

WRIGLEYS — SOLICITORS —

Understanding and Modernising your Governing Document

Joanna Blackman

27 February 2024

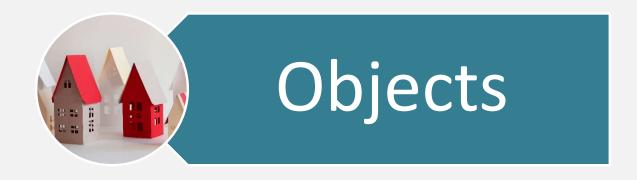
OVERVIEW

- Charitable Activities
- Objects
- Trustee benefit
- Board composition
- Meetings

- Third-party appointment rights
- Fund restrictions
- Making changes to your governing document
- Charities Act 2022
- Incorporation

What can you do according to your governing document?

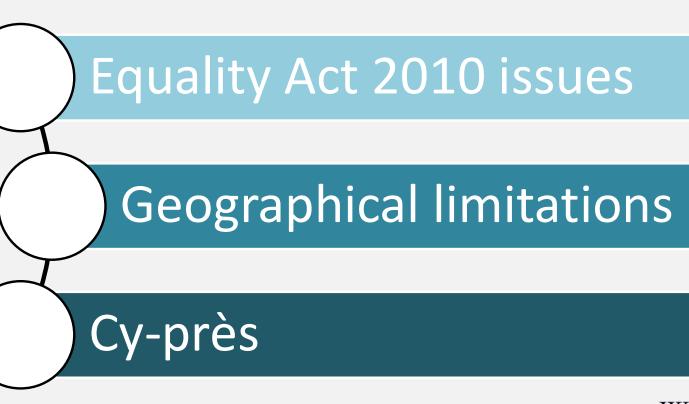
CHARITABLE ACTIVITIES



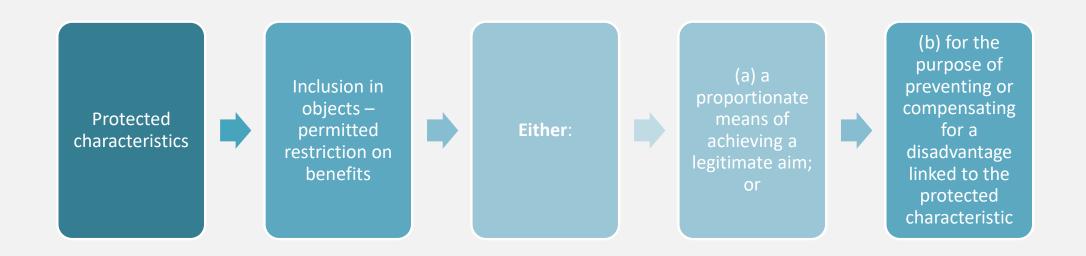


WRIGLEYS
— SOLICITORS —

OBJECTS

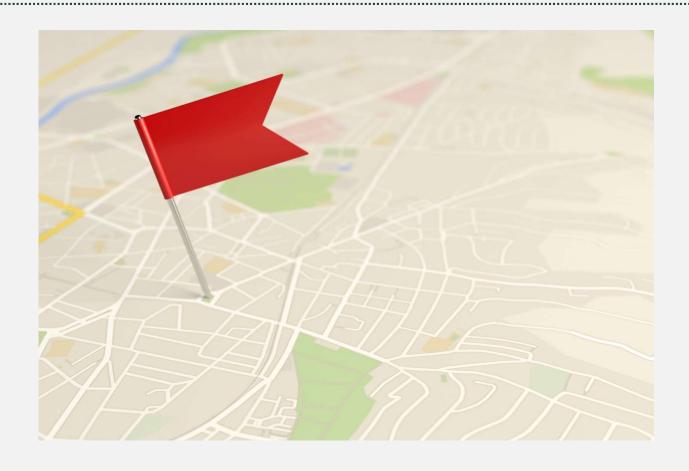


EQUALITY ACT 2010





GEOGRAPHICAL LIMITATIONS





CY-PRÈS

Scheme made by Commission to amend objects if necessary after a charity has been established

Limitations on when a scheme can be made and the changes they can make

Must be a 'cy-près occasion' (as set out in legislation)

Must have regard to the need for the charity to have purposes which are suitable and effective in light of social and economic circumstances



