

Being a Charity Trustee

Who are trustees?

Trustees are the group who decide how a charitable organisation will operate. The group may be called something else such as a management committee. The trustees are those with voting powers and so are not the employees or the advisors to the committee. It is good practise for the Trustees only to meet occasionally so that everyone understands they are trustees.

What is a charity?

A charity is an organisation, small or large, that is set-up for the public good; its defined purpose must be charitable. Before 2006 there were fewer charitable purposes than now. They were only about the relief of poverty or distress, furtherance of education or religion; now the list is broader. Charities must be open and must apply their benefit to all within their remit. Charities are not private and so cannot restrict membership if they have such; benefit must be open to all. Charities can make collections but must use the funds for the advancement of their charitable objects or a defined purpose within them.

Governing Document

All charitable organisations have a document that defines why they exist and how they operate. Some governing documents are more complicated than others and may have different names such as Constitution, Memorandum and Articles or Trust deed.

Collective

There is reason in the name **Trustee**; the motivation in the role must be for the purpose of the charity. The governance of the charity is in trust and so this means all are equal and equally responsible; decisions are only made by the meeting and never by one or two outside the meeting. Decisions can be delegated by the trustee board but that is different to independent decisions.

Unpaid / no conflict / expenses

Trustees are unpaid for their effort for the charity. It is usual and recommended that expenses such as travel and parking be paid. Only exceptionally will the charity commission give permission for a payment to be made to a trustee and even then it is usually for a defined and different role to trusteeship. Similarly trustees must have no conflict of interest with their obligation of trust and must not make advantage of information acquired from a charity to another organisation including another charity or a public authority.

No Representation

Sometimes charities invite, or funders request, attendance at management committee meetings. When this happens it is vitally important that both sides and the individual concerned understand their role. Charities often invite advisers to their meetings because this assists the Trustees in making decisions; the advisers do not vote and so are not trustees. Such advisers may be members of staff, members of local partnerships, Council for Voluntary Service staff or members of public authorities. If people appointed by an outside body are to be Trustees then they must realise that their prime commitment is to the charity, they work 'in trust' with the other trustees and are no longer 'representatives' of the body that nominated them. Therefore private reporting back is not appropriate as it would breach the trust.

Governance compared to Management

Decisions are only made by a quorate meeting of the Trustee Board. However decisions usually include policy, so that others can act according to the policy, and delegated authority for specific areas of work within defined limits; often cost is a key limiting factor. This means that when a person has been authorised to act on behalf of the board, such as a manager with a Job description and approved budget then individual trustees have no authority to instruct, or in the worst case, interfere with management decisions, unless specifically delegated by a minuted decision of the Board.

Joining a board; election or cooption

The governing document of the charity will normally indicate how trustees may join the charity. For a membership charity there is usually election at the AGM. Trustees also, usually have ability to co-opt. Quite often there is a requirement to retire periodically but with re-election being possible.

Check before you step

When new trustees join a charity they take on responsibilities and liabilities. Therefore before agreeing to become a trustee they should find out if they can work with the trustee board and that the financial situation and reputation of the charity is satisfactory to them. A list of information to consider is available.

Not disqualified & CRB checks, signing duty and commitment

The law prohibits some people from being trustees; charities should make themselves aware of the detail of this and put in place processes that require disclosure and checking. Trustees of children's charities must not be barred from working with children and the role is "Regulated" under the Safeguarding Vulnerable Groups Act 2006, giving additional requirements.

Resigning

When individuals are at odds with the aims and values of the charity, cannot work effectively with the other trustees or cannot contribute reasonable time to their commitment of trust then they should resign. However charities can have minimum numbers of trustees; 3 is a usual minimum set by the Charity Commission, in which case another Trustee may have to join before the person leaves. Resignation does not always mean release from liabilities; trustees would remain responsible for the consequences of their decisions as members of the trustee board when the decision was made.

Personal Liability

Charity trustees are taking on a legal duty of trust to use the resources of a charity for the intended benefits. Because it is a personal responsibility in which all the trustees act collectively, they are also responsible for liabilities. In simple terms this liability means any financial deficit but it does include all liabilities. So expenditure, activities and the consequences of activities are included. Trustees are therefore required by the Charity Commission to assess the risks that the charity has; this includes not only health and safety matters but risks in the wider sense.

When a charity has limited company status then some of the liability is limited. Trustee indemnity insurance can normally be obtained but careful note should be taken about what it covers and excludes. Organisations, even small ones, have legal and moral duties; it is the responsibility of the trustees to ensure these are carried out.

Rewards

Community and charity work is about making a difference for the better, even when the aims are long term. Trustees find the results of their commitment and effort tremendously rewarding

Charity Commission

The Charity Commission is the UK's legal body for regulation of charities and for support and advice. The Commission defines which charities are required to report to it by sending, a return, statement of accounts and public benefit statement. The Commission investigates complaints about charities.

Further Advice and Reading

There is considerable information available for trustees; in most localities there is a Council for Voluntary Service that will give information. Many charities have support from a national governing or umbrella body. A Google search will give a huge amount. The Charity Commission gives comprehensive advice through it's website and via letters. It has a 'no questions' telephone help line. A useful, easy to read, book is Charity Trustee's Handbook by Mike Eastwood ISBN 978 1 906294, 2nd Edition June 2010, published by DSC

All Trustees are advised to undertake appropriate training; short courses taking half or one day are available from the Council for Voluntary Service in most localities.