

Scottish Charitable Incorporated Organisation (SCIO)



What is a Scottish Charitable Incorporated Organisation?

A Scottish Charitable Incorporated Organisation (SCIO) is a legal form unique to Scottish charities and is able to enter into contracts, employ staff, incur debts, own property, sue and be sued. It also provides a high degree of protection against liability.

What are the key differences between a Scottish Charitable Incorporated Organisation and an Unincorporated charity?

A Scottish Charitable Incorporated Organisation (SCIO) is able to act as its own entity protecting the trustees from personal liability. Trustees for an Unincorporated Charity do have personal liability therefore, The Scout Association protect all Trustees with Indemnity Insurance for Trustees.

In a Scottish Charitable Incorporated Organisation (SCIO), for a resolution to be passed a 2/3 majority is required. In an Unincorporated charity, a quorum of 1/3 + 1 of the trustees is required.

A Scottish Charitable Incorporated Organisation (SCIO) must keep a register of all Trustees and its members that can be produced if requested, these records must also be retained. An Unincorporated charity must only keep a record of their Trustees.

If a Scottish Charitable Incorporated Organisation (SCIO) is dissolved it must issue a public notice of dissolution whether solvent or insolvent. Any assets must be held directly by the charity and would be part of any dissolution to creditors prior to being sold off or transferred to another Scottish Charitable Incorporated Organisation (SCIO) or charity through the appropriate channels. For an Unincorporated charity the land, property and assets are disposed of as per its constitution.

If a Scottish Charitable Incorporated Organisation (SCIO) is dissolved then the charity name would also be closed down with that name never being available in future. It would also not be able to transfer back to an Unincorporated charity meaning it must remain a Scottish Charitable Incorporated Organisation (SCIO) or dissolve.

How is the charity structure set up in Scouting?

The Scout Association was incorporated by a Royal Charter and confers an independent legal personality upon the association and defines its objectives, constitution and powers to govern its own affairs.

Section 7 of The Scout Association's Royal Charter states "The affairs of the Association shall be managed and regulated in accordance with Bye Laws", which is otherwise known as Policy, Organisation and Rules.

Scout Groups, Districts, Regions and the Nations of Scouting are part of The Scout Association's federated structure and are governed by Policy, Organisation and Rules (POR), and backed by the Royal Charter.

Policy, Organisation and Rules (5.1 Scope) explains that Scout Groups, Districts, Regions must be Unincorporated Charities (or act in a similar capacity if not registered with the charity regulator) and be able to exist within The Scout Association's federated structure.

Incorporated charities e.g. a Scottish Charitable Incorporated Organisation (SCIO) would be its own entity, not within the federated structure, and have requirements that conflict with Policy, Organisation and Rules and is therefore not permitted.

Links between Scottish Charitable Incorporated Organisation and Community Asset Transfer

A common and recurring reason to consider becoming a Scottish Charitable Incorporated Organisation (SCIO) is to take advantage of a Community Asset Transfer purchase of property.

Most guidance suggests that to allow a Community Asset Transfer, a charity must be a Scottish Charitable Incorporated Organisation (SCIO), a BenCom or have a designation from Scottish Ministers.

As becoming a Scottish Charitable Incorporated Organisation (SCIO) is not permitted, Scout Groups, Districts and Regions should explore the route of designation from Scottish Ministers.

Scouts Scotland have written a further **Guide to Community Asset Transfers**, which may be of assistance.

Any further queries can be sent to hello@scouts.scot

Useful Links

[Policy, Organisation and Rules | Scouts](#)

<https://www.oscr.org.uk/becoming-a-charity/becoming-a-scio/>