TRUSTEE BENEFITS

Constitution

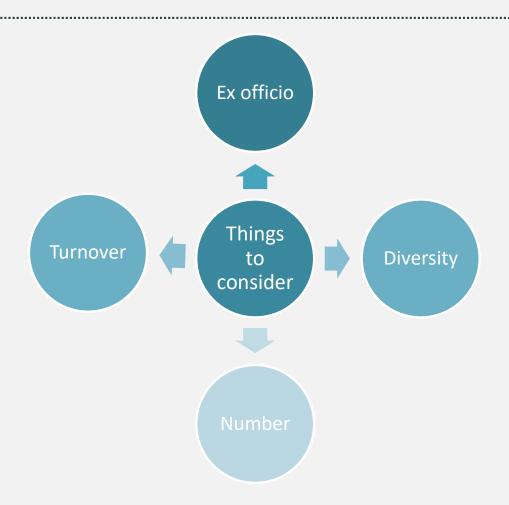
Charities Act 2011

Charity Commission or the Courts

WRIGLEYS
— SOLICITORS—

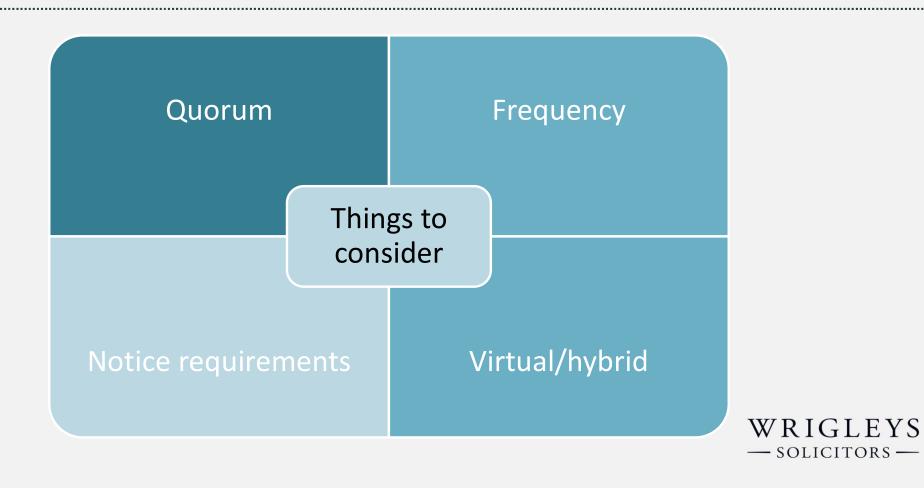
Trustees, meetings, and third-party appointment rights...

BOARD COMPOSITION





MEETINGS



VIRTUAL MEETINGS – CAN YOU HOLD THEM?

Trustee meetings

- What does your governing document permit?
- What problems might this create?

Member meetings

- What does your governing document permit?
- What problems might this create?

Do you need to amend your governing document?



THIRD-PARTY APPOINTMENT RIGHTS

Any third-party rights?

What powers do they have?

Does this work in practice?

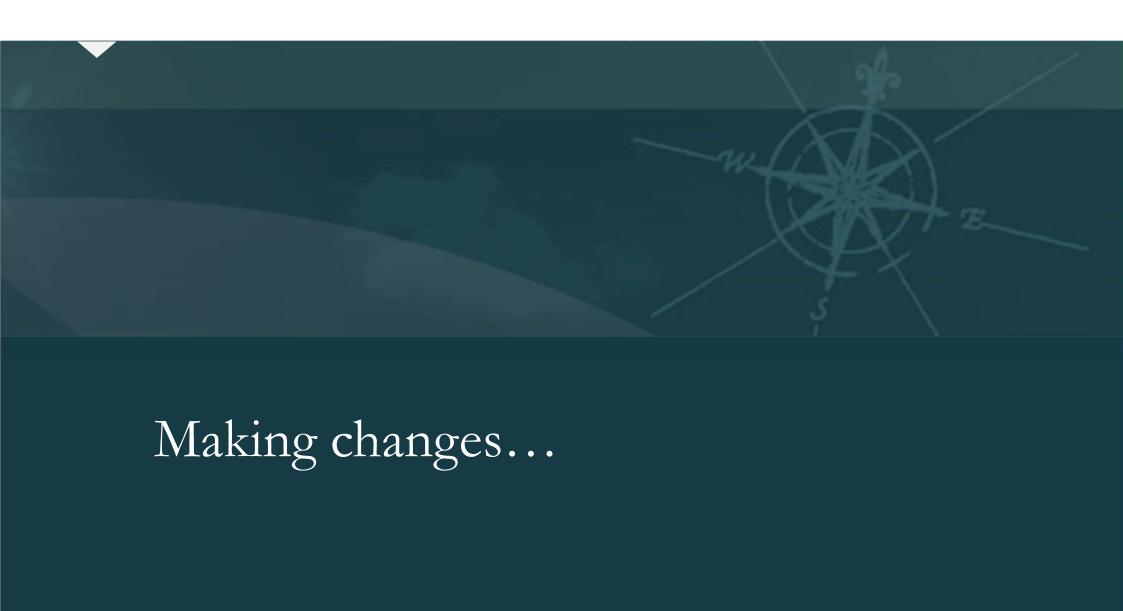
If not, can you amend?



Fund restrictions within the governing document...

FUND RESTRICTIONS WITHIN THE GOVERNING DOCUMENT





HOW TO MAKE CHANGES

Governing document

- What are you amending?
- Power of amendment?

Statutory powers

• If no power in governing document, or the provision is narrow, does statute assist?

Charity Commission consent/other Consultation

- Is this needed?
- How long will it take, and do you need to plan ahead?

Charities Act 2022

• Will this change what you need to do?



CHARITIES ACT 2022 – KEY CHANGES



Statutory powers of amendment

Regulated alterations – charitable purposes

CIO amendments

Cy-près powers

Permanent Endowment – flexibility and definition



What else does your governing document say about your structure...

INCORPORATION

Separate legal personality

- Can enter into contracts and hold assets in own name
- No need to change legal ownership each time the trustees change

Limited liability

• Can help with trustee recruitment

Simplified administration

• E.g. if there are multiple schemes

Modernisation



