

Mauve text = choices to be made in the particular case

Notes:

These explanatory notes are for advice and reference only. They do not form part of the text of the constitution.

Date - Inserting the date of the constitution is good practice and helps to ensure everyone has the same document. The date to enter here is the date the constitution, or any amendment to it, has been registered by the Charity Commission, as this is when it comes into effect. Leave this undated until the constitution has been registered.

Clause 1 - Name - You must include the name of the CIO in the constitution. In general, the Charity Commission can accept any charity name unless it would be misleading, offensive or too similar to the name of an existing charity (unless the CIO is replacing that charity). There are also legal restrictions on using the same name as an existing company (unless it is a charitable company that is converting to a CIO) or as a former company or CIO that underwent insolvent liquidation. Check on the Register of Companies and the Charity Register.

Clause 2 - Principal office - CIO's principal office must be shown and must be in England or Wales.

Clause 3 - Object(s) - The purpose ("objects") of the CIO must be shown and must be exclusively charitable objects and be for public benefit. The key elements the Charity Commission require are: • the purpose or purposes for which the CIO is being established; • the people who can benefit; and, if appropriate; • any geographic limits defining the area of benefit.

It is best to use fairly wide language but to keep the number of purposes as small as possible because each one has to be justified in terms of public benefit. For a church a suitable object could be on the lines shown. Within this object there may be regarded Christian worship and teaching, the relief of poverty as a part of Christian love for one's neighbour and outreach to the community. There is no need to make those activities separate objects, as they are covered by the powers below. Delete/amend the text in square brackets.

If the CIO needs to be recognised as a charity in Scotland and/or Northern Ireland you will need to include the relevant parts of the wording in square brackets to meet the requirements of charity law in those countries.

Constitution of a Charitable Incorporated Organisation whose only voting members are its charity trustees (**'Foundation' constitution**)

The CIO must have exclusively charitable objects which you must set out in the constitution. Guidance on appropriate wording is available on our website. The key elements to include are: • the purpose or purposes for which the CIO is being established; • the people who can benefit; and, if appropriate; • any geographic limits defining the area of benefit. If you include an area of benefit, it is common to define it by reference to a local government area: this has the advantage of clarity and simplicity, but can create problems if the area is subsequently altered or abolished. If this happens in future, contact the Commission for advice on amending the objects.

Date of constitution (last amended):

1. Name

The name of the Charitable Incorporated Organisation ("the CIO") is [proposed name].

2. National location of principal office

The CIO must have a principal office in England or Wales. The principal office of the CIO is in [England][Wales].

3. Object[s]

The object[s] of the CIO [is][are] to advance the Christian faith for the public benefit in accordance with the statement of beliefs [and practices] in the Schedule hereto in [insert local area] and in such other parts of the United Kingdom or the world as the charity trustees may from time to time think fit.

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with [section 7 of the Charities and Trustee Investment (Scotland) Act 2005] and [section 2 of the Charities Act (Northern Ireland) 2008].

Notes:

Clause 4 – Powers - The Charities Act 2011 ('2011 Act') gives a CIO power to do 'anything which is calculated to further its purposes or is conducive or incidental to doing so' (as stated in sub-clause (1)). Strictly speaking, this is the only power a CIO needs. It can however be helpful to state certain powers explicitly in the constitution. Most churches make grants and donations, support those in need, provide some Christian education (not full schools), co-operate with other charities and link with the wider community. Powers to do all these activities is included ((2)(a)-(e)).

A stated power to borrow ((2)(f)) may reassure potential lenders. Powers to buy, sell and lease property, employ staff and delegate investment management to a professional fund-manager ((2)(g)-(j)) are also suggested as standard powers. A power to raise funds ((2)(k)) has been added, but would not allow permanent trading activities such as running a shop or other retail activity. A power to act as Trustee (eg to hold the legal title to a property held by another charity) has been added ((2)(l)), along with a power to insure assets of the charity, such as property and equipment ((2)(m)).

You may add other express powers here if you wish to. You may include a constitutional provision restricting the general power in the 2011 Act. You must only include such a restriction if it is in the CIO's interests. You must not restrict the CIO's powers in a way that prevents it from disposing of its property.

4. Powers

(1) The CIO has power to do anything which is calculated to further its object[s] or is conducive or incidental to doing so.

(2) In particular, and without limitation of the power in sub-clause (1), the CIO has power to:

(a) give grants or donations (whether financial or in kind) and provide any kind of support or help to those in need, as acts of Christian compassion and mercy;

(b) support any charitable bodies with charitable purposes similar to those in the object[s].

(c) make donations to any worker who is engaged in such work or activity which furthers the objects or in assisting either directly or indirectly in the same.

(d) provide Christian education to any person, including children;

(e) make the charity's facilities available to the wider community in order to promote good relationships between the charity and the local community and as a Christian witness, on such terms as the trustees see fit, provided that the use of the charity's facilities shall not be inimical the charity's objects;

(f) borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed. The CIO must comply as appropriate with sections 124 and 125 of the Charities Act 2011, if it wishes to mortgage land;

(g) buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

(h) sell, lease or otherwise dispose of all or any part of the property belonging to the CIO. In exercising this power, the CIO must comply as appropriate with sections 117 and 119-123 of the Charities Act 2011;

Notes:

Clause 5 – Application of income and property – It is recommended that you include this clause. Sub-clause (1) reflects the provisions in the 2011 Act about a CIO charity trustee's entitlement to reasonable expenses and that they may benefit from trustee indemnity insurance. It is helpful to include it in the constitution, in order to inform people involved with the charity. Sub-clause (2) reflects charity law requirements that the income and property of a CIO must be applied solely to further its objects and not to benefit the members or charity trustees (except as permitted by the governing document (see clause 6) or other express power). The trustees have a duty to ensure that the funds are correctly applied in accordance with this principle.

