



Model Constitution

The Charitable Incorporated Organisation (CIO) is a legal form for a charity to take in England, which allows it to act in a similar way to a company while not needing to report to Companies House. The benefit of acting like a company is that the charity itself becomes a legal entity. This means that legal agreements are entered into by the charity and not by the trustees and there is reduced risk for the Trustees.

RDA National has worked with the Charity Commission (CC) to create this standard constitution for a CIO which is an RDA Group. Therefore if your Group is becoming a CIO you must use this format. This will ensure that you are complying with RDA membership and it will also speed the process up at the CC, as they have already approved this constitution.

Please note, however, that this guidance is not a replacement for legal advice and we suggest you get independent legal advice as a part of the process of becoming a CIO. For the most RDA Groups the process will be straightforward and will not need a great deal of legal input, but please check!

Trustees, Directors, Committee, Board!?

Please note that across RDA there are various terms to describe these. For the purposes of this document (and the constitution) we have used the term Trustee for the individual person and Board to describe the committee of trustees.

If your Group wishes to become a CIO, please let your Regional Chairman know and contact Amanda Perkins, Executive Coordinator at National Office – Amanda is the principal contact with the CC and will ensure you have the right paperwork. She will also be able to help you through the process.

It is also a good idea to look at the CC website (<https://www.gov.uk/government/organisations/charity-commission>) where there is excellent guidance about the process.

Do we need a lawyer?

You might do. Depending on the level of property that your Group holds and the complexity of any legal agreements you have, you may need legal help to transfer these assets and agreements to the new organisation.

RDA National strongly advises you to discuss the change with a lawyer before proceeding.

Guidance notes for the CIO Constitution.

Note – most of the areas covered in this guidance is simply explaining the background to a specific clause. If you need any further guidance, please contact National Office.

Page	section	Note
1	Title and Name (1)	You need to fill in your Group's name. You can keep the same Group name here and you do not need to add "CIO" to the end of the name unless you want to.
1	2 – Principal Office	This is the address that will be listed as the "home" of the company and where all important documents will be sent. If it is a trustee's house, you will need to remember to change it when the trustee changes
1	3 - Objects	You will need to fill in your "area" (geographical area e.g. Warwickshire)
1	4 – Powers	This is a very important section and defines what your Group; (and its trustees) are able to do and not to do. The powers are fairly wide ranging and allow you to take all the necessary actions you will need. If you have any concerns about the powers, please contact National Office.
	Purposes	We state this as being the same purposes as RDA National, which makes it more straightforward to ensure that all RDA Groups are aiming to achieve the same ends. A copy of the purposes of RDA National is attached.
4	8 – Liability of members	Under the arrangement as a CIO the liability of the members is removed and they would not need to cover losses of the company.
4	9 – Members	It is vital that your Group has a list of members. These are the people who elect the trustees and have the right to attend and vote at a General meeting. The process for appointing and managing members is covered in sections 9(1)-(6)
	non-natural members	The constitution allows for organisations to become members. These are called "non-natural" members (a "natural" member being an individual person). It is unlikely that your Group will need to use this, but it is a useful clause to include in case there is ever a cause for a company to become a member
6-11	11 - General meetings	Note that all members must be invited to an AGM, which <u>must</u> be held within 18 months of the registration of the CIO and subsequent AGM's at least once every 15 months

8	11(5) Quorum for general meetings	Note that the quorum for general meetings is the greater of 10% or three members. When setting the criteria for membership, it is worth remembering that for the AGM to be valid you will need to get the required quorum of members to attend
11	12 – Charity Trustees	Note that there must be between 3 and 11 trustees. We suggest that 5 is a sensible minimum below which you should try not to drop. If you have only three, it makes it difficult for one Trustee to resign/retire if needed.
11	12(1)- Trustees Duties	The duties listed here are the basic requirements as prescribed by law. For more information on the trustees role, consult the RDA Trustees guidance pack (available from the RDA website)
11	12(4)	Please insert the names of the first Charity Trustees of the CIO
12	12(5) – Office Bearers	Each Group <u>must</u> have a chair, a treasurer and a secretary. Note that these positions are elected by the trustees from within their own number, they do not have to be directly elected by the AGM (ie a person is elected as a trustee by the AGM and then as Chair by the Trustees).
14	19(2)	The Constitution does not include a specific clause on appointing a Chairman; however this clause contains provision for this.
17	29 – Voluntary winding up or dissolution	This clause explains what will happen to your Group’s assets if the Group ever ceases to exist (which we hope will not be the case!). If your Group is wound up, the property and funds would revert to RDA National. We are committed to ensuring these are spent within your Region and RDA National makes its own further commitment to use these funds to help develop new Groups in the area. If RDA National has ceased to exist (which we also hope is not the case!) the funds are to be given to a charity with similar aims to the Group

