

Community Interest Companies

Whilst we can accept applications from Community Interest Companies and organisations set up as a company limited by guarantee that is not also a registered charity, we can only support work that is charitable. As a result these applications will be subject to greater scrutiny than other types of organisation that may apply to us such as registered charities and community groups.

Additional Criteria for Community Interest Companies

In addition to meeting our general criteria you will need to demonstrate the following if your application for funding is to be considered:

Criteria	Demonstrated by
That there are a minimum of three unrelated directors	<p>We will check the identity of directors at Companies House and may ask for confirmation that the directors are not (a) related through family, marriage, or civil partnership (b) business partners or associates.</p> <p>3 is a minimum to meet the basic criteria however we generally take the view that having a broad management committee can provide the necessary checks and balances to ensure that the organisation is meeting its charitable aims.</p>
The majority of the directors should be unpaid	We understand that directors of a CIC may quite reasonably be paid for their services as a director of the company or for work undertaken for the company. However in order to ensure that we are only funding work that is charitable and that there are sufficient checks and balances around the setting of salaries, we would prefer to see that the majority of directors are not paid for their services.
That the organisation has charitable objectives and benefits a community within the objectives of the Foundation	CIC's should provide a copy of their CIC 36/37 Public Benefit Statement
The CIC is not limited by shares	Under normal circumstances, we cannot fund a CIC limited by shares. We may however choose to consider special circumstances, for example where there has been a community share offer with no intention to distribute profits.
The CIC has a named body in their asset lock	We will check the governing document of the CIC to ensure there is a suitable named body in their asset lock. In terms of a company limited by guarantee we would expect to see a charitable dissolution clause which sets out how residual assets would be dealt with if the company were wound up.
Salaries and benefits paid to directors must be reasonable and proportionate to the work that they do and the financial position of the organisation.	We will check the annual accounts or management accounts if annual accounts are not available and/or the annual CIC 34 report. In addition a statement of income and expenditure should be provided with accounts.

These checks will be made as part of our due diligence process. We may also request further information.

Further information about the difference between a Community Interest Company and a registered charity which may help to explain our approach can be found in this very useful article by Make an Impact CIC

<https://makeanimpactcic.co.uk/2018/02/whats-the-difference-between-a-cic-and-a-charity/>