

## Trustee Handbook

Nearly all voluntary and community organisations have a committee that is responsible for carrying out the long term planning and running of the organisation. This is known as the governing body. The committee can be called the Board of Trustees; Management Committee; Executive Committee; Steering Committee; Council of Management, Board of Directors; and occasionally other terms may be used.

They all mean the same thing. **The committee is the body that is legally and financially responsible for the organisation as a whole.**

The board as a whole is responsible, therefore **each member is therefore equally liable.**

This guide will use the term *Board of Trustees*.

\*\*Please note that this is a general description of the trustees' role – details might vary between different organisations.\*\*

### Trustees

Trustees are usually elected by the members of the organisation<sup>1</sup> at the Annual General Meeting (AGM). If you have a constitution this will tell you how the election is carried out. The constitution also tells you how long someone can be on the committee (usually between one and three years), whether they can be re-elected, and how often the committee should meet. It will also tell you if you are able to co-opt trustees onto the board (useful to be able to do to ensure a diverse, skilled board).



If your organisation is charitable all trustees are officially called charity trustees. In registered companies, they are called company directors.

In charitable companies they are both charity trustees *and* company directors.

Charities and CIO's must have a minimum of three trustees to run. For Companies the minimum is two but three is good practice.

### What does the Board of Trustees do?

As a member of the board of trustees you are bringing your skills, knowledge and experience to:

- make sure that the organisation meets the needs of the people it was set up to support;
- make sure that the organisation is open equally to everyone and that you do not discriminate against anyone;

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<sup>1</sup> An organisation's members are individuals or organisations, who are defined as members by the governing document. Members have a constitutionally defined role in the organisation, occasionally acting as the governing body or more commonly as the people who elect all or most of the members of the governing body. (The Russell-Cooke Voluntary Sector Legal Handbook; 2009)

- make sure that the organisation is accountable to its members and to the wider community;
- make decisions about the organisation's objectives, policies and procedures;
- work in partnership with paid and unpaid staff so that they can get on with their jobs;
- keep the organisation within the law and provide a safe and healthy place for people to be in;
- act in a fair and responsible way to any paid and unpaid staff;
- making sure that money is spent properly and reassure any funders that decisions are being made by a number of people;
- make sure that the organisation has the right resources - people, equipment, premises, insurances and money - to get on with its work;
- monitor how well the organisation is doing its job;
- take appropriate action when things are not going well;
- represent the organisation at other meetings, forums etc.;
- promote the organisation and its work.

Charity trustees have some additional legal responsibilities set out in Charity Law (and Company Law if incorporated) and other relevant laws such as Child Protection, Health and safety etc.



### How does the board work?

The board will meet on a regular basis, depending on the work of the organisation and how easy it is for members to get together. The constitution will probably include the minimum number of meetings that have to be held in the year. It will also state the minimum number of trustees needed to make a decision. In times of crisis or in the early stages trustees are likely to meet more often.

Most boards have a number of officers to help them to run more smoothly:

- The chair, who plans and runs meetings
- The secretary, who helps with the smooth running of meetings, deals with minutes and correspondence, etc.
- The treasurer, who oversees the organisations' finances

Your constitution will explain how the officers are elected – at the AGM, at the first committee meeting after the AGM or a combination of the two.

### Sub-committees

Many organisations have permanent sub-committees and occasional working groups which make sure that certain areas of the work are carried out. These might include fundraising, finance, publicity, events and human resources etc.

Sub-committees can reduce the pressure on the board making it easier for trustees to contribute as the work is done in small groups involving other members of the organisation and staff, if you have them, carrying on work between meetings.

Remember that sub-committees should have at least one and preferably two trustees on them. As the board has final responsibility for the organisation it needs to be clear what decisions sub-committees can and can't make. Sub-committees should always report back to the main board. A Terms of Reference should be drawn up, making the rules clear for everyone.

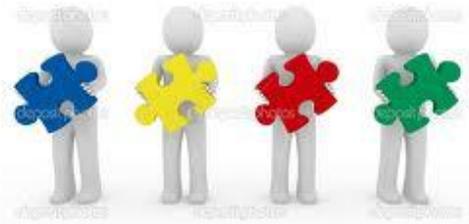
## What are my personal responsibilities?

As a trustee you should always:

- attend meetings regularly and arrive on time;
- give apologies if you can't attend and pass on any relevant information to the committee;
- work as part of a team and take an active part in meetings;
- keep to the point in discussions;
- support each other, listen to others and try not to interrupt;
- be prepared to share responsibilities and information;
- ask if you don't understand something or need more information;
- carry out what you have agreed to do;
- make sure that decisions are made in a democratic way and abide by the decisions made;
- remember, if you are representing the organisation at a meeting or event, that you are speaking on behalf of the committee not yourself;
- be non-discriminatory and promote equal opportunities.

## I should NOT...

- be disruptive or aggressive;
- use bad or offensive language;
- talk too much;
- interrupt or shout;
- keep information to yourself;
- try to dominate the meeting or other committee members;
- make others feel inadequate or stupid;
- waste people's time;
- develop conflicts of interest;
- undermine staff and fellow trustees;
- come unprepared to meetings;
- use the organisation to satisfy personal needs.



## What about rights?

As a trustee you have the right to:

- be properly inducted to the organisation when you join;
- to meet the relevant people and get the right information including annual reports, copies of the governing document and accounts and minutes of previous meetings;
- be provided with the help you need to take a full part in the meeting such as interpreter, translations, child minding, travel and accessible venue;
- receive training in the skills you need to be a committee member;
- receive the correct and up to date information in good time;
- be consulted and have a full say in decision making. Everyone should be encouraged to have their say, so if you think decisions are being made by one or two people or the staff are always deciding what happens, say so;
- take credit for the work you and the organisation have done;
- enjoy yourself!



