Philanthropy note (6)

Although this may seem a simple task, many find it to be a challenging exercise that can considerably delay getting a new charity off the ground.

When is it needed?

* An account will be needed for a **trust or charitable company** as soon as the charity has been established so that it can then be funded with at least £5,000 (as required to trigger Charity Commission registration).
* For a **charitable incorporated organisation (“CIO”)**, a bank account can be opened after the charity has been registered with the Commission (the Commission do not insist on evidence of funding before approving the creation of CIOs).

Why is it needed?

In the case of charitable trusts or companies, it is necessary to provide evidence that at least £5,000 is held to allow charity registration. That evidence can take the form of:

* annual accounts (will not be available for new charities);
* a formal offer of funding from a recognised funding body (in the majority of cases this will not be available as funding will come from individual donors); or
* a bank statement showing at least £5,000 held for the charity (often the only option).

What is the problem and how can we help?

Most banks will not open a charity account without a registered charity number, which creates an issue when an account (with £5,000 in it) is needed to obtain a registered charity number.

We can put you in touch with contacts who specialise in providing accounts for charities and help manage the process for you, avoiding unnecessary delay.

Contact

For further advice, please get in touch with Adam Williams, who is a partner in our Private Client team. Adam specialises in philanthropy and charity law. [Adam Williams | Partner | Mills & Reeve (mills-reeve.com)](https://www.mills-reeve.com/people/adam-williams)

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