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Closure: Closing a registered charity

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This fact sheet is intended for use by a registered charity that is **NOT**

- incorporated as a company
- registered as an industrial and provident society.

If the charity is a charitable company, additional information is required – please see our factsheet “Closing a Charitable Company”.

Note the different words and phrases for formally ending a charity: closing; closing down; dissolving; dissolution; winding up. Whichever term is used it covers the whole process of bringing the registered charity to an end including removal from the Charity Commission Register.

The trustees of the charity are responsible for the charity until it has ceased to exist. Moreover, former trustees remain responsible for decisions taken while they were in position as trustees. The Charity Commission can make enquiries about any actions they have taken even after the charity has been removed from the register.

1. LIABILITIES

The trustees must address the responsibilities they have in respect of debts and liabilities. If necessary they should seek the advice of an organisation such as West Yorkshire Community Accounting Service (WYCAS).

2. EMPLOYMENT

The trustees must also identify and act upon employment issues in accordance with employment legislation. Advice is available from the Pay and Employment Rights Service (PERS). Failure to follow proper procedures could result in unfair dismissals and leave the charity vulnerable to a claim through an employment tribunal. Trustees are individually liable.

3. DISSOLUTION

1. Small unincorporated charities whose gross income in their last full accounting period was not more than £20,000 and whose gross assets at the end of that period were valued at not more than £200,000, SEE:

Charity Commission, Operational Guidance - Small Charities: Dissolutions and Removals from the Register. Guidance on Dissolving a Charity (CSD 1344A)

2. Unincorporated charities whose income in their last full accounting period was more than £20,000 and less than £10million and whose assets are worth less than £100 million, SEE:

Charity Commission: Dissolution, Winding up and Removal from the Register for Medium-sized charities (CSD 1077A)

Follow the instructions contained in the Charity Commission Guidance and use the provisions in your constitution to follow the necessary procedures to dissolve the charity.

The final accounts must be prepared before formally dissolving the organisation. All appropriate agencies and individuals should be informed. These may include:

- employees
- unions
- service users
- funders
- accountant
- solicitor
- insurance brokers or company
- bank manager
- immediate past committee members
- creditors
- other organisations that are involved with your organisation; for example, suppliers
- any other relevant individuals or organisations.

Hold a Board meeting to formally dissolve the organisation.

ONCE THE CHARITY HAS BEEN DISSOLVED

1. Close the bank account.
2. Close any accounts with suppliers.
3. Most formal record should be kept for 7 years. For more information see NCVO website: www.ncvo-vol.org.uk (Search for “document retention periods”).
4. Paper records that are not required to be kept should be shredded.
5. Computer hard drives should be cleaned or reformatted so that the documentation relating to the organisation is no longer available.
6. Headed paper should be destroyed.
7. Website should be closed down.
8. All email accounts should be closed.

REMOVAL FROM THE CHARITY COMMISSION REGISTER

If you have used CSD-1344A: complete form CSD-1344B and send to the Charity Commission.

If you have used CSD-1077A: complete form CSD-1077 and send to the Charity Commission.

4. FURTHER HELP

Charity Commission

0845 3000 218

enquiries@charitycommission.gsi.gov.uk

www.charitycommission.gov.uk

National Council for Voluntary Organisations (NCVO)

0800 279 8798

www.ncvo-vol.org.uk

Payment and Employment Rights Service (PERS)

01924 428 030 (Advice Line)

admin@pers.org.uk

www.pers.org.uk

Voluntary Action Leeds

0113 297 7920

info@val.org.uk

www.val.org.uk

West Yorkshire Community Accounting Service (WYCAS)

0113 270 6269

info@wycas.org.uk

www.wycas.org.uk

5. ACKNOWLEDGEMENTS

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Voluntary Action Leeds

Registered Charity No. 225863

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