

## Appendix D Additional Criteria for Community Benefit Societies (CBS)

Criteria	Demonstrated by Two Ridings checks
That the organisation has charitable objectives and benefits a community within the objectives of Two Ridings Community Foundation.	Governing Document
The CBS has a charitable dissolution clause and asset lock.	Governing document
The Society should have at least three unrelated Officers.	Governing Document; Management committee list
Directors / Officers have equal control. There is no one person with significant control. Related parties do not jointly hold significant control.	Governing document
Salaries and benefits paid to Directors / Officers are reasonable and proportionate to the work that they do and the financial position of the organisation.	Annual accounts, statement of income and expenditure to be provided with accounts.
CBS's can only apply for contribution to overheads in relation to their charitable activity. No overheads relating to trading or contract work can be covered by Two Ridings Community Foundation grants.	Annual accounts

Community Shares	Checks/Conditions
Does the organisation follow good practice for receiving community investment?	We require information covering the previous three years: accounts & auditors report, copy of their annual return or financial summary, list of officers, the Society's Rules, a copy of any community share offer in the last 5 years plus a business plan associated with it; and any registered changes in their assets over the previous five years. We expect to see some transparency around this information e.g. published on the organisations website.
Is there an intention to issue interest on shares?	Some CBSs have it written into their governing document that there will be no issuing interest on shares. If this is the case, they will be eligible without additional conditions.
If there is the possibility to issue interest on shares.	Governing Document. Additional Conditions if so: The CBS must not use grant funds as interest on shares, nor must the CBS use grant funding in order to be able to offer interest.

Items will be checked as part of our due diligence process. We may request further information.