

## **Constitution of a Charitable Incorporated Organisation with only voting members being its charity trustees**

(Based on 'Foundation' Model Constitution)

First constitution of CIO dated [insert date of registration]

### **1. Name**

The name of the Charitable Incorporated Organisation ("the CIO") is the Central Readers' Council, ("CRC").

### **2. National location of principal office**

The principal office of CRC is in England.

### **3. Objects**

The objects of CRC are to advance the religious and other charitable work of the Church of England by supporting the recruitment, training, education and development of Readers for their Ministry in the Church of England, by (but not exclusively):

- (1) Promoting and arranging training for Readers.
- (2) Publishing literature, training and educational materials both electronically and in hard copy.
- (3) Providing financial support for Readers' training and development.
- (4) Providing advice, aid and service to the Ministry Division of the Archbishops' Council (hereinafter called "the Ministry Division") concerning the training and ministry of Readers.
- (5) Representing Readers in the wider Church of England.

### **4. Powers**

CRC has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. In particular, CRC's powers include power to:

- (1) Keeping central records of the admission and licensing of all Readers in the Church of England, together with their contact details.
- (2) Raise funds, by *inter alia* asking dioceses to pay an annual capitation fee for each of their active Readers and to receive donations and grants.
- (3) Engage in primary purpose trading.
- (4) Acquire or hire property of any kind.
- (5) Employ and remunerate such staff as are necessary for carrying out the work of CRC. CRC may employ or remunerate a charity trustee only to the extent that it is permitted to do so by clause 6 (Benefits and payments to charity trustees and connected persons) and provided it complies with the conditions of those clauses.
- (6) Make grants or loans of money.
- (7) Set aside funds for special purposes or as reserves against future expenditure required.
- (8) Deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of CRC to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.
- (9) Do anything else within the law that promotes the Objects.

### **5. Application of income and property**

- (1) The income and property of CRC must be applied solely towards the promotion of the objects.
- (2) A charity trustee is entitled to be reimbursed from the property of CRC or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of CRC.

(3) A charity trustee may benefit from trustee indemnity insurance cover purchased at CRC's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

(4) None of the income or property of CRC may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of CRC. This does not prevent a member who is not also a charity trustee receiving:

(a) a benefit from CRC as a beneficiary of CRC;

(b) reasonable and proper remuneration for any goods or services supplied to CRC.

(5) Nothing in this clause shall prevent a charity trustee or connected person receiving any benefit or payment which is authorised by Clause 6.

## **6. Benefits and payments to charity trustees and connected persons**

### ***(1) General provisions***

No charity trustee or connected person may:

(a) buy or receive any goods or services from CRC on terms preferential to those applicable to members of the public;

(b) sell goods, services, or any interest in land to CRC;

(c) be employed by, or receive any remuneration from, CRC; or

(d) receive any other financial benefit from CRC,

unless the payment or benefit is permitted by sub-clause (2) of this clause, or authorised by the court or the prior written consent of the Charity Commission ("the Commission") has been obtained. In this clause, a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

### ***(2) Scope and powers permitting trustees' or connected persons' benefits***

(a) A charity trustee or connected person may receive a benefit from CRC as a beneficiary of CRC provided that a majority of the trustees do not benefit in this way.

(b) A charity trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to CRC where that is permitted in accordance with, and subject to the conditions in, section 185 to 188 of the Charities Act 2011.

(c) Subject to sub-clause (3) of this clause a charity trustee or connected person may provide CRC with goods that are not supplied in connection with services provided to CRC by the charity trustee or connected person.

(d) A charity trustee or connected person may receive interest on money lent to CRC at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

(e) A charity trustee or connected person may receive rent for premises let by the trustee or connected person to CRC. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

(f) A charity trustee or connected person may take part in the normal trading and fundraising activities of CRC on the same terms as members of the public.

(g) A charity trustee or connected person may receive a grant from the Adams-Myland Fund, provided the application is made in the normal manner and the grant is in accordance with the criteria that are normally applied. The charity trustee concerned must withdraw from any meeting at which such an application and grant are under discussion.

