

So now you are a charity trustee

Welcome. Thank you for volunteering as a charity trustee. You have joined around half a million people who give up their time in this way to benefit society. Your commitment is greatly appreciated.

This leaflet introduces some issues you need to know about and areas where you may need to find out more.

Even if you have been a trustee before, you may find this a useful reminder of what you need to do. You can read our free publication *The Essential Trustee: What you need to know* (CC3) for a more comprehensive outline of what is expected of you. Don't worry if there seems to be a lot to take on board at first: you will quickly get used to what is involved. Look through this leaflet at your own pace, in easy stages if you prefer, and keep it handy for reference.

What are charity trustees?

Charity trustees are the people who are legally responsible for the overall management and decision making in a charity. Your charity may call you something else – a member of the management or executive committee, a director, a governor, or some other title. Whatever you are called, if you are a member of the board or committee with overall responsibility for your charity, you are a charity trustee. If you are in any doubt, contact us for advice.

You are responsible for the direction and performance of your charity. If your charity has few or no staff, you may be directly involved in the day-to-day running of your charity. If yours is a larger charity, staff will usually carry out the work of the charity and you will be responsible for monitoring and controlling their activities.

What do you need to do now you are a charity trustee?

- *Read the governing document:* You need to know what your charity is set up to do, who it helps, and how this is achieved. Much of this information will be in your governing document, which sets out the aims of your charity and how it should be run. Your charity may call this document the rules, constitution, memorandum and articles of association, trust deed or scheme. Whatever it is called, it is important to read and understand it, because you must comply with what it says. Your charity will give you a copy.

Contact us if you are unsure what your governing document is, or if you are concerned that your charity is not adhering to it.

- *Find out more about your charity:* Many charities run induction sessions for new trustees. We recommend you attend. If induction isn't provided, suggest that it be considered for new trustees in the future.

Your charity may produce material that will help you understand how it works, such as annual reports and accounts, minutes of recent meetings, promotional and fundraising material, and perhaps a strategic, development or business plan. You also need to find out what property and investments your charity owns or manages. Talk to the other trustees. They can explain what your charity expects of you and tell you about major projects or issues facing your charity. If your charity has staff, talk to them about their work.

- *Keep within the law:* You must be sure your charity keeps within the law. In addition to charity law your charity may need to comply with other laws and regulations, such as employment, health and safety, data protection and so on. This doesn't mean that you need to be a legal expert. We produce publications explaining charity law and many organisations give practical help and advice to charity trustees. Some are listed at the end of this leaflet. If your charity has professional advisers they may help you with any technical questions.

What is expected of a charity trustee?

- *To act only in the best interests of the charity:* This means putting your charity's interests before any other personal or professional interests. Even if another body such as a local authority has nominated you as a charity trustee, you must put your charity's interests first.

- *To be involved in major decisions:* You need to be actively involved in decision making. If your charity's business is carried out at meetings, you need to attend them regularly and contribute to discussions. If you can't attend many meetings, or be regularly and actively involved in decision making, it is unlikely you could be an effective charity trustee.
- *To take decisions jointly with the other trustees:* Charity trustees must act together for the benefit of the charity. No trustee can make decisions or take action alone, unless the governing document specially allows this. You need to work with the other charity trustees to make sure your charity meets its aims effectively and works within the law.
- *To be unpaid:* As a charity trustee you are a volunteer. Except where approval is given in your governing document or by us, you can't be paid for services you provide to your charity either as a trustee or in any other capacity. You can claim reasonable out-of-pocket expenses.

What else should charity trustees find out about?

- *Managing money:* including investments and projects, accounting, budgeting, fund-raising, internal financial controls, insurance, reserves and trading.
- *Managing people:* including supervision and management of staff and volunteers, delegation, health and safety, and equal opportunities.
- *Managing resources:* including property, equipment, vehicles and computer systems. Again, you don't have to be an expert in these areas, but you need to be satisfied that they are being handled satisfactorily, and be aware if there are problems. Ask whether your charity has any policies or rules for dealing with these types of issues. If it doesn't, we suggest that you and the other trustees set out some appropriate policies or rules, calling on specialist advisers and on help from staff if you have them.
- *Working effectively:* You need to monitor the work of your charity so you know what it is doing and that it meets legal requirements. You also need to judge whether it carries out its purposes as effectively as possible. You and the other trustees should decide what type of information you will need to do this, how to collect it and how often to look at it. You also need to be sure your charity meets the needs of those it is set up to help. Find out how your charity consults its users or potential users on the services it provides.

