

Consulting, updating and recording when planning conversion to a Charitable Incorporated Organisation

This information sheet has been developed by Community First Yorkshire to support you with understanding who you should consult with and seek agreement from when planning conversion to a Charitable Incorporated Organisation (CIO) and how this should be conducted and recorded. It also explains who you will need to inform about your proposed conversion and what you need to update.

Trustees - Your Trustees should discuss, agree and minute a proposal to become a Foundation or Association CIO (the establishment of a CIO working party to manage the process is recommended). Each trustee must read and sign the trustee declaration form to confirm they can act as a trustee of the organisation named on the declaration form.



Members - Existing organisations, for example; unincorporated associations, registered charities and non-profit limited companies, may need to hold a public meeting to discuss the proposal with members. This could be conducted at an EGM/AGM with a vote to approve the proposal and should be carried out in line with the arrangements described in the governing document.

Staff - It is important that staff and trustees (and if appropriate, other stakeholders) are consulted and/or kept informed as the different aspects of the work are developed. TUPE is likely to apply as the new CIO is likely to become the new employer*

**Community First Yorkshire has an Employment Advice Service which is a chargeable service and is staffed by colleagues who are CIPD registered. For more information, go to: <https://www.communityfirstyorkshire.org.uk/resources/podcasts/employment-advice-service/>*

Funders - Inform existing funders about the plan to convert to the new structure in good time as funding agreements may have to be transferred to the new CIO and consent sought for this in advance.



Finance & Accounts - You will need up to date end of year accounts and/or a budget and if appropriate, business plan for the following year, showing how you are and will continue to be funded. You will need this information for charity registration.

If you have an existing bank account, talk to your bank to explain the proposed conversion and check if a new account is needed. Most banks will require a new account for the CIO as corporate bodies operate under different mandates; if there's an overlap period, separate accounts will be essential.

Key policies and procedures updated - Policies and procedures can help evidence your charity's compliance with the law and regulation, transparency, accountability and risk limitation. Depending on the nature of your activities, having appropriate policies in place can prove to be useful evidence for the registration form. Existing organisations converting to CIO can take this opportunity to update and amend policies and procedures*.

*It is particularly important to have discussed and agreed procedure if any trustees (or people connected to them) will personally benefit from the charity in any way before beginning registration.