

## Charitable Trusts

Trusts are another form of legal structure open to voluntary organisations. Trusts are most commonly established through bequests, or as grant making bodies, with the purpose of achieving certain objects of interest to the person or organisation making the bequest or donation .

Trusts operate with a trust deed as their governing document. The trust deed features all of the same information which would be included in a constitution. Generally the founders of the trust appoint the first trustees and the board of trustees then selects subsequent trustees as required.

In the same way as other organisation, trusts which carry out charitable activities can register as charities with OSCR, becoming known as charitable trusts.

### Pros

- Easy and relatively cheap to set up - possibly only needing to pay £5 stamp duty to Inland Revenue
- As with an Association

### Cons

- May need legal advice to draft the Trust Deed
- Trusts are undemocratic, and usually reflect the personal preferences of the founders, rather than the needs of any specific community of interest
- As with an Association

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