(i) employ and remunerate such staff as are necessary for carrying out the work of the CIO. The CIO may employ or remunerate a charity trustee only to the extent that it is permitted to do so by clause 6 (Benefits and payments to charity trustees and connected persons) and provided it complies with the conditions of that clause;

(j) deposit and invest funds, employ a professional fund-manager, and arrange for the investments or other property of the CIO to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do so under the Trustee Act 2000;

(k) raise funds but not by undertaking any substantial permanent trading activity;

(l) set up support or administer other trusts or funds or act as trustee, custodian trustee, holding trustee or in any other fiduciary capacity and to charge reasonable fees for acting as trustee at rates calculated to cover the costs incurred by the CIO; and

(m) insure any asset of the CIO on such terms as the charity trustees may think fit and to pay the appropriate premiums and to use any insurance money received in any manner the charity trustees think fit whether to restore the asset or not.

5. Application of income and property

(1) The income and property of the CIO must be applied solely towards the promotion of the objects.

(a) A charity trustee is entitled to be reimbursed from the property of the CIO or may payout of such property reasonable expenses property incurred by him or her when acting on behalf of the CIO.

(b) A charity trustee may benefit from trustee indemnity insurance cover purchased at the CIO's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

Notes:

Clause 6 – Benefits and payments to charity trustees and connected persons –

Charity trustees may only benefit from their charity if they have express legal authorisation to do so (such as a clause in the constitution). This restriction extends to people closely connected to a trustee ('connected persons' – this term is defined in the interpretation clause 29). You should include this clause so that charity trustees are clear about the restrictions that apply to them. Unless you include it, the statutory provisions will apply. Even where trustees are allowed to benefit from the CIO, this must only happen where the benefit is in the interests of the CIO. The model clause permits a minority of the charity trustees or connected persons to receive payments and other benefits in certain instances (such as for goods and services they supply to the CIO), subject to the stated controls. The option also allows other types of trustee benefit, subject to the Charity Commission's prior consent. You may restrict the benefits that the charity trustees will be allowed to receive by altering these clauses, but if you later need to undo any of the restrictions it will require the Charity Commission's consent to do so. Trustees do not have to use these powers just because they have them. You may find it simpler to keep to the model wording. None of these options allows trustees to receive payment for acting as a trustee.

(2)(a) With a church it is likely that all of the trustees will benefit from the activities of the CIO (e.g. by being involved in the ordinary life and activities of the church/assembly) and the appropriate wording has been added. You will need to delete the words in square brackets as necessary.

(2)(b) – This allows trustees or connected persons to provide services, such as legal advice or building works, to the charity providing the conditions set out in the 2011 Act are met.

(2) None of the income or property of the CIO may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the CIO.

(3) Nothing in this clause shall prevent a charity trustee or connected person receiving any benefit or payment which is authorised by Clause 6.

6. Benefits and payments to charity trustees and connected persons

(1) General provisions

No charity trustee or connected person may:

(a) buy or receive any goods or services from the CIO on terms preferential to those applicable to members of the public;

(b) sell goods, services, or any interest in land to the CIO;

(c) be employed by, or receive any remuneration from, the CIO;

(d) receive any other financial benefit from the CIO; unless the payment or benefit is permitted by sub-clause (2) of this clause or authorised by the court or the Charity Commission ("the Commission"). In this clause, a "financial benefit" means a benefit, direct or indirect, which is either money or has monetary value.

(2) Scope and powers permitting trustees' or connected persons' benefits

(a) A charity trustee or connected person may receive a benefit from the CIO as a beneficiary of the CIO provided that a majority of the trustees do not benefit in this way. Nothing in this provision shall prevent a charity trustee or connected person benefitting by virtue of involving himself or herself in the ordinary life and activities of [any][the] [church congregation] [assembly] for which the CIO is responsible.

(b) A charity trustee or connected person [may be

Notes:

(2)(c) Provision has been made for one or two trustees (or connected persons) to be employed (e.g. as a paid elder or children's worker) or to be providing services on a self-employed basis for the charity. There are various safeguards built in. You will need to delete the words in square brackets as necessary.

(2)(e) – The CIO should document the amount and terms of the trustee's or connected person's loan.

~~employed by the CIO or~~ may enter into a contract (excluding any contract for the purposes specified in sub-clauses (c)) for the supply of services, or of goods that are supplied in connection with the provision of services, to the CIO where that is permitted in accordance with, and subject to the conditions in, sections 185 to 188 of the Charities Act 2011.

(c) (i) [One but no more than one] [Up to two] of the charity trustees at any time may be [a] person[s] contracted for the supply of services or employed by the charity under a contract of service for the direct furtherance of the objects of the charity; and

(ii) a connected person may be contracted for the supply of services or employed by the charity under a contract of service for the direct furtherance of the objects of the charity

provided that

- the number of charity trustees so contracted or employed and the number of charity trustees having connected persons so contracted or employed are taken together always a minority of the charity trustees;

- with respect to any such contract for the supply of services or any such contract of employment the charity trustees must be satisfied that it is in the best interests of the charity and that the remuneration of any such person so contracted or employed does not exceed what is reasonable in the circumstances; and

- no person appointed as a charity trustee under sub-clause (i) above shall be remunerated for serving as a trustee of the charity

(d) Subject to sub-clause (3) of this clause a charity trustee or connected person may provide the CIO with goods that are not supplied in connection with services provided to the CIO by the charity trustee or connected person.

