

CIO OR CIC?

Charitable Incorporated Organisation

CIO Charity

Board of Trustees

Constitution

Reports to Charity Commission

Enables access to grants and loans

Advantages of a CIO

- Gift Aid and other tax relief
- Clear application process and templates
- Known and trusted structure
- Clear legislation
- Access to free online giving tools
- Trustees not personally liable
- Only reports to Charity Commission
- Simpler reporting of accounts

Disadvantages of a CIO

- Inflexible constitution forms
- Amendments need Charity Commission approval
- Trustee recruitment can be challenging

Community Interest Company

CIC Company

Board of Directors

Articles & Memorandum of Association

Regulated by CIC Regulator at Companies House

Can receive some grants

Advantages of a CIC

- Social goals as a primary commitment
- Access to certain finance options
- Reporting of annual company accounts
- Limited liability and asset protection
- Flexible limited company structure
- Smaller leadership team required

Disadvantages of a CIC

- Some funders only fund charities
- No tax breaks e.g. Gift Aid
- Lower public awareness and prestige
- Restricts dividend payments
- Can only dissolve or convert to CIO

TLDR: A **CIO** has tax breaks and rate relief benefits and is a known, trusted structure.

A **CIC** is quicker to set up and more flexible in structure but has limited public awareness and fewer funding options.