### ***(3) Payment for supply of goods only – controls***

CRC and its charity trustees may only rely upon the authority provided by sub-clause (2)(c) of this clause if each of the following conditions is satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in a written agreement between CRC and the charity trustee or connected person supplying the goods (“the supplier”).
- (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
- (c) The other charity trustees are satisfied that it is in the best interests of CRC to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.
- (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to CRC.
- (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.
- (f) The reason for their decision is recorded by the charity trustees in the minute book.
- (g) A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 6.

#### ***(4) Interpretation of clause***

In sub-clauses (2) and (3) of this clause:

- (a) “CRC” includes any company in which CRC:
  - (i) holds more than 50% of the shares; or
  - (ii) controls more than 50% of the voting rights attached to the shares; or
  - (iii) has the right to appoint one or more directors to the board of the company;
- (b) “connected person” includes any person within the definition set out in clause 28 (Interpretation).

### **7. Conflicts of interest and conflicts of loyalty**

A charity trustee must:

- (1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with CRC or in any transaction or arrangement entered into by CRC which has not previously been declared; and
- (2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of CRC and any personal interest (including but not limited to any financial interest).

Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

### **8. Liability of members to contribute to the assets of CRC if it is wound up**

If CRC is wound up, the members of CRC have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

### **9. Charity trustees**

#### ***(1) Functions and duties of charity trustees***

The charity trustees shall manage the affairs of CRC and may for that purpose exercise all the powers of CRC. It is the duty of each charity trustee:

- (a) to exercise his or her powers and to perform his or her functions as a trustee of CRC in the way he or she decides in good faith would be most likely to further the purposes of CRC; and

(b) to exercise, in the performance of those functions, such care and skill as is reasonable in the circumstances having regard in particular to:

(i) any special knowledge or experience that he or she has or holds himself or herself out as having; and

(ii) if he or she acts as a charity trustee of CRC in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession.

**(2) Eligibility for trusteeship**

(a) Every charity trustee must be a natural person.

(b) No one may be appointed as a charity trustee:

- if he or she is under the age of 16 years; or
- if he or she would automatically cease to hold office under the provisions of clause 12(1)(f).

(c) No one is entitled to act as a charity trustee whether on appointment or on any re-appointment until he or she has expressly acknowledged, in whatever way the charity trustees decide, his or her acceptance of the office of charity trustee.

(d) Every charity trustee must be at least one of:

(i) the Chair;

(ii) a Reader admitted to the Office of Reader under the Canons of the Church of England and holding a current episcopal licence or Permission to Officiate (PTO), or

(iii) a diocesan Warden of Readers.

**(3) Number of charity trustees**

There shall be a maximum of nine trustees, comprising:

- The Chair (sub-clause (5) below);
- Vice-Chair;
- Treasurer;
- two Wardens of Readers (who will not necessarily be Readers themselves); and
- four Readers (each from different dioceses and covering both Northern and Southern Provinces).

**(4) First charity trustees**

The first charity trustees of CRC are:

Martyn Snow (Bishop of Leicester and Chair)

Gertrud Sollars (Vice-Chair)

Richard Havergal (Treasurer)

Imogen Clout (Reader, Sheffield)

**(5) The Chair**

The Chair of the Trustees shall be a member of the House of Bishops, appointed by the Archbishops of Canterbury and York, after due consultation between themselves and with the Archbishop of Wales, the Chair of Ministry Council, the Director of Ministry Division and the Vice-Chair at the time of CRC.

He or she shall automatically (“ex-officio”) be a charity trustee, for as long as he or she holds that office.

**10. Appointment of charity trustee**

**(1) Appointed charity trustees**

(a) Apart from the first charity trustees, every appointed trustee must be appointed for a term of four years by a resolution passed at a properly convened meeting of the charity trustees.

(b) In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of CRC.

**(2) Ex officio charity trustees**

With the exception of the Chair, no trustee can be appointed ex officio.

### **11. Information for new charity trustees**

The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- (a) a copy of this constitution and any amendments made to it;
- (b) a copy of the Regulations of CRC, referred to in clause 15; and
- (c) a copy of CRC's latest trustees' annual report and statement of accounts.