(e) A charity trustee or connected person may receive interest on money lent to the CIO at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

Notes:

(f) A charity trustee or connected person may receive rent for premises let by the trustee or connected person to the CIO. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

(g) A charity trustee or connected person may take part in the normal trading and fundraising activities of the CIO on the same terms as members of the public.

(3) Payment for supply of goods only - controls

The CIO and its charity trustees may only rely upon the authority provided by sub-clause (2)(c) of this clause if each of the following conditions is satisfied:

(a) The amount or maximum amount of the payment for the goods is set out in a written agreement between the CIO and the charity trustee or connected person supplying the goods ("the supplier").

(b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.

(c) The other charity trustees are satisfied that it is in the best interests of the CIO to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.

(d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement

Notes:

Clause 7 – Conflicts of interest and conflicts of loyalty – This clause provides a mechanism for dealing with conflicts of interest (e.g. remuneration of a trustee, employment of a relative or employment of a trustee's company). The Charitable Incorporated Organisation (General) Regulations 2012 ('General Regulations') provide that a charity trustee of a CIO must not take part in any decision from which they would directly or indirectly benefit personally, unless they cannot reasonably be regarded as having a conflict of interest. This clause reminds the trustees of this requirement and also reflects wider good practice on managing conflicts of interest and conflicts of loyalty.

with him or her or it with regard to the supply of goods to the CIO.

(e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.

(f) The reason for their decision is recorded by the charity trustees in the minute book.

(g) A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 6.

(4) In sub-clauses (2) and (3) of this clause:

(a) "the CIO" includes any company in which the CIO:

(i) holds more than 50% of the shares; or

(ii) controls more than 50% of the voting rights attached to the shares; or

(iii) has the right to appoint one or more directors to the board of the company;

(b) "connected person" includes any person within the definition set out in clause [29] (Interpretation).

7. Conflicts of interest and conflicts of loyalty

A charity trustee must:

(1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and

(2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any

Notes:

Clause 8 – Liability of Members – The Charity Commission's Option 2 is omitted as this allows for members to be liable to contribute up to a maximum amount each if the CIO cannot meet its financial obligations when it is wound up. The Charity Commissions Option 1 is used as this seems more appropriate for a new charity.

Clause 9 - Charity trustees (1) This clause explains the charity trustees' legal function, legal duty to act in good faith, and statutory duty of care. It is recommended that these should be set out in the constitution. The trustees cannot adopt a lower duty of care.

(2) You should include provisions setting out who is eligible to be a charity trustee of the CIO. Sub-clause (2)(a) requires all trustees to be individuals. Although it is legally permissible for a corporate body to be a charity trustee, it is not advisable for a trustee body to include both individuals and one or more corporate bodies. Clauses 9-13 are drafted on the basis that the CIO will be governed by a trustee body made up of a number of individuals.

Legally 16 year olds can act as trustees, but it is advisable that at least one trustee should be over 18 years of age. (2)(b) allows for all trustees to be 18 years or older. It is appropriate for a church to include adherence to the statement of beliefs as a prerequisite for the appointment of a trustee. An example statement of beliefs is shown in the Schedule.

The suggested provision in (2)(c) is based on good practice.

Note that there are offences under the General Regulations concerning legally disqualified individuals acting as trustees. If there are to be additional conditions for eligibility to be a charity trustee (beyond the legal restrictions), these must be stated in the constitution. For example, some charities add requirements to ensure that trustees have particular knowledge or experience (e.g. of the locality in which the CIO operates or of issues relevant to the people that the CIO serves) or are members of the church.

personal interest (including but not limited to any financial interest).

Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

8. **Liability of members to contribute to the assets of the CIO if it is wound up**

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

9. **Charity trustees**

(1) **Functions and duties of charity trustees**

The charity trustees shall manage the affairs of the CIO and may for that purpose exercise all the powers of the CIO. It is the duty of each charity trustee:

(a) to exercise his or her powers and to perform his or her functions in his or her capacity as a trustee of the CIO in the way he or she decides in good faith would be most likely to further the purposes of the CIO; and

(b) to exercise, in the performance of these functions, such care and skill as is reasonable in the circumstances having regard in particular to:

(i) any special knowledge or experience he or she has or holds himself or herself out as having; and,

(ii) if he or she acts as a charity trustee of the CIO in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business and profession.

(2) **Eligibility for trusteeship**

(a) Every trustee must be a natural person.

(b) No individual may be appointed as a charity trustee

Notes:

(3) The General Regulations require that the constitution must state the minimum number of charity trustees, if more than one.

Although it is often recommended that a maximum as well as a minimum numbers of charity trustees are set, only a minimum number is provided for in this model as most churches would not be concerned about going over a maximum. For good practice, a CIO should have at least three charity trustees. If the number of trustees falls below the minimum specified in the constitution, the provisions in clause 9(3) will enable the remaining charity trustees to appoint new trustees and prevent the CIO from becoming inoperable.

(4) The General Regulations require that the constitution must state the names of the first charity trustees. It is recommended that you 'stagger' the terms of office of the first trustees to ensure that they do not all stand down at the same time. For example, if there are three trustees, one might be appointed for four years, one for three years and one for two years.

Clause 10 – Appointment of charity trustees -
The constitution must make provision about the appointment of one or more persons to be charity trustees. The Charity Commission's model foundation constitution allows for a number of options, including appointment of ex-officio trustees and also for nominated trustees. Ex-officio trustees might include the Pastor, Elder, Church Treasurer and Church Secretary and nominated trustees might be trustees appointed by different churches where churches work together to support a youth worker or community project. In this model the simple option has been provided for new trustees to be appointed by the current trustees. The number of years for a trustee to serve before retiring or being reappointed should be inserted.

of the CIO:

- if he or she is under the age of 18 years; or
- if he or she would automatically cease to hold office under the provisions of clause [12(1)(f)]; or
- if he or she is unable in good conscience to subscribe to the statement of beliefs in the Schedule.

