



Guidance for Friends Groups

Contents

1. Introduction.....	2
2. Summary	2
3. Types of groups	2
4. How to set up a Friends Group.....	3
5. Policies.....	4
6. Risk Assessments.....	5
7. Insurance.....	5
8. CCT staff as Trustees/Members of Friends Groups	6
9. Bank Accounts	6
10. Contracts and Memoranda of Understanding.....	6
Annex - Summary of the options.....	8

1. Introduction

- 1.1. Friends Groups are incredibly important to the Churches Conservation Trust (CCT) providing financial, practical and fundraising support for many churches vested in CCT. Simply put, CCT could not achieve its purposes so successfully without Friends Groups and is extremely grateful for all their work over many years and wants to continue to encourage and support the groups.
- 1.2. This guidance is to support and help you set up and run a Friends Group whilst complying with the law and best practice but also minimising legal risks and personal liability to those involved in running Friends Groups.

2. Summary

- 2.1. CCT will provide support and help for Friends Groups wishing to be independent incorporated charities registered at the Charity Commission or Friends Groups who want to work through CCT by use of restricted funds.
- 2.2. CCT is discouraging Friends Groups to be unincorporated charities (not registered at the Charity Commission) because of the increased risk of personal liability faced by trustees and members of such groups.
- 2.3. CCT will support existing Friends Groups which are unincorporated charities to register at the Charity Commission or to use restricted funds. If a charity's income is more than £5,000 a year, legally they must register at the Charity Commission.
- 2.4. The Annex contains a summary of all the options.

3. Types of groups

3.1. Friends Groups as incorporated charities

If a Friends Group wants to work independently from CCT, the Friends Group needs to be registered as a separate charity at the Charity Commission. Registration is free and for registered charities with small

incomes annual reporting and accounts are simplified. If a charity is registered as a Charitable Incorporated Organisation (CIO) at the Charity Commission, then it is an incorporated charity, having its own legal personality. This means the members and trustees usually have limited liability. The Charity Commission's website has guidance on charitable structures at [Charity types: how to choose a structure \(CC22a\) - GOV.UK](#)

Friends Groups who are currently unincorporated can register at the Charity Commission and become incorporated.

3.2. Friends Groups using restricted funds within CCT

If you want to raise funds for a particular project, or group of projects, within a CCT church without being a separate charity then Restricted Funds may be used and the activity will be carried out as part of CCT's programme of projects.

3.3. Friends Group as unincorporated charities

Trustees and members of unincorporated charities (usually not registered at the Charity Commission) may be personally liable if the assets of the group can't meet their liabilities. For example, if a Friends Group wanted to pay someone to clean the church, a trustee of the Group would need to sign the contract and if the Friends Group could not pay the cleaner, then trustees would need to pay any shortfall out of their personal funds.

If an unincorporated charity's income is more than £5,000 per year, they must register at the Charity Commission and thereby become incorporated.

4. How to set up a Friends Group

4.1. Friends Groups as incorporated charities

Friends Groups wishing to be an incorporated charity will need to form a Charitable Incorporated Organisation by registering at the Charity Commission. The Charity Commission's website has more information and draft constitutions at [Setting up a charity: model governing documents - GOV.UK](#).

If you send your draft constitution to your Local Community Officer before sending it to the Charity Commission, CCT can ensure the draft purposes are compatible with CCT's charitable purposes. CCT will usually provide comments on draft constitutions within 14 days.

4.2. Friends Groups using restricted funds within CCT

You will need to contact your Local Community Officer who will work with CCT's finance team to set up the necessary finance system so that funds are designated at the time of a donation for a particular church or purpose.

- All fundraising using restricted funds should be clear that there is a primary purpose of the specific project and a secondary purpose of *"If after 5 years we cannot complete the project, either because there are insufficient funds or because the project is not possible, then we will spend your donations on other activities of the CCT at that church"*. This wording should be agreed with CCT before fundraising starts.

4.3. Friends Group as unincorporated charities

CCT does not provide guidance on how to set up unincorporated charities because CCT wants to protect supporters from personal liabilities that can arise from these charities.

If an incorporated Friends Group's income is over £5,000 per year they must register at the Charity Commission. If they do not register, then they cannot qualify as a charity for tax purposes. There are also penalties including financial fines, disqualification from being a Trustee and, in particularly serious cases, criminal offences.

