



## Getting Started Factsheet 8

# APPLYING FOR CHARITABLE STATUS

The Commission's Register of Charities is a computerised database containing key information on all registered charities. Charities with incomes of over £5000 are required to register with the Charity Commission. Details include the charity's name, its purposes, its annual income, what type of constitution it has and the name and address of a contact within the charity. The Register helps the public find information about charities, perhaps to check if an organisation which is raising funds is registered or to see from a charity's accounts how it is spending its money. The database can be inspected at any of the Commission's Offices.

*The Registration Information Pack and CC21 – Registering as a Charity are essential reading for anyone planning to start a charity, available from the Charity Commission website – [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)*

Most charities in England and Wales have to register with the Charity Commission.

Charities which to **not** have to register are those which:

- do not have an annual income over £5000;
- do not have use of land or buildings;
- do not have any permanent endowment (permanent endowment is capital which cannot be spent like income);
- exempt or excepted charities.

Registration is not a mechanical process. There is a legal definition of 'charity' in England and Wales which is backed up by decisions made by the courts and the Charity Commission.

When you apply for registration they have to look at what your organisation is set up to do and how it is going to achieve its objectives. They will only register an organisation as a charity when they are satisfied that the objects of an organisation are charitable and that its activities are in accordance with those objects.

The Commission will send you a free publication, CC21 '*Starting and Registering a Charity*' which will give guidance.

If you are at an early stage of thinking about setting up a charity, you might want to look first at the free publication CC21. If your plans are more advanced, there is a detailed Registration Information Pack which sets out what you need to do to get

your organisation registered. It will be essential to have obtained and read the Registration Information Pack before sending an application since it sets out the requirements you must follow. The staff at Chelsea Social Council will help you with this process.

***There is no charge for registering a charity***

If you want further information or the Registration Information Pack please contact the Charity Commission – <http://www.charity-commission.gov.uk>

***Registering as a Charity – What do we need to find out?***

- Who needs to register?
- What should you do if you want to register?
- What should you send?
- What will they do when they receive your application?
- Why might they ask for amendments before they can register your organisation?
- Can trustees be paid?

***Who needs to register?***

A charity is an organisation set up for exclusively charitable purposes which carries out activities to achieve these purposes. A charity must be set up to help the public and not particular individuals.

The Charities Act sets out the following descriptions of charitable purposes:

- the prevention or relief of poverty
- the advancement of education
- the advancement of religion
- the advancement of health or the saving of lives
- the advancement of citizenship or community development
- the advancement of the arts, culture, heritage or science
- the advancement of amateur sport
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity
- the advancement of environmental protection or improvement
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- the advancement of animal welfare
- the promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services
- any other purposes that may reasonably be regarded as analogous to, or within the spirit of, the purposes listed above

A charity **must** register with the Charity Commission if:

- it is set up in England and Wales and/or the majority of charity trustees live in England and Wales;

- the majority of the assets are in England and Wales;
- if a company, it is incorporated in England and Wales.

AND anyone or more of the following apply:

- the organisation has a permanent endowment (land, buildings, investments or cash which may not be spent by a charity);
- the organisation has total income of more than £5000 a year;
- the organisation has a rateable occupation of any land, including buildings.  
(*This applies even where the local authority has agreed not to charge any rates or has reduced the rates*).

They will only process applications for registration with executed governing documents. This means that, generally, they cannot accept applications from proposed organisations, only one which are already in existence.

**What should you do if you want to register?**

Read the Charity Commission's publication CC21, 'Starting and Registering a Charity'. If you decide that you want to set up a charity you will need the Registration Pack which sets out in detail what you will need to do. See <http://www.charity-commission.gov.uk> for further details.

It is very important that you read all the information in the Registration Pack before applying for registration as it sets out what you need to do.

**What should you send?**

- The completed application form (APP1) which is part of the Registration Pack which sets out the charitable objects and the means by which you intend to achieve them.
- Two copies of your organisation's governing document which has been incorporated, executed or adopted. (CC21 *Starting and Registering a Charity*, which is also in the Registration Pack, explains what this means).
- Copies of financial accounts for the last three years (where these are available).
- The Declaration by Trustees form (DEC1) which all trustees must sign.

Remember, trustees must not:

- benefit financially from being a trustee;
- be bankrupt or have an unspent criminal offence;
- be under 18 years of age.

They will be able to deal with your application more quickly if you send all of the above in one go.

**What will they do when they receive your application?**

They aim to reply to all correspondence within fifteen days of receipt. They will check that the application form and Trustee Declaration have been completed. They will check your application form to ensure that your organisation's objects and activities are charitable. If they find that your organisation does not have to register or cannot voluntarily register because it is an exempt or excepted charity, they will

let you know that they cannot carry on with your application. If the application is unusual or complex it may take a bit longer to process as more people may need to consider it.

Sometimes they have to give details of an application to the Inland Revenue to give them the opportunity to comment on whether you should be registered. If this does happen they will write to you letting you know and will keep you up to date on how the application is processing.

When they have considered what your organisation has been set up to do and what you intend to do, they will look at your organisation's governing documents to ensure that it meets the minimum requirements. There are certain requirements which should be included in every governing document, either because they are essential to a charity or because they will help the trustees to run the charity efficiently.

### ***What happens after registration?***

When they have done all this and they agree that your organisation is charitable and the governing document meets the requirements, the details of your organisation will be entered onto the Central Register of Charities. They will send you a letter confirming registration and registered number.

### ***Why might they ask for amendments before they can register your organisation?***

If the name of your organisation is considered to be misleading or too like that of an existing charity you may be asked to change the name before a registered number is allocated.

Sometimes, although the organisation seems charitable, what it has been set up to do or what it will do may not be quite right. If so, they will contact you to ask you to change whatever is wrong. When they receive confirmation or evidence that these changes have been made, your organisation's details will be added to the Central Register of Charities. They will send you a letter confirming registration and registered number.

### ***Can Trustees be paid?***

A charity trustee should not be in a position where any personal interest may conflict with their role as a trustee. It is important that all trustees know that they should not benefit directly or indirectly from their position whether through payment in money or benefits in kind.

### ***What happens once your organisation is registered?***

Once your charity is registered it will have continuing involvement with the Commissionaires. Once a year the annual return will have to be filled in and returned to the Commission to ensure that the register is kept up to date. Your organisation will become subject to charity law.

## **Charity Commission contact details:**

**Telephone 0870 333 0123 Website [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)**