### **12. Retirement and removal of charity trustees**

(1) A charity trustee ceases to hold office if he or she:

- (a) retires by notifying CRC in writing (but only if enough charity trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings);
- (b) is absent without the permission of the charity trustees from all their meetings held within a period of 12 months and the trustees resolve that his or her office be vacated;
- (c) dies;
- (d) in the written opinion, given to the trustees, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months;
- (e) is removed by the members of CRC in accordance with sub-clause (2) of this clause;
- (f) is disqualified from acting as a charity trustee by virtue of sections 178-180 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision); or
- (g) ceases to be a member of CRC, by virtue of clauses 9 and/or 13.

(2) A charity trustee shall be removed from office if a resolution to remove that trustee is proposed at a general meeting of the members called for that purpose and properly convened in accordance with clause 16, and the resolution is passed by a two-thirds majority of votes cast at the meeting.

(3) A resolution to remove a charity trustee in accordance with this clause shall not take effect unless the individual concerned has been given at least 14 clear days' notice in writing that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been given a reasonable opportunity of making oral and/or written representations to the members of CRC.

### **13. Membership of CRC**

The members of CRC shall be its trustees for the time being, together with:

- (1) the Patron of CRC;
- (2) the Archbishop of Canterbury;
- (3) the Archbishop of York; and
- (4) the Secretary of CRC (*ex officio*).

Membership of CRC cannot be transferred to anyone else.

### **14. Taking of decisions by charity trustees**

Any decision may be taken either:

- at a meeting of the charity trustees; or
- by resolution in writing or electronic form agreed by a majority of all of the charity trustees, which may comprise either a single document or several documents containing the text of the resolution in like form to which the majority of all of the charity trustees has signified their agreement.

Such a resolution shall be effective provided that:

- a copy of the proposed resolution has been sent, at or as near as reasonably practicable to the same time, to all of the charity trustees; and
- the majority of all of the charity trustees has signified agreement to the resolution in a document or documents which has or have been authenticated by their signature, by a statement of their identity accompanying the document or documents, or in such other manner as the charity trustees have previously resolved, and delivered to CRC at its principal office or such other place as the trustees may resolve within 28 days of the circulation date.

### **15. Delegation by charity trustees**

(1) The charity trustees may delegate any of their powers or functions to a committee or committees, and, if they do, they must determine the terms and conditions on which the delegation is made. The charity trustees may at any time alter those terms and conditions, or revoke the delegation. These powers and functions are contained in a document known as the Regulations of the Central Readers' Council ("the Regulations").

(2) This power is in addition to the power of delegation in the CIO GR (clause 28, "Interpretation") and any other power of delegation available to the charity trustees, but is subject to the following requirements:

- (a) a committee may consist of two or more persons, but at least one member of each committee must be a charity trustee;
- (b) the acts and proceedings of any committee must be brought to the attention of the charity trustees as a whole as soon as is reasonably practicable; and
- (c) the charity trustees shall from time to time review the arrangements which they have made for the delegation of their powers.

### **16. Meetings and proceedings of charity trustees**

#### ***(1) Calling meetings***

- (a) Any charity trustee may call a meeting of the charity trustees.
- (b) Subject to that, the charity trustees shall decide how their meetings are to be called, and what notice is required.

#### ***(2) Chairing of meetings***

The charity trustees may appoint one of their number to chair their meetings and may at any time revoke such appointment. If no-one has been so appointed, or if the person appointed is unwilling to preside or is not present within 10 minutes after the time of the meeting, the charity trustees present may appoint one of their number to chair that meeting.

#### ***(3) Procedure at meetings***

- (a) No decision shall be taken at a meeting unless a quorum is present at the time when the decision is taken. The quorum is three charity trustees, or the number nearest to one third of the total number of charity trustees, whichever is greater, or such larger number as the charity trustees may decide from time to time. A charity trustee shall not be counted in the quorum present when any decision is made about a matter upon which he or she is not entitled to vote.
- (b) Questions arising at a meeting shall be decided by a majority of those eligible to vote.
- (c) In the case of an equality of votes, the chair shall have a second or casting vote.

#### ***(4) Participation in meetings by electronic means***

- (a) A meeting may be held by suitable electronic means agreed by the charity trustees in which each participant may communicate with all the other participants.
- (b) Any charity trustee participating at a meeting by suitable electronic means agreed by the charity trustees in which a participant or participants may communicate with all the other participants shall qualify as being present at the meeting.

