

Potential Conversion to a Charitable Incorporated Organisation

Charitable Incorporated Organisation ("CIO")	Charitable Trust ("Trust")
CIO has separate Legal Personality – it can enter contracts (e.g. employment contracts or leases) in its own name.	The Trust has no separate legal personality so all contracts are entered into by all of the Trustees on behalf of the Trust
The CIO can also be sued in its own name.	The Trustees would be sued on behalf of the Trust.
Liability of Members limited to a specified amount (£1 or £10 usually) upon liquidation.	Trustees have no limit on their liability. They are jointly and severally liable for the debts of the Trust.
Filing Requirements with the Charity Commission annual report and annual accounts.	Filing Requirements with the Charity Commission annual report and annual accounts.
Obligation to keep a register of Trustees, which is open to the public, and a register of members, which is open to inspection by the members.	
Charges can not be registered at the Charity Commission (compared with Companies House for a Charitable Company) – should only an issue if seeking to raise funding by secured lending.	
CIO can not issue debentures as a means of funding (a Charitable Company could).	
Any Change in Trustee has to be registered with the Charity Commission within 28 days	Any Change in Trustee has to be registered with the Charity Commission .
Duty to preserve records for at least 6 years from end of financial year they relate to.	
CIO must display its name in every location and every document or communication in the same way a Company does under the Trading Disclosures Regulations. This includes, any letters, places of business and any website. There are civil and criminal consequences (a fine) for non-compliance.	
One or Two Trustees can execute documents on behalf of the CIO	Two or more Trustees can only execute documents on behalf of all trustees if they have been given delegated authority, subject to the provisions of the Trust Deed. (s.333 Charities Act 2011)