *can* appoint non-UK residents as trustees, but you'll need to ensure they understand they are bound by UK law, not only charity law, when they are acting as trustees. You'll also have to think about how you'll communicate with them and ensure they are fully engaged with all other trustees and your meetings. The Charity Commission will take longer to re-Register your charity if your trustees are not in the UK.
All trustees are equally responsible for every other trustee's and the group's actions.

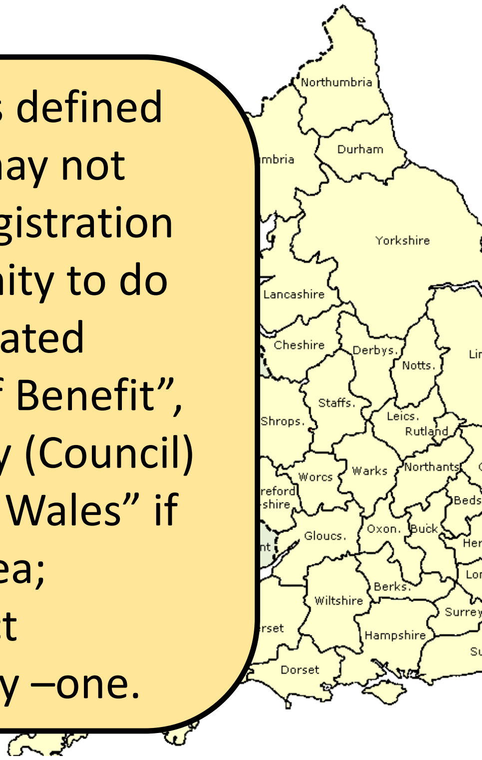
The process of re-registration

Once you start the registration process, you will need to give the Charity Commission all the following personal information about each of your trustees, although only your trustees' names are made public. It's worth asking your potential trustees and writing all this down before you start (please keep this information safe, though).

- Full name and title (Ms., Mr., etc.)
- Date of Birth
- Nationality
- Full address, including postcode (you may be asked how long a trustee has lived there, and may have to provide details of previous addresses if requested)
- Occupation
- Contact email and/or phone
- If your trustee is also a trustee of another charity in England & Wales
- Which one of your trustees is the Chair
- The date each trustee was appointed as a trustee

You may not be asked for this information if your trustees are the same for as your unincorporated charity, but be prepared!

Where charities can operate is defined by geography. Although you may not want change that, this new registration process will give you opportunity to do so, if needed. Your unincorporated charity's geographical "Area of Benefit", was defined by Local Authority (Council) areas. You can say "England & Wales" if you want that whole wider area; otherwise, you'll have to select individual Council areas one-by –one.



Your accounts: When re-registering, you will be asked for your most-recent accounts, even if the Charity Commission already has a copy.

Bank details: They will ask about your Bank, & confirmation that you have at least 2 authorisations/signatories. You will be asked for your Bank details: Account name, Bank name, Bank address, Sort Code, Account Number.
You might be asked for PDF copies of a recent Bank Statement.
Once your CIO is set up, your Bank may want you to set up a ***new*** *Bank account to pass the assets of your 'old' charity to that CIO. If you haven't changed the charity's name, your Bank may not notice your change of legal status but you should notify them once the CIO is set up.*

You may not be asked for this information if these details are the same as your unincorporated charity, but be prepared!

Again, it's probably less likely you'll be asked about the premises you use to deliver your services or even just as an admin/office base *if they are the same as your unincorporated charity*. If asked, you'll need details of who owns the property, whether the owners are connected to your organisation and how if they are, and you'll have to explain how you use it (rented/leased/pro-bono, etc.) and how often.

If any of your trustees or any of their family own or live in those premises, you must also explain that connection and costs, provide a PDF copy of the lease or agreement, the PDF Minutes of the meeting where it was agreed by trustees that this is in the best interest of the organisation, plus an explanation of how joint costs (energy, rent, etc.) are allocated/shared.

DYNAMIC QUESTIONS, may change depending on your answers!