(c) No one is entitled to act as a charity trustee whether on appointment or on any re-appointment until he or she has expressly acknowledged, in whatever way the charity trustees decide, his or her acceptance of the office of charity trustee.

(3) Number of charity trustees

There must be at least [three] charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustees, or appoint a new charity trustee.

(4) First charity trustees

The first charity trustees are as follows and are appointed for the term indicated against their name:

[] for four years

[] for three years

[] for two years

10. Appointment of further charity trustees

(a) Apart from the first charity trustees, every appointed trustee must be appointed for a term of [three] years by resolution passed at a properly convened meeting of the charity trustees.

(b) In selecting individuals for appointment as appointed charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Notes:

Clause 11 – Information for new charity trustees - It is recommended that you include this clause as it represents good practice. It is vital for new trustees to have easy access to the information and training that they need in order to become effective members of the trustee body.

Clause 12 – Retirement and removal of charity trustees - The General Regulations require that the constitution must contain provisions setting out how charity trustees (and members) may retire or otherwise cease to hold office. The provisions in the model follow recommended good practice. The optional provision in the Charity Commission's model provides for trustees not being allowed to serve for more than three consecutive terms. This has been omitted. A new provision ((1)(e)) has been added to allow for the removal of a trustee who is no longer able to subscribe to the statement of belief or is unsuitable to continue as a trustee of a church charity.

A trustee will cease to be a trustee if he is disqualified by virtue of sections 178 to 180 of the Charities Act 2011 (e.g. having a conviction for an offence involving dishonesty or deception, being an undischarged bankrupt, after being removed from office as a trustee by the court or the Charity Commission or being disqualified from holding office as a trustee under company law legislation).

11. Information for new charity trustees

The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- (a) a copy of the current version of this constitution; and
- (b) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

12. Retirement and removal of charity trustees

- (1) A charity trustee ceases to hold office if he or she:
 - (a) retires by notifying the CIO in writing (but only if enough charity trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings);
 - (b) is absent without the permission of the charity trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated;
 - (c) dies;
 - (d) in the written opinion, given to the CIO, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months;
 - (e) can no longer subscribe in good conscience to the statement of beliefs in the Schedule; or if his or her conduct is, in the reasonable opinion of the other charity trustees after hearing any representations from the charity trustee concerned, seriously inconsistent with that expected by the Christian scriptures of a Christian in good standing.

Notes:

Clause 13 – Taking of decisions by charity trustees - The power to take decisions by resolution in writing or electronic form outside meetings is optional, but if the trustees intend to use it, it must be included in the constitution. Such a decision must be unanimous (i.e. all of the trustees must agree).

Clause 14 – Delegation by charity trustees - The trustees may appoint committees to carry out particular functions (e.g. finance and accountancy, fabric or building). This power is optional, but it is recommended that you include it for the smooth-running of the CIO. The General Regulations give charity trustees of a CIO automatic power to delegate tasks to subcommittees, staff or agents; but without this additional constitutional power, the trustees will be unable to delegate any power to make decisions. Sub-clauses (2)(a)-(c) reflect minimum good practice and are safeguards that should not be removed or diminished.

(f) is disqualified from acting as a charity trustee by virtue of sections 178-180 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

(2) Any person retiring as a charity trustee is eligible for reappointment.

13. Taking of decisions by charity trustees

Any decision may be taken either:

- (1) at a meeting of the charity trustees; or
- (2) by resolution in writing or electronic form agreed by all of the charity trustees, which may comprise either a single document or several documents containing the text of the resolution in like form to each of which one or more charity trustees has signified their agreement.

14. Delegation by charity trustees

(1) The charity trustees may delegate any of their powers or functions to a committee or committees, and, if they do, they shall determine the terms and conditions on which the delegation is made. The charity trustees may at any time alter those terms and conditions, or revoke the delegation.

(2) This power is in addition to the power of delegation in the General Regulations and any other power of delegation available to the charity trustees, but is subject to the following requirements:

- (a) committee may consist of two or more persons, but at least one member of each committee must be a charity trustee;
 - (b) the acts and proceedings of any committee must be brought to the attention of the charity trustees as a whole as soon as is reasonably practicable; and
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Notes:

Clause 15 – Meetings of charity trustees –

The General Regulations require that the constitution must include provisions for the calling and running of meetings including the minimum number of trustees who shall form a quorum and appointment of a chair. The provisions in this model are good practice recommendations.

(3)(a) It is recommended that the quorum for trustee meetings should not be less than one third of the number of trustees.

(3)(c) It is common, but not obligatory, for the Chair to have a casting vote. You may include or delete this power.

(4) This clause is optional, but will be required if one or more of the CIO's trustees may from time to time participate in meetings by telephone or other electronic means (e.g. Conference call or video link) where participants may not all be able to see and hear each other.

(c) the charity trustees shall from time to time review the arrangements which they have made for the delegation of their powers.

15. Meetings of charity trustees

(1) Calling meetings

(a) Any charity trustee may call a meeting of the charity trustees.

(b) Subject to that, the charity trustees shall decide how meetings are to be called, and what notice is required.

(2) Chairing of meetings

The charity trustees may appoint one of their number to chair their meetings and may at any time revoke such appointment. If no-one has been so appointed, or if the person appointed is unwilling to preside or is not present within 10 minutes after the time of the meeting, the charity trustees present may appoint one of their number to chair that meeting.