## Model Induction Pack

The role of a trustee carries great responsibility but is voluntary and time limited, so how can you get to know the organisation and make the most out of your time as a trustee?

The answer is a good induction.

The organisation should provide you with:

### 1. Background information and Introductions

### 2. Legal Status and Governance

- a) Constitution/ Memorandum and Articles of Association
- b) Standing Orders
- c) Charity Commission Booklet 'Responsibilities of Trustees' (CC3)
- d) Responsibilities of Directors of a Company Limited by Guarantee
- e) Duties of Company Secretary
- f) Role description for Trustee, Chair and Treasurer
- g) Code of Conduct for Trustees
- h) Terms of Reference for sub-committees

### 3. Structure, Organisation and Staffing

- a) Organisational diagram
- b) Names and addresses of offices
- c) List of current Board Members with contact details
- d) List of members of any sub-committees
- e) List of senior staff/ all staff, as appropriate
- f) Job description of Chief Executive and Senior Management
- g) Code of Conduct for all staff

### 4. Finances

- a) Annual report and full audited accounts for last two years
- b) Financial controls and reporting procedures
- c) Rates for subsistence allowance and expenses

### 5. Policy and Strategy

- a) Mission Statement
- b) Strategic Plan / Business Plan
- c) Key policy documents such as: equal opportunities, media, disciplinary/grievance, complaints, fundraising ethics, staff handbook/ systems manual

### 6. Professional Advisers

Information about any professional advisors used by the organisation i.e. Solicitor, Auditor, Insurance, Investment, Fundraising

### 7. Current Calendar of Events

## Specific Trustee Roles



### Chair

All trustees are collectively responsible for the decisions and management of the charity, and jointly and severally liable for their actions. However we can consider the position of chair of trustees as the **'first amongst equals'**, an ambassador, and the public face of the charity.

It is imperative that the chair provides effective leadership and management to the board of trustees, enabling them to fulfil their responsibilities for the overall governance and strategic direction of the charity, and ensuring that appropriate decisions are correctly made. The chair should also lead trustee discussions on the manner in which the charity continues to provide public benefit, and how such provision is continuously monitored by the board.

### Main Responsibilities

- Leading the trustees and members of the senior management team in the development of strategic plans for the charity;
- Providing leadership and support to the chief executive officer and ensuring that the charity is run in accordance with the decisions of the trustees, the charity's governing document, and appropriate legislation;
- Liaising with the chief executive officer with the drafting of agendas and supporting papers for trustee meetings and ensuring that the business is covered efficiently and effectively in those meetings;
- Undertaking a leadership role in ensuring that the board of trustees fulfils its responsibilities for the governance of the charity;
- Leading on the development and implementation of procedures for board induction, development, training, and appraisal;
- Implementing an effective communication strategy that includes the needs of staff, beneficiaries and other stakeholders.

### Main Duties

- Leading on the planning, setting agendas and chairing of trustee meetings and AGMs.
- Ensuring trustee decisions are acted upon;
- Supporting and appraising the performance of the chief executive officer and other appropriate members of the senior management team;
- Leading disciplinary and appointment committees, in line with the charity's procedures;
- Representing the charity at functions, meetings and in the press and broadcasting media, in line with the charity's agreed media strategy;
- Acting between full meetings of the board in authorising action to be taken e.g. banking transactions and legal documents in accordance with relevant mandates;
- Maintaining the trustees' commitment to board renewal and succession management, in line with the charity's governing document and/or current best practice;
- Ensuring that the performance of the board as a whole, and the trustees individually is reviewed on an annual basis.

## Treasurer

The treasurer will oversee the financial matters of the charity in line with good practice and in accordance with the governing document and legal requirements and report to the board of trustees at regular intervals about the financial health of the organisation. The treasurer will ensure that effective financial measures, controls and procedures are put in place, and are appropriate for the charity.



Despite the additional responsibility the treasurer will have in overseeing the financial matters of the charity, **all trustees continue to be jointly and severally responsible, and therefore liable, for the administration of the charity.**

### Main Responsibilities

- To oversee, and present budgets, accounts, management accounts and financial statements to the board of trustees;
- To ensure that proper accounts and records are kept, ensuring financial resources are spent and invested in line with the charity's policies, good governance, legal and regulatory requirements;
- To be instrumental in the development and implementation of financial, reserves and investment policies.

### Main Duties

- Liaising with any staff responsible for the financial activities of the organisation;
- Chairing any finance committee in line with standing orders and terms of reference, and reporting back to the board of trustees;
- Liaising with the charity's auditors or independent examiner;
- Monitoring and advising on the financial viability of the charity after liaising with the charity's auditors;
- Creating sound financial instruments for the control of charity assets;
- Implementing and monitoring specific financial controls and systems are in place accordingly and adhered to;
- Advising on the financial implications of the charity's strategic plan;
- Ensuring that the charity's annual accounts are compliant with the current Charities SORP;
- Where the charity has an internal audit function, the treasurer will be required to work closely with the internal audit team and any sub-committee of the board of trustees;
- Acting as a counter-signatory on charity cheques (including any electronic transactions) and any applications for funds;
- Maintaining sound financial management of the charity's resources, ensuring expenditure is in line with the charity's objects;
- Contributing to the fundraising strategy of the organisation.

## Resources

- The Charity Commission [www.charitycommission.gov.uk/](http://www.charitycommission.gov.uk/)
- Good Governance: A code for the voluntary and community sector <http://www.governancecode.org/>
- The Institute of Chartered Secretaries and Administrators (ICSA) [www.icsa.org.uk](http://www.icsa.org.uk)
- The Russell-Cooke Voluntary Sector Legal Handbook, Third Edition (2009)