You may be asked if your organisation is intending to buy goods or services from a trustee or any of their family members, you will need to give details of who you pay and their relationship to the trustee, plus PDF Minutes of the meeting explaining why and when your other trustees agreed to this.

You may need to have outline ideas about how your charity will be funded for the future, although you won't need precise details. You *may not be asked* these questions if your previous unincorporated charity had already answered them, but be prepared to, if needed. The online application *may* ask questions about:

DYNAMIC QUESTIONS, may change depending on your answers!

You may not be asked for this information if these details are the same as your unincorporated charity, but be prepared!

- If you're intending to apply for Gift Aid. We strongly suggest "yes", as it gives your charity an additional 25p for every £1 donated by a UK taxpayer, at no cost to you or your donors.
  If you're already registered for Gift Aid with HMRC you'll have to request them to register your new charity, which you can only do *after successful CIO Registration*.
- If your unincorporated charity had successfully applied for charitable Business Rate Relief, you'll need to register your new charity. You may have to tell the CC about this.
- If you're intending to continue to ask for public donations, you may have to state how you will identify and verify donors, and any conditions they may attach to their donation. You could say you'll ask donors of above a set figure (£10? £50? £100?) for their full details; for Gift Aid purposes, you need such information, anyway. More information Know Your Donor.
- If you're intending to apply for grants, about your likely sources.
- If you're intending to charge for services or membership, what is offered for those charges, how much you expect will be charged and how trustees have agreed that figure, if it's potentially unaffordable for some people.
- If you're intended to ask for corporate donations, and from which companies; if you're intending commercial sponsorship, what the arrangement is and why it's in the charity's best interests.
- If you intend to use professional fundraisers, what the arrangement is and why it's in the charity's best interests.

Summary

[Charity Registration link](#) [Charity Commission printable guide](#)

	To register online, you will need:
1	A copy of your charity's Constitution, which must be fully completed, legible, in PDF (It must be a November 2023 version) and the date of adoption
2	Your charity's "Objects", its purposes, as written in your Constitution, and in accordance with Charity Commission guidance. Your "Classifications" for your charity (CC will ask, but these are easy)
3	Your group's contact details, including a postal address, postcode, and the organisational email address
4	All trustees' full personal details *(page 17)*
5	Details of your group's Bank Account *(page 18)*
6	PDFs of your group's recent bank statement and your most-recent accounts (yes, even if the CC already has those)
7	Your defined geographical "Area of Benefit", as above, by Local Authority (top-tier: County, Unitary or Metropolitan Borough) *(page 17)*
8	Your detailed answers to how you provide public benefit; how you have evidence that is more than just your, or your beneficiaries', opinion; what proof you have of that; references to proof or weblinks, if possible *(pages 11, 12)*
9	Details of your premises, as above *(page 18)*
10	Answers to questions about trustees or family members' supply of goods or services; PDF copies of Minutes agreeing for trustees doing this *(page 18)*
11	Answers to questions about your funding *(page 19)*
12	Printed trustee declaration forms, signed by each trustee, scanned as PDF

The online process doesn't have to be completed in one session; you can save your application for up to 30 days (although it always reopens on page one ☹).

That should be enough for the Charity Commission to consider re-registering your organisation as a CIO.

This is **involve**'s opinion and we can't guarantee it!

It is not at all unusual for the Charity Commission to come back with questions or to query your application; **don't be put off by that**

What can cause the Charity Commission to more-closely examine your re-registration?

- Major changes to your Constitution or Objects
- Not using their Template Constitution
- Not explaining your Public Benefit fully
- Overseas activities
- Relationships with non-charities
- Political activity/campaigning
- Human rights or environmental action ☹

You can ask **involve** for advice and explanations of those questions, if needed, and although the Charity Commission questions/ feedback may be complex, it's also comprehensive. *You can challenge* any of their wrong assumptions, and you should correct anything they request you do, as long as that fits with what your charity wants to do.