(c) Meetings held by electronic means must comply with rules for meetings, including chairing and the taking of minutes.

### **17. Associate (non-voting) membership**

(1) The charity trustees may create associate or other classes of non-voting membership, and may determine the rights and obligations of any such members (including payment of membership fees), and the conditions for admission to, and termination of membership of any such class of members. The Regulations contain all matters relevant to the conduct and eligibility of associate members.

(2) Other references in this constitution to “members” and “membership” do not apply to non-voting members, and non-voting members do not qualify as members for any purpose under the Charities Acts, CIO GR or CIO DR (clause 28, “Interpretation”).

### **18. Saving provisions**

(1) Subject to sub-clause (2) of this clause, all decisions of the charity trustees, or of a committee of charity trustees, shall be valid notwithstanding the participation in any vote of a charity trustee:

- who was disqualified from holding office;
- who had previously retired or who had been obliged by the constitution to vacate office;
- who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if, without the vote of that charity trustee and that charity trustee being counted in the quorum, the decision has been made by a majority of the charity trustees at a quorate meeting.

(2) Sub-clause (1) of this clause does not permit a charity trustee to keep any benefit that may be conferred upon him or her by a resolution of the charity trustees or of a committee of charity trustees if, but for sub-clause (1), the resolution would have been void, or if the charity trustee has not complied with clause 7 (Conflicts of interest).

### **19. Execution of documents**

(1) CRC shall execute documents by signature.

(2) A document is validly executed by signature if it is signed by at least two of the charity trustees.

### **20. Use of electronic communications**

CRC will comply with the requirements of the Communications Provisions in the CIO GR (clause 28, “Interpretation”) and in particular:

- (a) the requirement to provide within 21 days to any member on request a hard copy of any document or information sent to the member otherwise than in hard copy form;
- (b) any requirements to provide information to the Commission in a particular form or manner.

### **21. Keeping of Registers**

CRC must comply with its obligations under the CIO GR (clause 28, “Interpretation”) in relation to the keeping of, and provision of access to, registers of its members and charity trustees.

### **22. Minutes**

The charity trustees must keep minutes of all:

- (1) appointments of officers made by the charity trustees;
- (2) proceedings at general meetings of CRC;
- (3) meetings of the charity trustees and committees of charity trustees including:
  - the names of the trustees present at the meeting;
  - the decisions made at the meetings; and

- where appropriate the reasons for the decisions;
- (4) decisions made by the charity trustees otherwise than in meetings.

### **23. Accounting records, accounts, annual reports and returns, register maintenance**

(1) The charity trustees must comply with the requirements of the Charities Act 2011 with regard to the keeping of accounting records, to the preparation and scrutiny of statements of accounts, and to the preparation of annual reports and returns. The statements of accounts, reports and returns must be sent to the Charity Commission, regardless of the income of CRC, within 10 months of the financial year end.

(2) The charity trustees must comply with their obligation to inform the Commission within 28 days of any change in the particulars of CRC entered on the Central Register of Charities.

### **24. Rules**

The charity trustees may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of CRC, but such rules or bye laws must not be inconsistent with any provision of this constitution. Copies of any such rules or bye laws currently in force must be made available to any member of CRC on request. As specified in clause 15, these are referred to as “the Regulations”.

### **25. Disputes**

If a dispute arises between members of CRC about the validity or propriety of anything done by the members under this constitution, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

### **26. Amendment of constitution**

As provided by sections 224-227 of the Charities Act 2011:

(1) This constitution can only be amended:

(a) by resolution agreed in writing by all trustees of CRC; or

(b) by a resolution passed by a 75% majority of votes cast at a meeting of the trustees of CRC.

(2) Any alteration of clause 3 (Objects), clause 27 (Voluntary winding up or dissolution), this clause, or of any provision where the alteration would provide authorisation for any benefit to be obtained by charity trustees of CRC or persons connected with them, requires the prior written consent of the Charity Commission.

(3) No amendment that is inconsistent with the provisions of the Charities Act 2011 or the CIO GR (clause 28, “Interpretation”) shall be valid.

(4) A copy of any resolution altering the constitution, together with a copy of CRC’s constitution as amended, must be sent to the Commission within 15 days from the date on which the resolution is passed. The amendment does not take effect until it has been recorded in the Register of Charities.

