

1. General

You might wish to raise funds to provide facilities, activities or services for people or you might wish to

This Note is designed to help you decide whether it would be appropriate or necessary to set up a charity, or whether instead you should set up another arrangement.

The following is meant as a guide to the issues for decision and some matters that you might need to consider in some cases we have suggested where you might obtain further advice (either from our website or elsewhere).

However, this note is only a guide and you might need to consider other factors.

This note does not provide legal advice and you should establish whether the arrangements you seek to establish will be appropriate in law. You should seek legal and other advice before you make any decision or take any steps or action.

The term "organisation" in the Charities Act 2006 means any organisation that is incorporated or unincorporated organisation in law a charity.

This note relates only England and Wales (the relevant law differs).

2. What are you trying to achieve?

In order to decide what you are trying to achieve, you first have to be clear about the purpose that you have in mind. The following are some illustrative examples only, not exhaustive.

- a local, national or international organisation in some way.
- you have a friend or relative with a serious (perhaps rare) illness / disease / disability and you wish to help in some way.
- as above, but you wish to help in some way to promote scientific/medical research into that illness/disease.
- as above, but you wish to help in some way to relieve the effects of that illness / disease / disability on the friend or relative or their carers / dependants / family members.
- as above, but you wish to help in some way to commemorate them by setting up a fund to support the friend or relative favoured or supported.
- you are aware that there is a need not met by central or local government or other organisations.

use or you might be planning to provide facilities, activities or services for a community or a disadvantaged group of people.

Whether it would be appropriate or necessary to set up a charity, or whether instead you should set up another organisation or make some other arrangement.

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However, this note is only a guide and there may be others which you should consider.

This note does not provide legal advice and you should establish whether the arrangements you seek to establish will be appropriate in law. You should seek legal and other advice before you make any decision or take any steps or action.

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or local government
category of the co
disadvantaged.

- you decide to set up
activities for its mem
- you feel strongly a
influence public pol

Only some of these would
[What Makes an Organisati](#)
purpose would be “charita
might nevertheless be able

3. Is there an existing charity

If the purpose you have in
which has that same purpo
advantage in setting up and
there are too many existi
According to this view, cre
to compete amongst thems
on administering numerou
limited resources. Before d
consider what if any comp
existing charity rather than

4. Rather than setting up a

Before you make a decisio
associated guidance note
covers issues relating to e
doing so and how to set
some of the points cover
inappropriate, burdensome

You might prefer to adopt
purpose that you have in
pursuing that purpose. It r
(non-charity) type of orga
organisation. We have se
other actions for you to con

5. Other types of non-profit

We have listed below som
charities) that might be se
the organisation to be set u
alternative to setting up a n
for a charity or if a charit
examples have in commo
organisations. You could e
purpose. Follow the hyper
types of organisation.

Community Amateur Sport
A CASC is a local amateu
members’ club (not a prop
not conducted for profit. S

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ties that would benefit a particular
age, financial or social situation is

club to run social and recreational

l issue and wish to campaign or

ease consider our [Guidance Note](#):
ch you can see [here](#). Unless your
up a charity for that purpose. You
some other means (see below).

se as one you wish to pursue?

aw, but there is an existing charity
consider whether there would be any
ose. A commonly held view is that
e the same or similar purposes.
r similar purposes forces charities
s, and the cost and time expended
inefficient use of their collective
charity, it is therefore advisable to
nt be better to be involved with an

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e be an alternative approach?

ity, we suggest that you read our
[arity](#) which you can see [here](#). It
, including some pros and cons of
might conclude, after considering
etting up a new charity would be
ible in the circumstances.

tion. Depending on the particular
one or more alternative means of
ssary either to set up some other
ps other than setting up a new
e other types of organisation and

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ve types of organisation (i.e. not
o the public or to the members of
ider whether there is a practicable
cannot meet the legal requirements
te for some other reason. These
t that they are not private profit
hese could be fulfil your particular
e about setting up each of these

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ted or unincorporated) which is a
or the benefit of its members and
with HMRC as a CASC if it meets

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statutory requirements apply as such with HMRC. As a One advantage that a CASC and compliance requirements include the fact that a CASC is an “eligible” sport. A CASC may benefit from fewer <https://www.gov.uk/register>

Community Interest Company
A CIC is not a charity. It is a section of the public. It is and profits have to be used to receive a return. CICs enjoy are no tax benefits. CICs are company law and special Companies House. <https://www.gov.uk/government-form-a-cic>

Community Benefit Company
As from 2014, it became a society. The Community Benefit organisation which replaced A CBC is a specialist type benefit of a community. Its be used for the benefit of the do with its assets. A CBC body. CBCs have to be registered Authority.

Social enterprise
A social enterprise is a business objectives. It is not a charity the term “social enterprise” https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31677/11-140

Members Club
A members’ club (as opposed to an unincorporated club which is conducted for profit. It is a may be advantageous in the nature is such that it can do read our [Guidance Note –](#)

Charitable Foundation
A charitable foundation has a trust deed under which trustees, in essence, a “private” charity of family members, some only makes grants rather than administering it is relatively

6. Other means of achieving

Here are some examples of

only be a CASC if it does register in tax advantages and rate relief. that it is subject to fewer regulation advantages, compared to a charity, is involved in sport and that sport advantages than a charity and it . For further information, see [sports-club](#)

purpose that benefits the public or a that purpose and its assets, income but it is permitted for investors to charities but, unlike charities, there office of the Regulator of CICs, by has to register as a company at er information, see [community-interest-companies-how-to-](#)

from a new industrial and provident is one of the new legal forms of ident society form of organisation. on which must be entirely for the to its members and must only a lock on assets to limit what it can “exempt charity” if it is a charitable regulated by the Financial Conduct

environmental or community based n as to the scope and meaning of t up a social enterprise, see [/uploads/system/uploads/attachment_data/file/31677/11-140-social-enterprise.pdf](#)

ry club) is an incorporated or benefit of the members and not es or its members. Whilst a club charity law and regulation, its legal bers. For further guidance, please [here](#).

structure. It is a trust established by s best suited to a charity that is, in only from an individual or a group s the trustees, and the foundation other activity. Setting it up and

involve setting up any organisation:

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in a number of ways. A group of activities are not carried out in its own right. The group might hold a collection, or run a shop. You can see our guidance on fundraising in our guidance on fundraising. You should however consider whether it is a separate charity in its own right. It is not a charity if it is fundraising with a fundraising group which is not a charity or which acts in the charity's

and our associated guidance note [Groups](#) which you can see [here](#).

ge in which he takes part, with the

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of an existing charity, especially if s. 25. Many charities look to recruit have particular legal duties and act only as volunteers and are not fully aware of those duties and able to help individuals looking for

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a named fund on your behalf. You can donate or raise for the charity for that fund's particular purpose. The charity may provide support

and facilities to assist you
involved in the alternative
charities will arrange for you
large charity organisations
(see cafonline.org/my-personal)
Foundations (see ukcomm)

and you avoid the cost and time
registering a charitable trust. Many
named fund with them. Well known
following: Charities Aid Foundation
(cafonline.org/my-personal), and UK Community

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