

SO, YOU WANT TO KNOW THE DIFFERENCE BETWEEN:

Charitable Company

Charitable Incorporated
Organisation (CIO)

Trust

HERE'S WHAT YOU NEED TO KNOW.

CHARITABLE COMPANY VS. CIO VS. CHARITABLE TRUST

	CHARITABLE COMPANY		CIO		CHARITABLE TRUST	
	PROS	CONS	PROS	CONS	PROS	CONS
Registration	<ul style="list-style-type: none"> Companies House quick registration Company is a legal entity even without charitable status 	<ul style="list-style-type: none"> Dual requirement Small charge 	<ul style="list-style-type: none"> Registration only with Charity Commission Template doc, no charge 	<ul style="list-style-type: none"> Can be slow Charity non-existent until registered No bank account until registered 	<ul style="list-style-type: none"> Registration only with Charity Commission Template doc, no charge 	
Minimum in bank	Companies House don't require any	Charity Commission requires £5k	Charity Commission doesn't require any			Charity Commission requires £5k
Incorporation	Limited liability, own legal entity		Limited liability, own legal entity			No limited liability, trustees are liable for the charity's debts
Trustees' Role	Protection for trustees with 'veil of incorporation'	Dual Role	<ul style="list-style-type: none"> Protection for trustees with 'veil of incorporation' No directorships, reducing personal exposure under co. law 			No protection for trustees with 'veil of incorporation'
Register of Charges	Establishes eligibility for loan finance and investment, better for larger charities	More regulation for Companies House	Less regulation	May make it difficult to secure loan funding	Less regulation	May make it difficult to secure loan funding
Annual Account & Returns	Charity Commission only requires for income > £10k	<ul style="list-style-type: none"> Companies House requires accounts Fines if late Must be on accruals basis 	<ul style="list-style-type: none"> No dual responsibility <£250k can be on receipts & payments basis 	Charity Commission requires accounts regardless of income	<ul style="list-style-type: none"> No dual responsibility <£250k can be on receipts & payments basis Charity Commission only requires for income > £10k 	
Annual Reports	Charity Commission only requires for income > £25k	Companies House requires online confirmation statement	No confirmation statements necessary		<ul style="list-style-type: none"> No confirmation statements necessary Charity Commission only requires for income > £25k 	
Investigation	Longer term of continued existence even under investigation	Subject to company and charity law, regulated by two bodies	Subject only to charity law	<ul style="list-style-type: none"> Only 3 months to dispute allegations If Charity Commission decides on dissolution, CIO ceases to exist, but process is slow and Charity Commission are generally more lenient on trustees than courts 	Subject only to charity law	If Charity Commission decides on dissolution, Trust ceases to exist, assets are given to a similar charity
Written Resolutions		Must be unanimous				