

# CAPEL COMMUNITY ASSOCIATION

Registered Charity No: 271366

Capel Village Hall, Falmouth Place, Five Oak Green, Kent TN12 6RD

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## Change to a Charitable Incorporated Organisation

Your trustees are inviting you to look at the documents on this website and to consider our proposal to adopt the change of our charitable status from an Unincorporated Association to a Charitable Incorporated Organisation (CIO) and to adopt the related CIO constitution; (a governing document).

We will be putting this resolution to members at the AGM on 27<sup>th</sup> December 2018, at 4pm at Capel Village Hall. The following should provide answers to any questions. If you have any queries please contact us, (details at end of document). All residents welcome and we look forward to seeing you there.

*June Darbyshire*

Chairman

### 1. What is a Charitable Incorporated Organisation (CIO)?

A CIO is a type of legal structure for charities. It was introduced in 2012 by the Charity Commission and is specially designed for small to mid size charities. A CIO is a legal entity in its own right and can therefore enter into contracts and take on liabilities in its own name. This means Trustees do not need to enter into contracts in their own capacity and can limit the potential for personal liability. Another option for reducing personal liability is a Charitable Company, which reports to the Charity Commission but must file accounts at Companies House, which makes it more expensive and cumbersome. A CIO has to file annual returns and accounts to the Charity Commission only. Many village hall charities and other smaller charities have already adopted CIO status

### 2. Why do we want to change the Legal Status of the CCA?

Looking forward, the hall will need improvements and fund raising which could involve trustees entering into personal contracts. The CCA is currently an Unincorporated Charity; if something goes wrong trustees can become liable. Our Solicitors advised trustees to limit personal liability risk and change the charity structure to a CIO and modernise the constitution. Without these changes it makes the role of trustees unappealing, onerous and can deter future trustees coming forward.

### 3. What stage are we at?

Following advice, trustees used the Charity Commission to start a CIO Charity. The Charity Commission advises charities to adopt their own model CIO Constitution document. The Objectives and other key points are checked for any changes with the current constitution. We had to wait but the submitted documents were accepted by the Charity Commission and Trustees have a ready and waiting CCA CIO and a CCA CIO Constitution. The CCA CIO charity has a new charity registration number.

#### **4. Are there changes to the Constitution?**

As the new CIO Constitution is a Charity Commission model, there are many more pages and sections. Please view it on the website, along with the current 2009 Constitution. There are some changes but the objectives have stayed in line with the original document.

#### **5. What next?**

Provided that the changes are approved by two thirds of members voting in favour at the AGM and a majority of General Council members, trustees will start actions to change to the CIO charity;- new bank accounts, transfer of assets etc. As soon as everything is in place CCA will start using the new charity.

#### **6. What will happen to the Current Charity?**

In due time, it is planned CCA trustees will dissolve the current charity, once all items are transferred.

***We want to protect and encourage current and future trustees. For this reason the trustees strongly recommend to members the adoption of CIO charity status and the CIO Constitution, ensuring the future of the Hall.***

If you have any queries please write to CCA at Capel Village Hall, please mark envelope CIO. or please telephone: 01892 832118