Being a trustee



What is a trustee?

Trustees are the people who are collectively responsible for the control and management of your organisation and will have roles and responsibilities set out in your governing document and the law.

Sometimes trustees are given different names such as governors or management committee members. If your organisation is a company the trustees will also be company directors, and if it is a charity then your trustees will also have to follow charity law and guidance from the Charity Commission.

What do trustees do?

Trustees:

- Usually serve as unpaid volunteers (just get expenses)
- Make decisions collectively to run the organisation, and always act in the best interests of the organisation when doing so
- Work to the terms of the organisation's governing document
- Accept ultimate responsibility for ensuring the organisations is well-run and compliant

To find out more about being a trustee take a look at the Charity Commission guidance.

We look at the role of a trustee in more detail in the Trustee responsibility section.

Who can be a trustee?

Trustees generally need to be over the age of 18, or over the age of 16 if your organisation is a Charitable Incorporated Organisation (CIO).

They cannot have been previously disqualified as a trustee or company director, be an undischarged bankrupt or have certain unspent criminal convictions.

You should also check your governing document as some organisations have their own restrictions about who can be a trustee, and some membership organisations only elect trustees from their formal members.

When appointing new trustees you must check their eligibility. You might want to use the Charity Commission declaration form available here.

You can find more detail about the eligibility rules here.



dren

Safeguarding section.

SAFEGUARDING

Trustee responsibilities

If your group is constituted, the responsibilities of the board or management committee will be described in the governing document.

For all voluntary organisations, the responsibilities of a trustee would usually include:

Trustees are ultimately responsible for everything that the organisation does. This doesn't mean that trustees have to 'do' everything, but they do have overall responsibility and should retain general oversight to make sure that the organisation is well governed. We have included additional information on the responsibilities of trustees for Safeguarding and Managing money and budgets in those sections.

- Obeying the governing documents and the law
- Acting in the best interests of the organisation
- Attending and participate in meetings
- Taking part in decision making collectively with the other members of the board
- Acting with honesty and integrity
- Avoiding conflicts of interest
- Respecting confidentiality and abiding by collective decisions

If your organisation is a charity then your charity trustees must follow charity law. Charity trustees have six legal duties.

Six legal duties of charity trustees

1. Ensure your charity is carrying out its purposes for the public benefit
2. Comply with your charity's governing document and the law
3. Act in your charity's best interests
4. Act with reasonable care and skill
5. Manage your charity's resources responsibly
6. Ensure your charity is accountable

The Charity Commission have a range of guides that explain the responsibilities of trustees. Their guide 'The Essential Trustee' (CC3) is a good place to start.

There are also a range of short guides and videos from the Charity Commission which will help you be sure of your responsibilities and confident you're doing the right thing for your charity. Take a look at Being a charity trustee

Code of conduct

Some organisations create a code of conduct for their trustees which sets out the requirements and standards that are expected from them.

A code of conduct can be helpful as it can go beyond the legal and governing document requirements to include standards of behaviour that support good governance and encourage a positive working culture between trustees. Examples of clauses you might find in a code of conduct include:

- A commitment to promoting a culture that is open, inclusive and respectful of diversity
- A commitment to work constructively and respectfully with fellow trustees, staff, volunteers
- A commitment to never allow personal differences to undermine the charity's purpose

Honorary Officers: Chair, secretary, treasurer

The method of appointment for honorary officers is typically set out in the governing document, but if not then the board can still decide among themselves to create such roles.

Trustees share formal responsibility for their organisation and must act in its best interests, regardless of how they're elected or appointed. Some trustees may take on specific roles on the board, which are known as honorary officer roles. The honorary officers appointed commonly include a Chair, Vice-Chair, Secretary and Treasurer.

We would recommend that that each honorary officer post has a role description, to ensure that everyone is clear about their roles and responsibilities. The key elements of each role are set out below.

Honorary officers do not enjoy any more power or responsibility than their fellow trustees, except where this is specified by the governing document or prescribed by law. They can only act on behalf of the board if they are authorised to do so.