(3) Procedure at meetings

(a) No decision shall be taken at a meeting unless a quorum is present at the time when the decision is taken. The quorum is two charity trustees, or the number nearest to one third of the total number of charity trustees, whichever is greater, or such larger number as the charity trustees may decide from time to time. A charity trustee shall not be counted in the quorum present when any decision is made about a matter upon which he or she is not entitled to vote.

(b) Questions arising at a meeting shall be decided by a majority of those eligible to vote.

[(c) In the case of an equality of votes, the person who chairs the meeting shall have a second or casting vote.]

(4) Participation in meetings by electronic means

Notes:

Clause 16 – Membership of the CIO - A CIO must have one or more members. In this model constitution the charity trustees are the only members and become members automatically. The constitution must set out who is eligible for membership and how someone becomes a member. The constitution must contain provision for retirement and termination of membership. This model clause fulfils these requirements. The General Regulations have been drafted on the basis that all members of a 'foundation' CIO will be charity trustees, and they will cease to be members of the CIO when they cease to be trustees.

Informal or associate (non-voting) membership – The Charity Commission model includes a clause relating to informal (associate) membership, but this has not been included in this model as it is considered inappropriate for this type of church charity.

Clause 17 – Decisions which must be made by the members of the CIO – This clause sets out decisions which can only be made by the members. These are amendment of the constitution, amalgamation with another CIO and wording of a dissolution. This provision makes a rather artificial distinction between trustees and members because the members in this instance are the same as the trustees. It is recommended that you include these powers and provisions in full.

(1) This sub-clause acts as a reminder that certain decisions must be made by the members, rather than by the trustees (although in practice they are the same persons).

(2) This sub-clause allows decisions of the members to be made at a general meeting or by written resolution.

(3) The decisions specified in (1) are subject to special requirements; this sub-clause acts as a reminder of those requirements.

(4) This sub-clause sets out the procedure for written resolutions.

(a) A meeting may be held by suitable electronic means agreed by the charity trustees in which each participant may communicate with all the other participants.

(b) Any charity trustee participating at a meeting by suitable electronic means agreed by the charity trustees in which a participant or participants may communicate with all the other participants shall qualify as being present at the meeting.

(c) Meetings held by electronic means must comply with rules for meetings, including chairing and the taking of minutes.

16. Membership of the CIO

(1) The members of the CIO shall be its charity trustees for the time being. The only persons eligible to be members of the CIO are its charity trustees. Membership of the CIO cannot be transferred to anyone else.

(2) Any member and charity trustee who ceases to be a charity trustee automatically ceases to be a member of the CIO.

17. Decisions which must be made by the members of the CIO

(1) Any decision to.

(a) amend the constitution of the CIO;

(b) amalgamate the CIO with, or transfer its undertaking to, one or more other CIOs, in accordance with the Charities Act 2011; or

(c) wind up or dissolve the CIO (including transferring its business to any other charity)

must be made by a resolution of the members of the CIO (rather than a resolution of the charity trustees).

Notes:

(2) This sub-clause allows decisions of the members to be made at a general meeting or by written resolution.

(3) The decisions specified in (1) are subject to special requirements; this sub-clause acts as a reminder of those requirements.

(4) This sub-clause sets out the procedure for written resolutions.

Clause 18 - General meetings of members –

The General Regulations state that the constitution must make provision about the holding and calling of general meetings, and procedure at such meetings including the minimum number of members who shall form a quorum. The provisions in this clause are good practice recommendations.

(1) In a CIO with the 'foundation' model constitution, all of the members are trustees, so the trustees may decide which of their meetings should be treated as a general meeting of the members (subject to the notice requirements in (2)).

(2) Decisions of the members may be made either:

(a) by resolution at a general meeting; or

(b) by resolution in writing, in accordance with sub-clause (4) of this clause.

(3) Any decision specified in sub-clause (1) of this clause must be made in accordance with the provisions of clause [27] (amendment of constitution), clause [28] (Voluntary winding up or dissolution), or the provisions of the Charities Act 2011, the General Regulations or the Dissolution Regulations as applicable. Those provisions require the resolution to be agreed by a 75% majority of those members voting at a general meeting, or agreed by all members in writing.

(4) Except where a resolution in writing must be agreed by all the members, such a resolution may be agreed by a simple majority of all the members who are entitled to vote on it. Such a resolution shall be effective provided that:

(a) a copy of the proposed resolution has been sent to all the members eligible to vote; and

(b) the required majority of members has signified its agreement to the resolution in a document or documents which are received at the principal office within the period of 28 days beginning with the circulation date. The document signifying a member's agreement must be authenticated by their signature, by a statement of their identity accompanying the document, or in such other manner as the CIO has specified.

The resolution in writing may comprise several copies to which one or more members has signified their agreement. Eligibility to vote on the resolution is limited to members who are members of the CIO on the date when the proposal is first circulated.

18. General meetings of members

(1) Calling of general meetings of members

Notes:

(2)(a) The minimum period of notice for general meetings should be reasonable in the CIO's particular circumstances, to enable as many members (trustees) as possible to participate in such decisions. For the decisions mentioned in clause 17(1) the period of notice is specified as 14 days in the General Regulations.

(3) This sub-clause means that the usual procedural provisions for trustees' meetings will also apply when they meet as members.

Proxy and Postal voting – The General Regulations stipulate that members can only vote by proxy or use postal votes if there are a specific provision in the constitution. This model does not include those provisions.

Clause 19 – Saving provisions – It is recommended that you include this clause, to reduce the risk of trustees' decisions being declared invalid for purely technical reasons. This is, however, also covered in the General Regulations.

