

Most Common forms of Voluntary, Community or Social Enterprise classification(s)

Charitable Incorporated Organisation

- Under its own name can:
 - Employ paid staff
 - Deliver charitable services under contractual agreements
 - Enter into commercial contracts
 - Own leasehold or freehold land, or other property
- Trustees:
 - Generally not liable for what the incorporated organisation does
 - This is in comparison to Unincorporated Organisations which can't enter contracts or control some investments in its own name; trustees are liable. 2+ trustees are needed. A corporate custodian trustee or the charities land holding service have to hold any land.
- Accounting and reporting:
 - CIO's must comply with charity law for accounting and reporting requirements. Regardless of annual income all CIO's must submit accounts, trustees annual report and an annual return to the Charity Commission.

Charitable Trust or Foundation

- Most frequently are charities with an income that fulfil their purposes by funding or otherwise supporting individuals or other organisations e.g.
 - Relieve poverty
 - Promote education or religion
 - Benefit animals or locality
- Not for profit
- Not have purposes that are not charitable
- Can't campaign for political or legal change
- Trustees:
 - Administer
 - No relationship with beneficiaries; trustees are freer to act and beneficiaries can't bring a court case against trustees.
- The high court of justice and charity commission have jurisdiction over disputes.
- Accounting and reporting:
 - All charities who are not a CIO and their gross yearly income exceeds £25,000 must file accounts and trustee annual reports with the Charity Commission.
 - All charities who are not a CIO and their gross annual income exceeds £10,000 must file an annual return with the Charity Commission.
 - All charities who are not a CIO and their gross annual income is less than £10,000 have no obligation to keep their registered details up to date, they must however submit the charity's total income and expenditure through the annual return service.

Community Interest Company

- Can be established for any lawful purpose as long as their activities are carried out for the benefit of the community

- Have less tax advantages than a charity designed to provide purpose built legal framework and 'brand' identified for social enterprises that want to adopt the legal charity form.
- Can be more commercial than a charity e.g. pay dividends to shareholders, subject to a cap.
- A charity may own a CIC, the CIC is permitted to pass assets to the charity that owns it.
- Accounting and reporting:
 - CIC's must report to the Registrar of Companies at Companies House. You will report a CIC34 and attach the accounts.
 - There are 2 types of CIC report, detailed and simplified. The majority of CIC's report the simplified version. The more detailed report is for CIC's with more complex financial arrangements.

Co-operative or Mutual

- Members don't contribute to capital but derive their right to profit and vote through their customer relationship
- Raises funds from members/customers to provide common services to all members
- No external shareholders
- Often don't pay income tax as they are not for large profit/capital gain
- Examples; co-operative banks, mutual insurance, credit unions
- Owned by it's members:
 - Voluntary membership
- Democratic economic participation
- Autonomy
- Education
- Co-operation among co-operatives
- Concern for community
- Accounting and reporting:
 - Depending on your structure and income you may be required to register with regulatory bodies.
 - To find out if you need to register with the Charity Commission, Companies House or any other regulators please visit the GOV.UK website: <https://www.gov.uk/> or seek legal advice.

Registered Charity

- Registered charity status does not give the charity a legal identity. To make a charity legally liable in the eyes of the law it must become incorporated.
- Outward facing
- Supports its purpose
- Public benefit
- Pay reduced business rates
- Receive tax relief
- Can get grants/funding
- Run by trustees
- Independent
- Register with Charity Commission and governed by it
 - Or if not a CIO and have <£5K income you don't have to register but can apply to HMRC to be recognised as charitable to claim back tax on things e.g. gift aid
- Cant benefit anyone connected with the charity
- Can only have charitable purposes
- Can't campaign to change government
- Trade rules
- Must publicize activity and finances
- Usually, a charity must register with the Charity Commission if it is based in England or Wales and has over £5,000 income per year. You must however register if your charity is a Charitable Incorporated Organisation (CIO) whatever income you receive per year.



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- All charities who are not a CIO and their gross annual income is less than £10,000 have no obligation to keep their registered details up to date, they must however submit the charity's total income and expenditure through the annual return service. .

Social Enterprise

- Named not by legal structure but by how the organisation applies commercial strategies to improve human and environmental wellbeing.
- Can be for profit or not for profit e.g. Social Business, CIC or a charity
- Key factors:
 - Extent it engages ethical reviews of good service it produces and processes
 - Extent to which it defines its social purposes and evidences its social impact
 - Extent it demonstrates ownership, management and governance by passing control of its human, social and financial capital to its primary stake holders
- Accounting and reporting:
 - There are no regulators for 'Social Enterprises', instead reporting is based on structure.
 - Depending on your structure and income you may be required to register with regulatory bodies.
 - To find out if you need to register with the Charity Commission, Companies House or any other regulators please visit the GOV.UK website: <https://www.gov.uk/> or seek legal advice.

Social Firm

- 'WISE' Work Integrated Social Enterprise
- For people who are disabled or disadvantaged in the labour market
- 50% + income from trade
- 30% + of employed should be disabled or disadvantaged.
- Every worker is paid market rate wage or salary appropriate to the work
- Work opportunities are equal for disadvantaged and non-disadvantaged employees
- All employees have the same employment rights and obligations
- Profits go back to the company to further its goals
- Accounting and reporting:
 - Depending on your structure and income you may be required to register with regulatory bodies.
 - To find out if you need to register with the Charity Commission, Companies House or any other regulators please visit the GOV.UK website: <https://www.gov.uk/> or seek legal advice.

Voluntary and Community Organisation

- Not profit, not governmental community = comprise of volunteers
- Volunteer sector = staff for social or community purpose
- Can include social firms, housing associations which may be considered as quasi-private or quasi-public sector rather than stemming from direct community benefit organisations
 - Accounting and reporting:
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