



Argyll and Bute Third Sector Interface

Deciding upon Charitable Status

A charity is a voluntary organisation which has been set up only for charitable purposes and to provide public benefit. Scottish charities must register with Office of the Scottish Charity Regulator (OSCR).

Only around half of Scotland's voluntary organisations are charities. If you are thinking of registering as a charity, you should consider whether this is right for you and look at the advantages and disadvantages associated with charitable status. Look carefully at the particular circumstances of your organisation and decide whether it is the right option for you.

Advantages

- Tax relief on surpluses and donations
- Access to funding only available to charities
- Rates relief for premises
- Special VAT concessions

Disadvantages

- Restrictions on spending
- Cannot engage in party political activities
- Must adhere to legislation
- Trustees have specific duties under legislation
- All charities must submit an annual return and accounts to OSCR every year and seek their permission to make certain changes.

Register as a charity

To be a registered charity in Scotland, an organisation must register with the Office of the Scottish Charity Regulator (OSCR) having met the charity test. To meet the charity test, an organisation must have only charitable purposes and must provide public benefit in Scotland or elsewhere. In addition, it must:

- not allow its property to be used for non-charitable purposes
- must not allow Ministers to direct or otherwise control its activities
- must not be a political party, and not have as its purposes the advancement of a political party

Choose a legal structure for your charity

Once you have decided on charitable status you will also have to choose a legal structure. The following are the main legal forms that Scottish charities can take:

- Scottish Charitable Incorporated Organisation (SCIO)
- Voluntary or Unincorporated association
- Company limited by guarantee
- Trust

Other forms include statutory and royal charter corporations, industrial and provident societies and educational endowments.

Other options

You may choose to set up an organisation that does not make any profit but decide not to register it as a Scottish charity. All of the types of organisation below can be not for profit, without registering as charity:

Argyll and Bute Third Sector Interface | 01369 700100 | support@argylltsi.org.uk

Argyll and Bute Third Sector Interface is a Company Limited by Guarantee in Scotland No. SC277345
Scottish Charity No. SC029947

Registered office: c/o Edward Street Community Centre, Edward Street, Dunoon PA23 7PJ



Argyll and Bute Third Sector Interface

Deciding upon Charitable Status

- Voluntary or Unincorporated association
- Company limited by guarantee
- Trust
- Community Interest Company
- Co-operative
- Industrial and Provident Society (IPS)
- Friendly Society

Published on the Argyll and Bute Third Sector Interface Self-Serve system (www.argylltsi.org.uk)
(Adapted from SCVO)

Version: 1.0

Published: January 2019

Review date: January 2020

Argyll and Bute Third Sector Interface | 01369 700100 | support@argylltsi.org.uk

Argyll and Bute Third Sector Interface is a Company Limited by Guarantee in Scotland No. SC277345
Scottish Charity No. SC029947

Registered office: c/o Edward Street Community Centre, Edward Street, Dunoon PA23 7PJ