



Setting up as a Charity (CIO) or Social Enterprise (CIC)

We support the Voluntary and Community and Social Enterprise (VCSE) organisations of North Devon with a range of support – advice, guidance, training, fundraising, governance, volunteer management as well as events and celebrations.

www.ndvs.org.uk

One of the questions we get asked regularly – should I set up a Charity (CIO) or Social Enterprise (CIC)

We highly recommend that you take legal and accountancy advice, but we can support you with applications and generic initial advice. Here is a range of information and links that might help you get started.

Article One – Charity Excellence

“Community Interest Company (CIC) vs Charity - Alternatives To Setting Up A Charity & The Difference Between A CIC and A Charity”

The answer to Community Interest Company (CIC) vs Charity CIO depends on what you want to achieve and there are other alternatives to setting up a charity. This resource explains the difference between a CIC and charity and helps you to decide if a CIC or charity would be best, but also provides other non-profit alternatives to setting up a CIC or charity.

Caveat!

I am neither a qualified accountant, nor a lawyer, so am not competent to provide professional advice, so this is simply a layman's guide to aid understanding. Moreover, I write my guides for everyone, so these cannot be specific to your organisation. If you need professional advice, you should seek it, as my guide is no substitute for this. To find professional pro bono legal advice, register then login to Help Finder and use the HR and legal search category. Everything is free.

https://www.charityexcellence.co.uk/Home/BlogDetail?Link=Starting_A_Nonprofit_Social_Enterprise_Or_Charity#:~:text=A%20CIC%20is%20generally%20quicker,regulated%20by%20the%20CIC%20Regulator.

Article 2 – A E Scott Accountancy and Business Support.

“CIC (Community Interest Company) Versus Charity”

If you want to set up a social enterprise that will benefit the community, you have two main options, a community interest company or a charity. Both have different benefits, funding and tax requirements. A CIC Will generally receive most of its income via trade (making money), such as selling something. A charity will tend to rely more on donations and grants (asking for money). They can however overlap. You need to identify what outcome you want to achieve from the social enterprise group.

<https://aescott.co.uk/cic/cic-community-interest-company-vs-charity#:~:text=A%20CIC%20Will%20generally%20receive,from%20the%20social%20enterprise%20group.>

Article 3 – Unbiased

Company Interest Companies Explained

When you want to set up a business that's driven by social enterprise or community matters — not simply to make profit for shareholders — the **Community Interest Company (CIC)** is an obvious choice. But it's important to understand the advantages and possible downsides.

Here we explore the CIC to see what it is, how it works and whether it's your best option.

<https://www.unbiased.co.uk/discover/tax-business/starting-a-business/community-interest-companies-explained>

Other relevant articles and sources of help:

National Council for Voluntary Organisations (NCVO)

<https://www.ncvo.org.uk/help-and-guidance/setting-up/>

Iridescent CIC

<https://www.iridescentideas.com/start-it.html>

Setting up a Charity – Government

<https://www.gov.uk/setting-up-charity>

Setting up a CIC - Government

<https://www.gov.uk/set-up-a-social-enterprise>

Getting a Group Started – Resource Centre

[Getting a group started | Resource Centre](#)

please do get in touch if you require any other information or want to set up an initial FREE consultation meeting