



# Lions Clubs International

**BRITISH ISLES : District 105A**

**Without Challenge There is no Achievement**



## CIO – Everything You Ever Wanted to Know

Lion Paula Mellows



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# Lions Clubs International

**BRITISH ISLES : District 105A**

**Without Challenge There is no Achievement**

## CIO – Everything You Ever Wanted to Know

**PCC Viresh Paul**

*Leadership Lead*



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# District 105A – CIO

## Lion Paula Mellows

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District Treasurer 105CE (2007 – ongoing)

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# District 105A – CIO

## Where are we today?

- A Lions Club is chartered by Lions Clubs International
- A Lions Club may have a Charity Trust
- A Lions Club may be a CIO



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# District 105A – CIO

## Where are we today cont...?

### All Lions Clubs must:

- Produce annual accounts
- A trustees/directors annual report.
- Income below £25k your accounts will need to be independently reviewed as a minimum (can be examined or audited).
- Income above £25k your accounts will need to be independently examined or audited (Charity Commission requirement), Report needed.

And send them to their District Treasurer

**And the Charity Commission if registered as a Charity**

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## Who needs to be registered

- The Charities Commission now recognises all Lions Clubs as Charities.
- All charities who have a “gross income” of more than £5,000 per year.
- All Charitable Incorporated Organisations (CIO’s) need to be registered to exist



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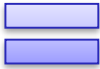



# District 105A – CIO

## What is a CIO?

- A CIO is an incorporated structure designed for charities, registered with the Charity Commission
- If the club is wound up the members of the club have no liability to contribute to its assets

## What is Incorporation – Becoming a CIO

- Club  Charity Trust  CIO
- Club  CIO



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# District 105A – CIO

## The Main Features

- Club and Charity join together – in a new corporate body
- Registered with the Charity Commission
- Lions are members of the Charity which is the Lions Club



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## The Main Benefits

- Includes the power to promote “Volunteering”
- Easier to enter into Contracts
- Liability remains with the Club
- Gift Aid on Members Subscriptions



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## Preparation and Due Diligence

- Check that everything can be transferred to the CIO
- Prevent any “nasty surprises”
  - “Clawback” of Grant funding
  - Loss of legacy income
  - Unexpected Liabilities
- “Special Features”?



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## What are “Special Features”?

- Premises e.g. freehold land/ a lease/a licence
- Employees
- Pension schemes which the Club/Charitable Trust pays into or has previously paid into
- A Subsidiary/trading Company
- Legacies to the old Club (rather than the Charitable Trust)



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# District 105A – CIO

## CIO Registration Process:

- Once on the waiting list and your turn arrives you will be allocated a mentor
- You will be sent documents by your mentor - read through them – every line
- Call a Directors meeting – walk them through all the documents
- Agree who your Trustees are (likely to be your Directors – President, Secretary & Treasurer are automatically Trustees of a CIO)
- Get the Trustees to complete & sign the relevant documents (if they can't sign the Trustee Declaration form they can't be a Trustee which then means they can't be President, Secretary or Treasurer of the club)
- Agree to the new CIO Constitution
- Minute the meeting – really important
- Get your Welfare committee to do the “Public Benefit Statement”



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# District 105A – CIO

## CIO Registration Process:

- Send all the original documents & Accounts (they can be scanned & emailed over) to your CIO mentor
- Normally within 2 days of input into the Charity Commission portal your club is registered as a CIO (all Trustees receive a welcome email)
- Once CIO status is granted you will need to “transfer” your assets from your “Club” to your “CIO”, Complete the relevant forms, get them signed – ensure it is minuted
- Close your existing Charity Number on the CC website (if you have one) – takes 2 days
- Change your bank a/c details to show e.g. Any Town Lions Club CIO ( 1234567) Registered Charity
- Register with HMRC to be able to claim Gift Aid



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# District 105A – CIO

## CIO Registration Process (more in-depth):

- You'll be asked for the Club's main name and any working names (if any)
- You'll be asked for a person the public can contact about the club - this includes name, postal address, email address, telephone and their role in the club
- You'll be asked for a public postal address, email and website for the club - you'll need to provide a separate (private) address if the club doesn't operate from this address
- You'll be asked for an email for the commission to use when contacting the club (this isn't made public)



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# District 105A – CIO

## CIO Registration Process (more in-depth):

- You'll need to say how many trustees the club has.
- For each trustee, you'll need to provide (on a form provided by Mentor):
  - full name
  - postal address
  - email address
  - date of birth (unless a corporate trustee)
  - date of appointment (if applicable)
- Only the trustees' names will be made public. But you can also give reasons why a trustee's name should not be made public.



