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## Guidance, Reference Documents and Notes for Starting a CIO

The contents of this document are to provide reference information and guidance about the creation and running of a Charitable Incorporated Organisation (CIO).

The main document source is the Charity Commission website.

It is assumed that you have attended one of our workshops and have a basic understanding of why this is an option for your club to consider. If you have not attended an SLSGB Club Management workshop then proceed with care and make sure that this is a suitable step for your situation.

### 1. Charity Types

The link below provides a broad description of the different charity structures. Our interest here is **charities with a corporate structure with wider membership** (Association)

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

### 2. Change your Charity Structure

This is the process check list – The main task and potential area for problems is writing a “Charitable Purpose” or, the “Objects” The Template Constitution we have provided for you contains suggested Objects that we have drafted that should be acceptable to the Charity Commission. Our advice is that the wording here is legally technical and sensitive and must be such that it is acceptable to the Charity Commission – do not attempt to embellish this unnecessarily.

This is a link to the Charity Commission check list which you may find useful as a step by step guide to for the Charity commission process.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418601/change\\_your\\_charity\\_structure\\_checklist.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418601/change_your_charity_structure_checklist.pdf)

This link will take you to information about converting an existing charity to a CIO

<https://www.gov.uk/guidance/change-your-charity-structure#convert-an-unincorporated-charity-to-a-cio>

This link is to the pathway to proceed to register the new CIO  
<https://www.gov.uk/guidance/how-to-register-your-charity-cc21b>

### 3. Guidance Charitable Purposes (Note Section 6)

The link below describes different kinds of charities. In this document open “Charitable purposes”. This is included for reference only for those who are not an existing charity. The generic charity type for Lifesaving is described in Para 6 of this document  
<https://www.gov.uk/government/publications/charitable-purposes>

### 4. The Essential Trustee

The link below will take you to a full description of a role of a Trustee. The role and responsibilities of a Trustee is not widely understood. In the case of a CIO, it is important that all Trustees not only fully understand the purpose and role of a Trustee but that they step up to undertake the responsibility. This document is, as the title suggests, **Essential to read and understand** <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/the-essential-trustee-what-you-need-to-know-what-you-need-to-do#s3>

### 5. Charity Asset Transfer

This is the process you may need to use to transfer some of the assets from you existing charity to the CIO. You will probably need some help with this from either a lawyer or qualified accountant  
<https://www.gov.uk/guidance/how-to-transfer-charity-assets#about-charity-asset-transfers>

### 6. Trustees Annual Report

All charities are required to prepare an annual report. The CIO is required to submit a report and this link takes you to the relevant information and the report pro forma  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/352886/tar.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/352886/tar.pdf)

## 7. Receipts and Payment Accounts Template

Use the link immediately below to the **CIO Accounting TWC Notes** for guidance before you open the other links in this section

<http://www.sls.gb.org.uk/wp-content/uploads/2017/04/CIO-Accounting.pdf>

You will use the **Receipts and Payment** accounts method. The link below will take you to the accounts report template to be used to provide the Charity Commission with your annual accounts return

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/352886/tar.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/352886/tar.pdf)

The link below will take you to the full information for Charity reporting. This covers all types of charities and only a small part of this document relates to the type of CIO you will be operating. Your Treasurer may be interested in this.

<https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d/charity-reporting-and-accounting-the-essentials-november-2016-cc15d--2>

## 8. Independent Examiners Report on the Accounts

If your CIO has gross income of more than £25,000 it is required to submit an Independent Examiners Report. (See CIO Accounting TWC Notes, as above)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/667697/Independent\\_examiners\\_report\\_template\\_R\\_P\\_accounts.doc](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/667697/Independent_examiners_report_template_R_P_accounts.doc)

The link below opens guidance about The Independent Examiners report and covers all aspects of this including suggested templates for reports. - Section 3.2 on page 8 lists the appropriate qualifications required

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/512672/cc32\\_lowink.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512672/cc32_lowink.pdf)

## 9. Template CIO Constitution

The template developed by SLSGB and available on the link below is an adapted version of the Charity Commission document to be used to create a CIO. It is what they refer to as the Association model for use of organisations with wider membership. The issue to understand here is that the Charity Commission version covers a wide scope so that it is suitable for multiple applications. Accordingly, their template has sections requiring deletions to be made to suit the type of organisation involved and how they wish to operate. We have adapted this template so that it is ready for use by a typical Surf Life Saving Club. The original unedited document can be seen on the Charity Commission website. It may be helpful as a reference for those who want to fully understand the options and there are margin guidance notes. If you decide to take independent legal advice your adviser should use the unedited version as a starting point.