### **27. Voluntary winding up or dissolution**

(1) As provided by the CIO DR (clause 28, “Interpretation”), CRC may be dissolved by resolution of its members. Any decision by the members to wind up or dissolve CRC can only be made:

(a) at a general meeting of the members of CRC called in accordance with clause 16 (Meetings and proceedings of charity trustees), of which not less than 14 days’ notice has been given to those eligible to attend and vote:

(i) by a resolution passed by a 75% majority of those voting, or

- (ii) by a resolution passed by decision taken without a vote and without any expression of dissent in response to the question put to the general meeting; or
  - (b) by a resolution agreed in writing by all members of CRC.
- (2) Subject to the payment of all CRC's debts:
- (a) any resolution for the winding up of CRC, or for the dissolution of CRC without winding up, may contain a provision directing how any remaining assets of CRC shall be applied;
  - (b) if the resolution does not contain such a provision, the charity trustees must decide how any remaining assets of CRC shall be applied; and
  - (c) in either case the remaining assets must be applied for charitable purposes the same as or similar to those of CRC.
- (3) CRC must observe the requirements of the CIO DR (clause 28, "Interpretation") in applying to the Commission for CRC to be removed from the Register of Charities, and in particular:
- (a) the charity trustees must send with their application to the Commission:
    - (i) a copy of the resolution passed by the members of CRC;
    - (ii) a declaration by the charity trustees that any debts and other liabilities of CRC have been settled or otherwise provided for in full; and
    - (iii) a statement by the charity trustees setting out the way in which any property of CRC has been or is to be applied prior to its dissolution in accordance with this constitution;
  - (b) the charity trustees must ensure that a copy of the application is sent within seven days to every member and employee of CRC, and to any charity trustee of CRC who was not privy to the application.
- (4) If CRC is to be wound up or dissolved in any other circumstances, the provisions of the CIO DR (clause 28, "Interpretation") must be followed.

## **28. Interpretation**

In this constitution:

**"connected person"** means:

- (a) a child, parent, grandchild, grandparent, brother or sister of the charity trustee;
- (b) the spouse or civil partner of the charity trustee or of any person falling within sub-clause (a) above;
- (c) a person carrying on business in partnership with the charity trustee or with any person falling within sub-clause (a) or (b) above;
- (d) an institution which is controlled –
  - (i) by the charity trustee or any connected person falling within sub-clause (a), (b), or (c) above; or
  - (ii) by two or more persons falling within sub-clause (d)(i), when taken together
- (e) a body corporate in which –
  - (i) the charity trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or
  - (ii) two or more persons falling within sub-clause (e)(i) who, when taken together, have a substantial interest.

Section 118 of the Charities Act 2011 applies for the purposes of interpreting the terms used in this constitution.

**"CIO GR"** means the Charitable Incorporated Organisations (General) Regulations 2012.

**"CIO DR"** means the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012.

The **"Communications Provisions"** means the Communications Provisions in Part 9, Chapter 4 of the CIO GR.

**"Charity trustee"** means a charity trustee of CRC.

A **"poll"** means a counted vote or ballot, usually (but not necessarily) in writing.

## **29. Definitions**

The four definitions that follow are included to make clear how the constitution is to be interpreted. They cannot cover the different use of the words across dioceses, since different dioceses use the names to mean different things. The definitions are intended to ensure uniform interpretation of the constitution, while recognising the diversity of practice across the Church of England.

A “Reader” means anyone holding an episcopal licence given by any bishop in the Church of England, provided that the person has at some time been admitted to the Office of Reader, under the Canons of the Church of England.

A “Reader Emeritus” means only a person who takes no part in any public duties as a Reader, or purporting to be a Reader. It is a title awarded to someone who has exercised the ministry of Reader in the past.

A “Reader in training” means anyone approved by their diocese to undertake training that, when satisfactorily completed, will lead to that person be admitted to the Office of Reader, under the Canons of the Church of England.

A “Reader with Permission to Officiate (PTO)” means anyone who is awarded a PTO certificate by their diocesan bishop, irrespective of the terms of that PTO certificate. Additionally, that person must at some time have been admitted to the Office of Reader, under the Canons of the Church of England.