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## CIO Registration Process (more in-depth):

- If the club works with children or vulnerable adults, you'll need to confirm that the trustees have read, understood and are following the commission's safeguarding guidance.
- If the club has a bank or building society account, you'll need to provide:
  - the account name
  - the bank or building society's name
  - the account number
  - the sort code or roll number
- You will asked to provide a Grant Making Policy and a Public Benefit Statement



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# District 105A – CIO

## CIO Registration Process (more in-depth):

- After submission of your Application by your Mentor – Your Club’s Trustees will receive confirmation of the Clubs registration as a charity and the CIO number that has been allocated.
- Approx. every 2-3 months a section 105 order is submitted to the Charity Commission by the MD CIO Team Leader – This is the consent to the merger for the Clubs.
- The next step (Step 6) is the approval of 3 - 5 resolutions (depending if it’s a Club only or Club and Charity Trust). There are also different wording documents if the Club has legacies.



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# District 105A – CIO

## CIO Registration Process (more in-depth):

- Step 6a – unincorporated club members
  - Formally resolve to become a CIO
  - Make some minor amendments to the "old" Club constitution to facilitate this
  - Authorise the officers/directors to sign the paperwork
  - Dissolve the "old" Club
  - Authorise the trustees of the Charitable Trust to take the necessary steps
- Step 6b – Trustees of Charitable Trust
  - Minor amendment to trust deed



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# District 105A – CIO

## CIO Registration Process (more in-depth):

- Step 6c - Officers/Directors of unincorporated Club
  - Formally resolve to become a CIO
  - Formally resolve that all officers and directors should sign the necessary paperwork
- Step 6d - Trustees of charitable trust
  - Formally resolve to incorporate
  - Authorise two trustees to sign the paperwork
  - EITHER resolve to close the trust (no legacies) OR to keep it as a "shell" and link it with the CIO (legacies)



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## CIO Registration Process (more in-depth):

- Step 6e – CIO Trustees
  - Authorise any two trustees to sign the paperwork
  - Adopt the grant-making policy
  - Adopt the by-laws
  - (if appropriate) authorise the application to link the charitable trust with the CIO
  
- Step 7 – Transfer agreement
  - Transfers the assets, activities, contracts
  - Indemnifies the officers/directors of the "old" Club and trustees of the "old" charitable trust
  - Not suitable for clubs with premises or shares
  - Some contracts may need to be “replaced”

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## CIO Registration Process (more in-depth):

- Step 8 – Charter assignment
  - Handing over the keys/baton to the new CIO
  - When the CIO starts
- Practicalities once a CIO
  - Advise the Bank of new name
  - Register for a new Charity Commission password
  - Notify suppliers, members, etc. of CIO status
  - Linking OR de-registering the "old" charitable trust
  - Register for Gift Aid



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Thank you

Any Questions??



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**CHARITY COMMISSION  
FOR ENGLAND AND WALES**

## USEFUL LINKS AND GUIDANCE

1) What makes a charity CC4

<https://www.gov.uk/government/publications/what-makes-a-charity-cc4/what-makes-a-charity-cc4>

2) How to set up a charity CC21a

<https://www.gov.uk/guidance/how-to-set-up-a-charity-cc21a>

3) How to register a charity CC21b

<https://www.gov.uk/guidance/how-to-register-your-charity-cc21b>

4) Applying to register a charity – questions

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/557944/Apply\\_to\\_register\\_a\\_charity\\_questions.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/557944/Apply_to_register_a_charity_questions.pdf)

5) Change your Charity Structure ( For Clubs with a registered trust fund)

<https://www.gov.uk/guidance/change-your-charity-structure>

6) CC3 - The Essential Trustee: What you need to know, what you need to do

<https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/the-essential-trustee-what-you-need-to-know-what-you-need-to-do>

7) Charitable purposes and public benefit

<https://www.gov.uk/government/collections/charitable-purposes-and-public-benefit>

8) The Charity Commissions work on safeguarding vulnerable beneficiaries including children

<https://www.gov.uk/government/publications/the-charity-commissions-work-on-safeguarding-vulnerable-beneficiaries/the-charity-commissions-work-on-safeguarding-vulnerable-beneficiaries>

9) Users on board: beneficiaries who become trustees (CC24)

<https://www.gov.uk/government/publications/users-on-board-beneficiaries-who-become-trustees-cc24>

10) Financial reporting and accounts

<https://www.gov.uk/government/collections/managing-your-charity-guidance#financial-reporting-and-accounts>

<https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d>

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