The charity trustees may designate any of their meetings as a general meeting of the members of the CIO. The purpose of such a meeting is to discharge any business which must by law be discharged by a resolution of the members of the CIO as specified in clause 17 (Decisions which must be made by the members of the CIO).

(2) Notice of general meetings of members

(a) The minimum period of notice required to hold a general meeting of the members of the CIO is [14] days.

(b) Except where a specified period of notice is strictly required by another clause in this constitution, by the Charities Act 2011 or by the General Regulations, a general meeting may be called by shorter notice if it is so agreed by a majority of the members of the CIO.

(c) Proof that an envelope containing a notice was properly addressed, prepaid and posted; or that an electronic form of notice was properly addressed and sent, shall be conclusive evidence that the notice was given. Notice shall be deemed to be given 48 hours after it was posted or sent.

(3) Procedure at general meetings of members

The provisions in clause 15 (2)-(4) governing the chairing of meetings, procedure at meetings and participation in meetings by electronic means apply to any general meeting of the members, with all references to trustees to be taken as references to members.

19. Saving provisions

(1) Subject to sub-clause (2) of this clause, all decisions of the charity trustees, or of a committee of charity trustees, shall be valid notwithstanding the participation in any vote of a charity trustee:

(a) who was disqualified from holding office;

Notes:

Clause 20 – Execution of documents - It is recommended that you include this clause, for clarity about how documents may be validly executed on behalf of the CIO. A document must be signed by two trustees or sealed and attested by two trustees. The provision for use of a seal must be included if the CIO is to have a seal (but there is no requirement to have one). The General Regulations require the full name of the CIO to be clearly written on the seal, and failure to comply with this is an offence.

Clause 21 – Use of electronic communications – CIO trustees are obliged to comply with the Communications Provisions of the General Regulations (Regulations 49 to 59) with regard to the use of electronic communication. It is recommended that CIO trustees familiarise themselves with the requirements. Failure to comply with the requirement to provide a hard copy would constitute an offence. The General Regulations state that if the CIO intends to automatically use electronic communication or a website to send formal communications to members, this must be stated in the constitution, which must also set out the circumstances in which this will happen.

(b) who had previously retired or who had been obliged by the constitution to vacate office;

(c) who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if, without the vote of that charity trustee and that charity trustee being counted in the quorum, the decision has been made by a majority of the charity trustees at a quorate meeting.

(2) Sub-clause (1) of this clause does not permit a charity trustee to keep any benefit that may be conferred upon him or her by a resolution of the charity trustees or of a committee of charity trustees if, but for sub-clause (1), the resolution would have been void, or if the charity trustee has not complied with clause 7 (Conflicts of interest and conflict of loyalty).

20. Execution of documents

(1) The CIO shall execute documents either by signature or by affixing its seal (if it has one)

(2) A document is validly executed by signature if it is signed by at least two of the charity trustees.

(3) If the CIO has a seal:

(a) It must comply with the provisions of the General Regulations; and

(b) the seal must only be used by the authority of the charity trustees or of a committee of charity trustees duly authorised by the charity trustees. The charity trustees may determine who shall sign any document to which the seal is affixed and unless otherwise so determined it shall be signed by two charity trustees.

21. Use of electronic communications

Notes:

Clause 20 – Execution of documents - It is recommended that you include this clause, for clarity about how documents may be validly executed on behalf of the CIO. A document must be signed by two trustees or sealed and attested by two trustees. The provision for use of a seal must be included if the CIO is to have a seal (but there is no requirement to have one). The General Regulations require the full name of the CIO to be clearly written on the seal, and failure to comply with this is an offence.

Clause 21 – Use of electronic communications – CIO trustees are obliged to comply with the Communications Provisions of the General Regulations (Regulations 49 to 59) with regard to the use of electronic communication. It is recommended that CIO trustees familiarise themselves with the requirements. Failure to comply with the requirement to provide a hard copy would constitute an offence. The General Regulations state that if the CIO intends to automatically use electronic communication or a website to send formal communications to members, this must be stated in the constitution, which must also set out the circumstances in which this will happen.

Clause 22 – Keeping of registers – This clause reflects the requirements in the General Regulations that the CIO keeps registers of members and charity trustees and makes this information available for inspection by interested persons. This does not have to be stated in the constitution but is included to serve as a reminder.

Clause 23 – Minutes - This clause reflects the requirements of the General Regulations regarding record keeping. It is recommended that this clause is included, to remind the trustees of their responsibilities.

Clause 24 – Accounting records (etc) - This clause reflects the trustees' duties under the 2011 Act. It is recommended that this clause is included, to remind the trustees of their responsibilities

The CIO will comply with the requirements of the Communications Provisions of the General Regulations and in particular:

- (a) the requirement to provide within 21 days to any member on request a hard copy of any document or information sent to the member otherwise than in hard copy form;
- (b) any requirement to provide information to the Commission in a particular form or manner.

22. Keeping of registers

The CIO must comply with its obligations under the General Regulations in relation to the keeping of, and provision of access to, a combined register of its members and charity trustees.

23. Minutes

The charity trustees must keep minutes of all:

- (1) appointments of officers made by the charity trustees;
- (2) proceedings at general meetings of the CIO;
- (3) meetings of the charity trustees and committees of charity trustees including:
 - (a) the names of the trustees present at the meeting;
 - (b) the decisions made at the meetings; and
 - (c) where appropriate the reasons for the decisions;
- (4) decisions made by the charity trustees otherwise than in meetings.