The Objects of RDA National – as defined by the Memorandum and Articles of Association of RDA

In furtherance of these objects but not further or otherwise the Company shall have the following powers:-

- 4.1 To provide support to and enable Member Groups (as defined in the Articles of Association of the Company to fulfil their objects
- 4.2 To take over the assets liabilities and functions of the unincorporated charity known as Riding for the Disabled Association Incorporating Carriage Driving
- 4.3 To provide disabled people with the means to ride and/or carriage drive at the level of their ability choice and ambition

- 4.4 To acquire manage and support the resources people horses ponies donkeys facilities and finance necessary to achieve the Objects
- 4.5 To make available suitable training within the Company
- 4.6 To ensure that the structure of the Company is appropriate for its requirements from time to time
- 4.7 To encourage disabled people to occupy positions of responsibility within the Company
- 4.8 To contribute to the attainment of the Objects worldwide
- 4.9 To raise funds and invite and receive contributions from any person or persons whatsoever by way of loan subscription donation or otherwise in any manner it sees fit consistent with the charitable status of the Company
- 4.10 To buy take on lease or exchange any property necessary for the achievement of the Objects and to maintain and equip it for use
- 4.11 Subject to any consents required by law to sell lease or dispose of all or any part of the property of the Company
- 4.12 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Act 2006)
- 4.13 To set aside funds for special purposes or as reserves against future expenditure
- 4.14 To lend moneys on a secured arm's length basis to any wholly or partially owned trading company of the Company provided that it be for the benefit of the Company and for the furtherance of the Objects
- 4.15 To make grants to any Member Group
- 4.16 To make loans to any Member Group on such terms as it thinks appropriate
- 4.17 To invest the funds of the Company not immediately required for the Objects in or on such investments securities or property as may be thought fit subject to such conditions (if any) as may from time to time be imposed or required by law
- 4.18 To delegate the management of investments to a financial expert but only on terms that:-
 - 4.18.1 the investment policy is recorded in writing for the financial expert by the Board
 - 4.18.2 every transaction is reported to the next following meeting of the Board
 - 4.18.3 the performance of the investments is reviewed regularly by the Board
 - 4.18.4 the Board is entitled to cancel the delegation arrangement at any time
 - 4.18.5 the investment policy and the delegation arrangements are reviewed at least once per calendar year

4.18.6 all payments due to the financial expert are on a scale or at a level that is agreed in advance and are reported promptly to the Board on receipt

4.18.7 the financial expert must not do anything outside the powers of the Board

4.19 To insure the Company's property against any foreseeable risk and take out such other insurance policies to protect the Company its employees and its Member Groups as the Board deems necessary

4.20 To insure Board Members other officers and employees of the Company and the officers of Member Groups against the cost of a successful defence to a criminal prosecution brought against them as Charity Trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty (unless the member concerned knew that or was reckless whether the act or omission was breach of trust or breach of duty)

4.21 To employ such paid or unpaid agents advisers or staff (who shall not be Board Members) as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payments of pensions and superannuation for staff and their dependents

4.22 To appoint and constitute such committees or working parties as the Board may think fit

4.23 To advise on health and safety

4.24 To issue from time to time such regulations for the Company as it thinks fit and subject to providing each Member Group with a copy of any such regulations together with any additions amendments or alterations thereto

4.25 To enter into contracts to provide services to for or on behalf of other bodies

4.26 To publish and/or distribute information

4.27 To promote and/or carry out research

4.28 To cooperate with other charities voluntary bodies and statutory authorities operating in furtherance of the Objects or of similar charitable purposes and to exchange information and advice with them and to liaise and enlist the co-operation and support of relevant equestrian medical paramedical local and/or central bodies or agencies together with other interested persons or bodies

4.29 To establish administer and support any charitable trusts associations companies or institutions formed for all or any of the Objects

4.30 To amalgamate only with any companies, institutions, societies or associations which are charitable at law and have objects substantially similar to those of the Company and prohibit the payment of any dividend or profit to, and the distribution of any of its assets amongst its members

at least to the same extent as such payments or distributions are prohibited in the case of members of the Company by this Memorandum of Association

4.31 To do all such other lawful things as will further the objects of the Company.