

Community Interest Companies (CICs).

What are the minimum governance standards for a CIC?

In addition to the basic eligibility criteria, our **minimum governance requirements for applicants that are CIC's** are that their governing document:

- Has purposes that are charitable in nature;
- be limited by guarantee;
- Has suitable restrictions on the disposal of assets (a charitable 'asset lock') and the remuneration of its Committee or Board Members;
- Requires a minimum of three unrelated persons on its management committee or Board. This is to ensure that the group is representative of the wider community or interest group and not dominated by a single family or similarly connected individuals, and;
- Requires all financial transactions to be either authorised (before payment) or checked (after payment) by two un-related people. This is to act as a safeguard against fraud or misuse of charitable funds under the organisation's control.

If the applicant's governing document allows for **remuneration of any Board or management committee members** (for example, if the lead member of staff is also a Board Member), then the organisation must comply with OSCR's guidance on this. Their governing document should only allow for a minority of those on the Board or management committee to be remunerated for their services as Directors or committee members, and none of those who are remunerated as such should be involved in decisions about that remuneration.