24. Accounting records, accounts, annual reports and returns, register maintenance

Notes:

Clause 25 - Rules – This clause gives the CIO trustees power to make rules and policies for the running of the charity. This might be useful to enable incorporation of rules for the church/assembly (often also called a constitution) such as admission to membership of the church and election of elders and deacons. It would be helpful for the charity trustees to be required to work consistently with such rules. It is recommended that this power should be included for clarity, but charities automatically have this power and it does not have to be stated in the constitution. It is important that members are made aware of and can easily obtain copies of any rules.

Clause 26 – Disputes – It is good practice to include provisions for dealing with any disputes that arise between members of the CIO. Any dispute between members must be settled or at least attempted to be settled by mediation. Litigation can be expensive, and litigation about the internal affairs of a charity would almost certainly constitute “charity proceedings”, which can be taken only with the Charity Commission’s authority.

Clause 27 – Amendment of constitution - The constitution can be amended by unanimous written resolution of the members or by a 75% majority vote at a general meeting of the members. However certain matters cannot be amended without the Charity Commission’s prior written consent; those being the provisions containing the objects (clause 3) and voluntary winding up or dissolution (clause 28) and any provision which would permit a benefit to be obtained by the charity trustees or members or persons connected with them (clause 6). A copy of the amending resolution and the constitution as amended must be sent to the Charity Commission within 15 days of the resolution and is not effective until registered by them.

This clause reflects the CIOs’ statutory power of amendment in sections 224-227 of the Charities Act 2011. A CIO’s constitution should include these provisions for ease of reference. The constitution of a CIO cannot extend the statutory power of constitutional amendment, but the General Regulations provide that you may include additional restrictions in some or all cases (e.g. requiring a longer period of notice before the meeting, or a higher majority, for certain changes). Additional restrictions are not provided for in this model and, if you are considering this, appropriate advice should be taken

(1) The charity trustees must comply with the requirements of the Charities Act 2011 with regard to the keeping of accounting records, to the preparation and scrutiny of statements of account, and to the preparation of annual reports and returns. The statements of account, reports and returns must be sent to the Charity Commission, regardless of the income of the CIO, within 10 months of the financial year end.

(2) The charity trustees must comply with their obligation to inform the Commission within 28 days of any change in the particulars of the CIO entered on the Central Register of Charities.

25. Rules

The charity trustees may from time to time make such reasonable and proper rules or byelaws as they may deem necessary or expedient for the proper conduct and management of the CIO, but such rules or byelaws must not be inconsistent with any provision of this constitution. Copies of any such rules or byelaws currently in force must be made available to any member of the CIO on request.

26. Disputes

If a dispute arises between members of the CIO about the validity or propriety of anything done by the members under this constitution, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

27. Amendment of constitution

As provided by sections 224-227 of the Charities Act 2011:

- (1) This constitution can only be amended:
 - (a) by resolution agreed in writing by all members of the CIO; or

Notes:

Clause 28 – Voluntary winding up or dissolution – This clause reflects the provisions of the 2011 Act and the General Regulations and Dissolution Regulations. We recommend that it is included in the constitution for ease of reference. It also highlights that there are other requirements in the Dissolution Regulations that the trustees must comply with, as there are offences for noncompliance. The clause contains provision for winding up the CIO either by a unanimous written resolution of the members or by a 75% majority vote passed at a general meeting of members.

(b) by resolution passed by a 75% majority of those voting at a general meeting of the members of the CIO called in accordance with clause 18 (General meetings of members)

(2) Any alteration of clause 3 (Objects) clause 28 (Voluntary winding up or dissolution), this clause, or of any provision where the alteration would provide authorisation for any benefit to be obtained by charity trustees or members of the CIO or persons connected with them, requires the prior written consent of the Charity Commission.

(3) No amendment that is inconsistent with the provisions of the Charities Act 2011 or the General Regulations shall be valid.

(4) A copy of every resolution amending the constitution, together with a copy of the CIO's constitution as amended must be sent to the Commission by the end of a period of 15 days beginning with the date of passing of the resolution, and the amendment does not take effect until it has been recorded in the Register of Charities.

28. Voluntary winding up or dissolution

(1) As provided by the Dissolution Regulations, the CIO may be dissolved by resolution of its members. Any decision by the members to wind up or dissolve the CIO may only be made:

(a) at a general meeting of the members of the CIO called in accordance with clause 18 (General meetings of members), of which not less than 14 days' notice has been given to those eligible to attend and vote:

(i) by resolution passed by a 75% majority of those voting; or

(ii) by a resolution passed by decision taken without a vote and without any expression of dissent in response to the question put to the general meeting; or

Notes:

(2) The constitution must contain directions about how its property will be applied if it is wound up. Any assets remaining after the payment of debts must be applied for charitable purposes that are similar to those of the CIO. The member's resolution may determine how surplus assets should be applied or, failing such a determination, the charity trustees may decide. Copies of relevant resolutions and a report on the application of the assets must be supplied to the Charity Commission

(4) It is essential for trustees to be aware that if the CIO is unable to meet its financial obligations in full when it is wound up, the provisions in sub-clauses (1)-(3) do not apply and the relevant provisions of the Dissolution Regulations must be followed. Failure to do so is not only an offence, but could lead to personal liability for the trustees.

- (b) by a resolution agreed in writing by all members of the CIO.
- (2) Subject to the payment of all the CIO's debts:
- (a) Any resolution for the winding up of the CIO, or for the dissolution of the CIO without winding up, may contain a provision directing how any remaining assets of the CIO shall be applied.
- (b) If the resolution does not contain such a provision, the charity trustees must decide how any remaining assets of the CIO shall be applied.
- (c) In either case the remaining assets must be applied for charitable purposes the same as or similar to those of the CIO.
- (3) The CIO must observe the requirements of the Dissolution Regulations in applying to the Commission for the CIO to be removed from the Register of Charities, and in particular:
- (a) the charity trustees must send with their application to the Commission:
- (i) a copy of the resolution passed by the members of the CIO;
- (ii) a declaration by the charity trustees that any debts and other liabilities of the CIO have been settled or otherwise provided for in full; and
- (iii) a statement by the charity trustees setting out the way in which any property of the CIO has been or is to be applied prior to its dissolution in accordance with this constitution;
- (b) the charity trustees must ensure that a copy of the application is sent within seven days to every member and employee of the CIO, and to any charity trustees of the CIO who was not privy to the application.