Your liability as a charity trustee

In principle, you may be personally liable if your charity loses money as a result of a mistake you have made. However, this is unlikely to happen if you have:

- acted reasonably;
- worked within the governing document; and
- taken proper and appropriate professional advice where you don't know enough to make a decision, or where you are required to by law.

Areas of possible risk

Some areas to bear in mind and where you may need further advice include:

- *Contracts:* If you enter into a contract on behalf of your charity to borrow money or to buy or sell goods or services, make sure that the charity has enough money to meet any liabilities that might arise under the contract. If it does not, you could be personally liable.
- *Liability for 'breach of duty':* This could happen if you don't work within the terms of your governing document, fail to perform your duties as a charity trustee, or don't comply with all other relevant laws.
- *Other types of liability:* You should make sure your charity has proper insurance, such as public liability, employers' liability (if you have staff), motor, buildings, contents, etc.

Where can you get help?

Don't worry, plenty of support and advice is available. A few of the organisations that can help you are listed at the end of this leaflet. Our free publications give in-depth advice on being a trustee. Contact us for a full list, or find them on our Internet site, together with other useful information.

We are happy to give advice over the phone or in writing, about matters affecting the running of your charity.

We often give presentations and one-to-one advice to charities at local roadshows. Contact our offices or view our Internet site for details of roadshows taking place near you.

What does the Charity Commission need from charity trustees?

Our aim is to give the public confidence in the integrity of charity. We need information about your charity so that we can ensure it is working effectively and to demonstrate to the public that they can have confidence in the way charities are run. We therefore need:

- *Details of any changes to the charity's registered details when these happen.*
- *A completed annual return giving information about the charity's activities if it has an annual income or expenditure over £10,000. You will be sent a form to complete.*
- *Copies of the charity's accounts and report if it has an annual income or expenditure over £10,000.*

Other sources of information

There is plenty of helpful guidance available. Some useful contact telephone numbers are given below. Your local library may be able to help you to find further information.

Action with Communities in Rural England (ACRE):

Provides information, advice and publications on rural community development.
Tel: 01285 653477

Advisory, Conciliation and Arbitration Service (ACAS):

Provides information and advice on employment matters and a conciliation service for employment disputes.
Tel: See your local phone book for the number of your nearest ACAS office

The Almshouse Association:

Provides advice and assistance to almshouse charities in the United Kingdom.
Tel: 01344 452922 Fax: 01344 862062

Association of Charitable Foundations:

Supports and promotes work of charitable grant-making trusts and foundations. Organises variety of events, publishes guidance and provides promotional advice specifically aimed at grant-making charities.
Tel: 020 7255 4499 Website: www.acf.org.uk

Commission for Racial Equality:

Provides information and advice to individuals and organisations to tackle racial discrimination and promote racial equality.
Tel: 020 7939 0000

Companies House:

Incorporates and dissolves companies, including companies that are charities, and provides company information to the public.
Tel: 0870 33 33 636

Directory of Social Change:

Publishes books and provides training for voluntary organisations.
Books/Training – Tel: 08450 77 77 07
Research – Tel: 0151 708 0136

Equal Opportunities Commission:

Provides advice and publications on promoting equality between women and men.
E-mail: info@eoc.org.uk Website: www.eoc.org.uk
Minicom & Tel: 0845 601 5901 Fax: 0161 838 8312

Institute of Fundraising:

To represent fundraisers and fundraising nationally and internationally. To support members with a range of training and services. To promote high standards and conduct in fundraising.

Tel: 020 7840 1000

E-mail: enquiries@institute-of-fundraising.org.uk

National Council for Voluntary Organisations (NCVO):

Provides information, advice, support and publications to voluntary organisations in England.

Tel: 020 7713 6161 Helpdesk: 0800 2 798 798

Minicom: 0800 01 88 111

E-mail: helpdesk@ncvo-vol.org.uk

You can get advice from local advisory agencies,

Council for Voluntary Service (CVS). For details of a CVS near you, phone the National Association for Voluntary and Community Action (NAVCA).

Tel: 0114 278 6636

Wales Council for Voluntary Action (WCVA) – Cyngor Gweithredu Gwirfoddol Cymru (CGGC):

Represents the interests of, and campaigns for voluntary organisations in Wales. Provides advice, information and training for voluntary organisations.

Tel: 0870 607 1666 E-mail: help@wcva.org.uk

Charity Commission Direct: 0845 300 0218 Minicom: 0845 300 0219

Website: www.charitycommission.gov.uk