5. Policies

5.1. Friends Groups as incorporated charities

Incorporated Friends Groups are independent charities, and need to adopt their own policies, such as on fundraising (as you will be fundraising for your Friends Group) and data protection. However, the [NCVO](#) provides drafts or ask your Local Community Officer who will be able to share CCT's policies with you which may form a good basis for policies for your group.

5.2. Friends Groups using restricted funds within CCT

This means being within CCT and therefore you will need to follow all CCT policies, for example on data protection and fundraising (as you will be fundraising directly for CCT). If you're not sure of the policies or need training on any of them, please speak to your Local Community Officer.

5.3. Friends Group as unincorporated charities

CCT's policies will not apply and CCT will not provide drafts for adoption by such groups.

6. Risk Assessments

6.1 Friends Groups as incorporated charities

As independent charities Friends Groups will need to undertake their own risk assessments (with support from CCT), please speak to your Local Community Officer for more information and support.

6.2 Friends Groups using restricted funds within CCT

CCT risk assessments will apply, and you will need to speak to your Local Community Officer before running events or activities.

6.3 Friends Group as unincorporated charities

The group will need to consider their own risk assessments.

7. Insurance

7.1. Friends Groups as incorporated charities

As independent charities, these Groups will need their own insurance. CCT's insurers Ecclesiastical have indicated that they could provide annual insurance policies for these groups, but other insurers are available.

7.2. Friends Groups using restricted funds within CCT

As you are working as part of CCT, CCT's insurance will apply. Contact your Local Community Officer for more details.

7.3. Friends Group as unincorporated charities

CCT's insurance will not cover the activities of Friends Groups set up as unincorporated charities.

8. CCT staff as Trustees/Members of Friends Groups

8.1. Friends Groups as incorporated charities

Trustees and staff of any charity must act in the best interests of that charity. CCT staff are obliged to act in the best interests of CCT. This means that they cannot be Trustees of Friends Groups as there could be a conflict of interest which would be a breach of the CCT's Conflict of Interests Policy. However, CCT staff are happy to come along to Friends Groups' meetings as observers and to provide guidance and support.

8.2. Friends Groups using restricted funds within CCT

This not relevant as there is no separate Friends Group with Trustees or members. Local Community Officers will support the use of restricted funds.

8.3. Friends Group as unincorporated charities

CCT staff cannot be members, trustees or involved in any decision making of any unincorporated Friends Group as by doing so they will be taking on unnecessary personal liability.

9. Bank Accounts

9.1. Friends Groups as incorporated charities

These groups will need their own bank accounts.

9.2. Friends Groups using restricted funds within CCT

These won't have their own bank accounts as they will use CCT's bank account.

9.3. Friends Group as unincorporated charities

These groups may have bank accounts but will need to discuss them with banks.

10. Contracts and Memoranda of Understanding

10.1. Friends Groups as incorporated charities

The Friends Group may sign contracts, including if appropriate with CCT. CCT would expect to have a non-legally binding memorandum of understanding with incorporated Friends Groups which will set out how the relationship will work.

10.2. Friends Groups using restricted funds within CCT

CCT signs any contracts as restricted funds are raised as part of CCT. There is no need for a memorandum of understanding because this is part of CCT.

10.3. Friends Group as unincorporated charities

Trustees/members of an unincorporated Friends Group would need to sign contracts personally on behalf of the group because an unincorporated charity cannot sign contracts itself. CCT cannot sign contracts, leases or licences with unincorporated Friends Groups and will not have a memorandum of understanding with the group.

January 2026

Churches Conservation Trust

Annex - Summary of the options

	Incorporated	Restricted Funds	Unincorporated
Charity status	Separate Charity	Part of CCT	Separate Charity
Charity Commission filings	Registers and files documents at the Charity Commission	CCT handles all Charity Commission filings	No registrations/filings at the Charity Commission
Liability	Limited Liability	No liabilities	Unlimited liability
Policies	Need their own policies	Covered by CCT's policies	Need their own policies
Fundraising	Fundraises for that Friends Group	Fundraises for CCT for a specific purpose (primary and secondary)	Fundraises for that Friends Group
Risk assessments	Need their own risk assessments	CCT undertakes risk assessments	Needs their own risk assessments
Insurance	Need their own insurance	Covered by CCT's insurance	Needs their own insurance
Bank account	Has a bank account	Uses CCT's bank accounts	May have a bank account
Signing contracts	Can enter contracts	CCT contracts for them	Can't enter contracts
Memorandum of Understanding (MOU)	Will usually have an MOU with CCT	No need for MOU with CCT	CCT won't have an MOU with them