The Chair

- acting as a figurehead of the organisation and setting its direction
- representing the organisation publicly and speaking on its behalf
- taking an overview of the organisation and its work
- ensuring the governing document and policies are complied with
- exercising specific and delegated authority
- authorising action to be taken between meetings of the full board
- ensuring the effective working of the board
- leading and managing board and general meetings
- preparing the agenda for meetings (usually with the secretary) and disseminating necessary advance information
- acting as the channel of communication between the trustees and staff
- signing off payments and legal documents
- supporting and encouraging other board members and staff.

The Chair has an important and substantial role in leading the organisation by:

If an urgent decision is required between board meetings, the Chair can only exercise unilateral decision-making powers if the appropriate authority is given in the governing document or delegated by the board. A Chair does not otherwise have an intrinsic right to make individual decisions.

The Vice-Chair

Some organisations have a Vice-Chair. This person stands in for the Chair when required and can help with decisions between meetings. Sometimes the Vice-Chair can help with the organisational side of meetings and may also have responsibility for specific functions such as personnel.

The Secretary provides administrative support to the board. A distinction should be drawn between the honorary role of Secretary in an unincorporated organisation, and the legally defined role of Company Secretary in a company.

The Secretary

In an unincorporated organisation there is no obligation to have a secretary unless the governing document requires it. However, most organisations do have a secretary, and in those that have paid employees the role is often undertaken by a senior member of staff. The ***Honorary Secretary***'s tasks include the following:

- Meetings: helping to set agendas (in conjunction with the Chair); sending out the agendas and board papers; booking the meeting room; checking that a quorum is present; taking and circulating minutes and attending to other administrative matters.

- Documents: maintaining membership lists and other organisational records; safeguarding key documents; arranging for the production of the annual report; sending out documents and returns to regulators; keeping internal policies up to date and ensuring there is adequate insurance cover.

- Administration: dealing with correspondence, press and publicity, and providing secretarial services to the board generally.

If your organisation is a company then you may have a ***Company Secretary***. Previously company law required that a limited company had a Company Secretary, but since the Companies Act 2006 was implemented it has removed the requirement for a dedicated Company Secretary to be appointed. One can still be appointed voluntarily, but if a decision is made not to appoint one the duties will still have to be carried out either by a director or someone authorised to do so. The Company Secretary can be a member of the board, an employee or a third party. It is not necessary to have a separate elected honorary Secretary unless the governing document requires it.

The specified legal duties that a company must fulfil are set out in legislation and the company's Articles of Association, and the Company Secretary can attract liability for failing to discharge them. These duties are extensive but include:

- keeping the Register of Members and Register of Directors up to date
- ensuring the annual general meeting (AGM) is held within the specified time limits, and other general meetings are called with due notice
- keeping the minutes for all relevant meetings
- notifying Companies House of any changes of directors, address etc
- filing the annual return and accounts
- ensuring the company's stationery contains the prescribed company information
- making sure that the company documents are kept safely etc.

The Treasurer

Once again there is no legal obligation to have a Treasurer unless specified in the governing document, but it is considered best practice to do so and most funders will require it. In smaller organisations the Treasurer will deal with all aspects of finance, but as it grows certain functions are often delegated to other individuals and sub-committees.

It is important to note, however, that ultimate legal responsibility rests collectively with the whole board. Consequently, the Treasurer should not have sole control of the finances as this can limit the opportunity to identify mistakes, impending financial problems and in the worse instance, fraud.

The responsibilities of the Treasurer can include:

- taking the lead in planning and overseeing the financial affairs of the organisation
- ensuring the organisation is solvent and financially viable
- ensuring there are proper systems for budgeting, financial control and reporting
- preparing the annual accounts and other financial reports
- reporting, interpreting and explaining necessary financial information to the full board of trustees
- ensuring that the accounts and financial systems are audited or inspected as required by law
- ensuring all tax, VAT and National Insurance obligations are complied with

- managing fixed assets and stock
- acting as a signatory for cheques, invoices, contracts and other relevant documentation.