Notes:

(4) It is essential for trustees to be aware that if the CIO is unable to meet its financial obligations in full when it is wound up, the provisions in sub-clauses (1)-(3) do not apply and the relevant provisions of the Dissolution regulations must be followed. Failure to do so is not only an offence, but could lead to personal liability for the trustees.

Clause 29 – Interpretation – this clause explains some terms used in the rest of the constitution.

(4) If the CIO is wound up or dissolved in any other circumstances, the provisions of the Dissolution Regulations must be followed.

29. Interpretation

In this constitution:

"**connected person**" means:

(a) a child, parent, grandchild, grandparent, brother or sister of the charity trustee;

(b) the spouse or civil partner of the charity trustee or of any person falling within sub-clause (a) above;

(c) a person carrying on business in partnership with the charity trustee or with any person falling within sub-clause (a) or (b) above;

(d) an institution which is controlled-

(i) by the charity trustee or any connected person falling within sub-clause (a), (b), or (c) above; or

(ii) by two or more persons falling within sub-clause (d) (i), when taken together

(e) a body corporate in which -

(i) the charity trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or

(ii) two or more persons falling within sub-clause (e)(i) who, when taken together, have a substantial interest.

Section 118 of the Charities Act 2011 **applies** for the purposes of interpreting the terms used in this constitution.

Notes:

Statement of beliefs and Practices – A suggested model statement of beliefs (and practices) is provided, but this may need to be amended or replaced to suit your own church/assembly beliefs (and practices), particularly if you occupy a property held under a Trust which requires the church/assembly to adhere to a specific statement of beliefs (and practices). It is important to be clear on your statement of beliefs and practices, as this is directly linked to the charity's objects and therefore cannot be changed without Charity Commission approval.

"General Regulations" means the Charitable Incorporated Organisations (General) Regulations 2012

"Dissolution Regulations" means the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012

The **"Communications Provisions"** means the Communications Provisions in [Part 10, Chapter 4] of the General Regulations.

"charity trustee" means a charity trustee of the CIO.

Schedule

Statement of Beliefs [and Practices] for the purposes of this constitution

Beliefs

- 1 The Divine Inspiration, Authority and Sufficiency of the Bible and its consequent entire trustworthiness and supreme authority in all matters of faith and conduct.
- 2 The Unity of the Godhead, with the distinction of Persons in that Unity, namely the Father, and the Son, and the Holy Spirit, to whom equal honour is due. The sovereignty and grace of God the Father, God the Son, and God the Holy Spirit, in creation, providence, revelation, redemption, sanctification, and final judgement.
- 3 (a) Jesus Christ, the Son of God, truly became man, being begotten of the Holy Spirit and born of the Virgin Mary.

(b) His death on the cross and the shedding of His blood were substitutionary in character and constituted a sacrifice to God and a propitiation for the remission of sins. His death is the only ground

of reconciliation and redemption from the guilt and power of sin and its eternal consequences.

Notes:

- (c) He was raised from the dead in bodily form.
- (d) He ascended to the right hand of God, where he presides as head of the church and is now the all-sufficient High Priest of His people.
- (e) His personal and visible return in power and glory will consummate the believer's salvation and He will receive His Church unto Himself and to set up His Kingdom.

4 God the Holy Spirit illuminates the believer. He is responsible for the work of regeneration and sanctification. He indwells every believer and this begins at the time of conversion. He empowers for godly living and spiritual service. It is the responsibility of every believer to be filled with the Spirit.

5 Man was created sinless but through temptation by Satan became sinful and thereby brought the whole human race under the just condemnation of God and eternal separation from Him. Eternal salvation for mankind is through repentance and faith in the finished work of Christ.

6 Justification of the sinner before God is by faith alone. Every justified one is also born of God. Such new birth results in and is made evident by holiness of life and good works.

7 (a) That at death the spirit of man does not cease to exist, or become unconscious.

(b) That the dead will be raised either to life or to condemnation; and that the blessedness of the righteous and the punishment of the unrighteous will be alike eternal.

(c) That believers must all appear before the Judgment Seat of Christ.

8 The priesthood of all believers in the Lord Jesus who are members of the one, eternal and

Notes:

universal church, which is the body of which Christ is the head. The church is committed by the command of Christ to proclaim the gospel throughout the whole world.

Practices

1. The preaching of the Word of God and the teaching of the truths set out in the Doctrines above mentioned.
 2. Regular meetings for worship, prayer, teaching, and fellowship; outreach to the locality; and involvement in world mission.
 3. The observance of the ordinance of Believer's Baptism by immersion on personal confession of faith.
 4. The commemoration of the Lord's death in the Breaking of Bread on the first day of the week in so far as circumstances allow.
 5. Each local church is composed of professed believers and is autonomous in government. It has as its model the New Testament practice of plurality of leaders equipped with appropriate spiritual gifts.
 6. The reception as members of the church of all believers known to be sound in faith and giving satisfactory evidence of being godly in life.
 7. The conducting of meetings for worship under the guidance of the Holy Spirit with opportunity for the exercise in the church of all true gifts for edification subject to the Lordship of Christ.
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