

Getting Charitable Status

If you have decided to register your organisation as a charity, this factsheet will give you an overview of the steps you need to take and tell you where to find easy to use information.

Decide what your charity is for

It is important to decide clearly what your charity aims to achieve. It can have more than one aim, but all of them need to be charitable.

Your aims are important because;

- They help the Charity Commission decide if your group can be a charity and HM Revenue and Customs decide if it can get tax relief
- They tell the people who run, help or benefit from your charity what it does and who it supports
- Your charity can only do things that carry out its aims

There is a **LEGAL OBLIGATION** that your charity is run in a way that is consistent with and supports its aims.

Does it meet Legal Requirements?

- To be registered as a charity in England and Wales you must make sure that your aims are charitable. They must:
- Include one or more of the 13 “descriptions of purposes”. The full list of descriptions is at;

<https://www.gov.uk/government/publications/what->



<https://www.gov.uk/makes-a-charity-cc4/what-makes-a-charity-cc4#part-3-about-the-descriptions-of-purposes>

- Be generally beneficial to the public or an adequate section of the public
- Not everything that helps the public or is a good cause will be considered charitable.

Put your charity's aim into words

Write down:

- What the results of your charity's work will be
- Where these results will happen
- How it will achieve these results
- Who will benefit from these results

A really good guide about how to write down your charity's aims can be found at;

<https://www.gov.uk/how-to-write-charitable-purposes>

Decide how it will be structured

Once you know your charity's aim, you need to choose what type of structure it will have.

There are four main types of charity structure:

- Charitable incorporated organisation (CIO)
- Charitable company limited by guarantee
- Unincorporated association
- Trust



Choosing the right structure for your charity is important. A guide to this can be found at;

<https://www.gov.uk/charity-types-how-to-choose-a-structure>

Write a governing document

Your governing document is the LEGAL DOCUMENT that creates your charity and says how it will be run by setting out:

- Its name
- Its charitable aims
- What it can do to carry out its aims
- Who runs it (your 'trustees') and who can be a member (if appropriate)
- How your meetings will be organised
- How many trustees will be appointed and how
- Any rules about paying trustees, investments and holding land
- Whether the trustees can change the governing document, including its charitable objects
- How to close the charity

There is plenty of clear advice on how to write, use and change governing documents at:

<https://www.gov.uk/how-to-write-your-charities-governing-document>

Choose a name

Choosing the right name for your charity is very important. Not only does it help people remember you and help them to decide whether to make a donation to you, but your trustees



are responsible for choosing a name that is not misleading or one that is already being used by another charity.

If your name is considered unsuitable by the Charities Commission your charity will be asked to change it and pay for any costs arising from this.

If you need more advice about how to choose a name for your charity, visit; <https://www.gov.uk/how-to-choose-a-charity-name>

Find trustees

Trustees are people who will sit on the governing body of your charity. They can be known as trustees, directors, board members, governors or committee members.

Their job is to decide how to run the charity once it is set up. They are in control of the management of the administration of your charity.

A trustee must run your charity with as much attention and care as they would manage their own affairs. That means making sure it's in funds, well-run and meets the needs for which it is set up.

Make sure you get trustees involved who have the abilities and know-how you need. Your governing document will say how many trustees need appointing. The Charity Commission suggests a minimum of three unconnected unrelated trustees with a good range of skills.



For example, people who:

- have expertise like fundraising or finance
- have community contacts which might help attract helpers
- appreciate or reflect the needs of the people your charity helps
- You may need help with recruiting the right Trustees.
- There is a useful guide at;
<https://www.gov.uk/trustee-board-people-and-skills>

Fund your charity's work

Once you have started your Charity, you will need to raise money for it. All money connected with your Charity must be properly accounted for and safely held. You will need a bank account. Many banks offer suitable accounts for even the smallest charity and you will need to discuss your needs with the bank of your choice.

Most Charities with an income over £5000 must register with the Charities Commission. There are exceptions, but you need to check with them if that is appropriate for your organisation. If your charity is a charitable incorporated organisation (CIO) you must apply to register it whatever its income.