If they point-blank refuse your re-Registration (they will give precise reasons) you should consider their reasons. You could appeal to the Charity Tribunal, but you'll need expert legal advice to do so. It may be better to discuss those reasons with **involve**, make any appropriate changes they suggest to your Objects, Constitution or to your Public Benefit statements, and start all over again.

Re-registration may take longer than an initial application, but for non-complex cases might be approved in 48 hours. However, if they have queries or your charity is complex, they can take up to 120 days (as at October 25), because of high numbers of applications and low numbers of their staff.

Your new Charitable Incorporated Organisation

Congratulations!

You've completed the process and received confirmation of successful Registration of your new CIO from the Charity Commission.

For a while, you'll be running both, separate charities, as you wind-down the unincorporated one, and start the CIO.

You must now start the administrationally-detailed process of transferring the unincorporated charity's assets to your new CIO. Some of these transfers can be quick, others need planning, often to take effect on a particular date (end of financial year?).

You must read the Charity Commission's guidance about transferring your charity's assets from the old unincorporated charity to your new CIO.
That guidance includes detailed steps to be taken by your trustees, and requested by you to be taken by the Charity Commission.
If you're in **involve**'s area (Thames Valley), you can ask us for more advice and guidance, if needed.

You will already have checked the unincorporated charity's Constitution ("dissolution clause") to see if trustees can transfer all its assets. This is probably 'yes', but check! Ask **involve** if unsure.

Refer back to pages 18-21 for the due diligence your trustees will have done. Now is when you start those transfers.

If that Constitution doesn't allow transfer or dissolution, you MUST contact the Charity Commission.

CHARITY COMMISSION FOR ENGLAND AND WALES

Trustees of the unincorporated charity have agreed the Asset Transfer & Minuted that decision. It is very important that **IF trustees** of the old charity **are the same** as for the CIO *(very likely)*, you MUST ask the CC for their authority to transfer assets and allow trustee indemnity which they will usually give quite quickly and easily.

Charity Commission approve the Asset Transfer *(possibly also approve your Trustee indemnification)*

Set a transfer date for all your assets; this isn't the eventual closure date!

For your employees:
Following your HR advice, start the TUPE process, with a date for the transfer. Discuss with & reassure employees, if needed. Issue new Employment Contracts under the name of the CIO.
For employee pension schemes:
Following any advice if needed, inform the pension schemes about your CIO and its effective start date.

For your banking: If requested by your Bank, set up a new Account in the name of your CIO; your Bank should help with this, or you might need a new 'business' account. [Banking Help]
For any investments: Tell your investment company (if it's not your Bank) about your new CIO; you will have to agree to transfer from 'old' charity to CIO.
For insurance: Inform your Insurance Company to issue new policies (£s) for Public & Employers' Liability, Buildings & Contents, etc., as these probably can't be transferred.

If your Bank wanted you to set up a new account in the CIO name, you must now transfer your money from your 'old' charity Bank account to your new CIO one, but don't close the old account yet, in case there is more income you'd forgotten. The Bank should help with any forgotten expenditure from the old account to be paid from the new.

For grants and contracts (for your income): Inform your funders about the new CIO and effective date, request they issue new documents or contracts, if they need to. They may also need your new Bank account details.

For leases and contracts (for services to you): Inform your suppliers about the new CIO and effective date, request they issue new documents; ensure all invoices are in the CIO's name.

All these steps are you taking the actions on the previous checks – the due diligence – you've done.

For Charitable Business Rate Relief (if your unincorporated charity was set up to receive this): Inform your local Council about your new CIO and effective date.

For Gift Aid (if your unincorporated charity was set up to receive this): Inform HMRC about your new CIO and effective date. They will ask the CIO to re-register for Gift Aid.

For property that your unincorporated charity wholly owns: You must have taken qualified legal advice and probably discussed with the Charity Commission, before you can begin to transfer ownership and Title Deeds to the CIO.

For endowments, if your unincorporated charity had any: You **must** have discussed with the Charity Commission and taken qualified legal advice. That will tell you how to transfer your Endowed funds; you may be able to use this Model Vesting declaration.

