dtmlegal

Key Considerations for Charities Facing Insolvency or Dissolution

Having an accurate picture of the organisation's position can help your solicitor identify the issues that require immediate attention and advise on the available options.

A Clear Picture of the Current Financial Position
Up-to-date accounts, cash-flow forecasts and details of assets and liabilities can help establish whether the organisation is experiencing temporary financial pressure or may be at risk of insolvency.

The Ability to Pay Debts
Prepare details of outstanding payments and when they fall due, as an inability to meet debts as they become payable can be an important indicator of insolvency.

The Charity's Legal Structure
Confirm whether the organisation is a charitable company, CIO, trust or unincorporated association, as its structure will affect the legal responsibilities involved and the process for closure.

Who the Charity Owes Money To
Prepare a list of creditors, amounts outstanding and any payment demands or legal action already received so that urgent risks can be identified.

Assets and Liabilities
Details of cash, property, investments and other assets are important. Gather information about staff, leases, supplier agreements, funding commitments and other continuing obligations

Any Previous Conversations
Provide minutes and records of trustee or board discussions so your solicitor can understand what steps have been considered and what decisions have already been made.

Chester Office
Knights Court
1 Weaver Street
Chester, Cheshire
CH1 2BQ
01244 354 800

Liverpool Office
3rd Floor
No. 4 St Paul's Square
Liverpool
L3 9SJ
0151 321 0000

Return to the DTM Legal website - ***www.dtmlegal.com***