Below is the link to the SLSGB edited version

<http://www.sls.gb.org.uk/wp-content/uploads/2018/02/CIO-Model-Constitution-SLSGB.doc>

## 10. Template CIO Bye Laws

As the CIO Constitution required by the Charity Commission is quite long winded, somewhat cumbersome and (in our opinion) not all that user friendly for the day to day running of a club, we have used the powers provided by Clause 26 to establish **Bye Laws**. This is for two further reasons:-

1. Once agreed by the Charity Commission the Constitution is not easy to change
2. Bye Laws are more user friendly and flexible and can be changed by a simple vote of the members

However, it is important to note here that the Bye laws must not conflict with matters as set out and covered by the Constitution or in any way prejudice the Charitable purpose as established by the CIO Objects and the General Rules for Charities. In short, you need to take care that the Bye Laws only reflect management and governance matters that relate to the running of a charitable organisation.

The version of the Bye Laws provided has been structured so that the Club can establish a **Management Committee** who would run day to day matters. This is as authorised by Clause 18 of the CIO Constitution. This is to try and replicate what most clubs will be

doing before any changes are contemplated (many Clubs run their organisation with committees of up to 12 members). The issue to consider here is the role of the Trustees. Clause 12(3) of the CIO Constitution requires a minimum of three Trustees – you can have as many as you like. In the CIO structure the ultimate and unavoidable responsibility for the CIO lies with the Trustees. (Read the Essential Trustee as above)

We anticipate that when the role of Trustee is fully understood, many existing committee members will opt out of becoming a CIO Trustee. The solution is to find a workable way for the Trustees to have enough involvement with decisions made by the Management Committee to retain the legal requirement of ultimate control of the CIO without limiting the day to day management of club matters or constantly having to refer matters to the Trustees.

So, the possible options are to make all committee members Trustees - (OK for a very small club but not very practical and in some cases probably too hard for the larger clubs) **Or** devolve power to a Management Committee involving all the Trustees. The Bye Laws we have drafted go for this solution as a pragmatic and practical compromise that if applied with good will and common sense should work for all. This is covered in Clause 5 of the Bye Laws.

The draft Bye laws provided is only our suggestion and is not a rigid proscription of what to do. They include topics that we feel will provide clarity and a basis for good governance but if this does not suit what you need then add or subtract as you see fit. If you would like help or further advice with this we are happy to help

<http://www.slsqb.org.uk/wp-content/uploads/2018/02/CIO-Bye-Laws-Template.doc>

## **11. Steps and Issues to be Resolved and Proforma Notices & Resolutions**

With the help of our lawyers there is now guidance notes for preparation and completion of the formalities to organise all the meetings required to obtain members approval, provide notice for a General Meeting together with draft resolutions to be put to the members. The link below will take you to this document.

<http://www.slsqb.org.uk/wp-content/uploads/2018/02/CIO-%E2%80%93-How-to-arrange-meetings.docx>

**Our goal is to help you to achieve CIO Status. We have attempted to provide enough information to inform and guide your decisions. It is important that you fully understand and are happy with changing your status BEFORE YOU START. Use the**

**information so that you know what will be involved in running your CIO and to learn about and understand what you are undertaking.**

**For the drafting of the Constitution and the Bye laws provided we have worked with a lawyer who understands how clubs operate in the voluntary sector and charity law. Whilst the process of becoming a CIO is relatively straight forward, we recommend that if you are uncertain you seek independent legal advice if you feel you need further advice.**

**We are also available and as part of the service to our Affiliates, will do all we can to make the journey as easy and trouble free as possible.**