Indemnification: It is a very good idea for the trustees of the CIO to formally agree, and Minute, to indemnify trustees of the unincorporated charity against any future legal action that might be taken against that unincorporated charity. It's recommended that the CIO take out Trustee Indemnity Insurance, for it's own use, as well as for trustees of the old unincorporated charity (who are probably the same people, anyway).

Remember, the unincorporated charity couldn't protect the liability of its individual trustees. It may be quite unlikely that any future legal action will take place, but it's better to be prepared.

Indemnifying trustees of your old charity might need Charity Commission agreement, which you'll get as you request their approval to Transfer your Assets (Cf. pages 34, 35)

Goodbye!

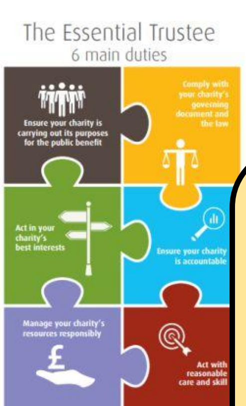
Close your unincorporated charity.
Once all the transfers are made, you can close the charity. As you should prepare final Accounts (to show all your money and Assets have been transferred to the CIO), you might want to wait until financial year-end, and prepare Accounts for both charities. Or you can ask the CC to extend your unincorporated charity's year-end date.
Your unincorporated charity **MUST** submit its accounts to the Charity Commission one last time.

By now, it's probably several months after you transferred your assets, so you can probably close your old Bank Account, but check with your Bank.

Remove your unincorporated charity from the Register of Charities.
Once you've closed the unincorporated charity, use this link to start the removal process (takes 7 minutes according to CC). This should give you an option to enter both charities' details in the Merger of Charities. That will mean that anyone searching for the unincorporated charity will be redirected to your CIO, including future donors and legatees.

You don't have to do this in a rush!

And now, the future, supporting your CIO



The day-to-day governing of and running your charity are covered in Charity Commission guidance (from "The Essential Trustee", through to detailed guidance on *every* aspect of your charity).

More resources

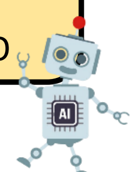
You may want to consider the free-to-join Charity Excellence Framework, which provides information and advice about every aspect of charity governance, operation, management and fundraising (and much more).

Your trustees have responsibilities for **every aspect** of your charity's governance. One of the many important areas is your *understanding* of trustees' duties about your fundraising.

It will be worth your trustees looking at the Charity Governance Code once you're more established. This isn't a mandatory standard, and is independent from, but *highly recommended* by, the Charity Commission, that sets a range of questions *and solutions* to trustees about how you govern your charity.

How to stop worrying and love finance. Many free downloadable resources, advice and training about all parts of charity financial management from Embrace Finance

Cybersecurity guides and resources from NCVO



The day-to-day governing of and running your charity is all covered in Charity Commission guidance (from "The Essential Trustee", through to detailed guidance on *every* aspect of your charity).

And, although we're not experts here at **involve** Community Services, we probably know someone, who knows someone, who knows more… Ask us intrusted@involve.community

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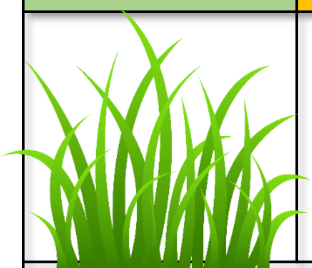
EFFECTIVE RECRUITMENT & SUPPORT FOR TRUSTEES

Don’t forget that **involve** Community Services provides a range of other services for voluntary & community groups, charities and other not-for-personal-profit organisations

Start-up & growth support for your charity	Training in a wide range of topics & on-demand	Funding advice & support with bids	Volunteer recruitment & support (in Bracknell)	Good governance for your group
				

reception@involve.community 01344 304 404 intrusted.community

If you find ‘external’ links, such as to the Charity Commission or other resources, that don’t work, please let us know, so we can fix this guide, correct as at October 25.
intrusted@involve.community