

Voluntary Action-Leeds Becoming a Trustee

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This factsheet is aimed at people who are considering becoming trustees of a registered charity. Some points are specific to charities, but would also be good practice for other types of organisations in the voluntary and community sector.

WHAT IS A TRUSTEE?

Charity trustees:

- are legally responsible for the overall management and decision-making of the charity
- are almost always aged over 18
- are willing to give up some time to take an active part in running the charity

You may not become a charity trustee if you are bankrupt or have unspent convictions for fraud or dishonesty. Organisations working with children or vulnerable adults may have additional restrictions.

WHAT QUALIFICATIONS DO TRUSTEES NEED?

There are no particular qualifications, but some of the following personal qualities would help:

- a commitment to the charity and its work
- a commitment to equal opportunities
- a willingness to contribute & listen to the views of others
- honesty and integrity
- an ability to work as part of a team
- the vision to take a long term view and plan for the future of the charity
- an ability to make clear decisions

WHAT DOES A TRUSTEE DO?

The main aspect of a trustee's role is to make sure that the charity does what it was set up to do and that it is run in accordance with its constitution. In detail a trustee would:

- ensure the charity keeps within the law. In addition to charity law your charity may need to comply with other laws and regulations such as employment, discrimination, health and safety, data protection
- manage the charity's finances and affairs sensibly and wisely. You are being trusted to look after the charity's assets for the future

- make sure the charity is properly insured
- manage people, including the supervision and support of volunteers and staff
- manage resources such as property, equipment, vehicles and computer systems
- act in the best interests of the charity, never in the interests of yourself or another organisation
- work closely with other trustees to oversee and manage the running of the charity
- monitor the work of the charity to make sure that it is working as well as it could and it is actually meeting the needs of the people it was set up to support.

You are not expected to be a legal and financial expert. If there is anything you need help with or do not understand, you should get appropriate professional advice.

In order for decisions to be valid, there needs to be a minimum number of trustees present at committee meetings (quorum). This is usually one third of the members of the trustee board, but should be specified in the constitution.

CAN TRUSTEES BE PAID?

Trustees can and should be paid for any out of pocket expenses that they have as a result of working on behalf of the charity. This may include travel expenses. However, they should not be paid for acting as a trustee.

WHAT IF I'M ON THE BOARD OF TRUSTEES AS A REPRESENTATIVE OF ANOTHER ORGANISATION?

You are still a trustee and you must put the interests of the charity first, before those of the organisation that nominated you.

WHAT ARE MY LIABILITIES AS A TRUSTEE?

As a trustee, you may be personally liable if your charity cannot fulfill a contract it has signed or if there is a breach of trust in which the committee did not act within the law or within the constitution. You need to take precautions to minimise the risk of liability. You are expected to act in the interests of your beneficiaries, reasonably and with a high standard of care. This will include: acting within your constitution and within the law, with a clear and reasonable explanation for all your actions (including reports, policies, minutes of meetings)

- taking professional advice when needed
- implementing effective financial controls
- using written contracts that set out exactly what is agreed

- drawing up adequate job descriptions, a contract and taken up any references for staff you employ
- making sure that working conditions and procedures for all activities are safe, properly insured and legal - and that staff, volunteers and users understand and follow them
- having an appropriate legal structure

WHAT DO I NEED TO KNOW BEFORE BECOMING A TRUSTEE?

To begin, you need to be clear about what the charity does and how it does it. If you've not already been given them, you should ask for:

- a copy of the constitution; this will tell you the objects of the charity and how it runs itself. In addition, ask for the terms of reference of any sub-committees or working groups, what they do and who is on them
- a copy of the most recent annual report, which should tell you what work the charity has done recently and what its main plans are for the future
- a copy of the annual accounts, which should show you where the organisation gets its money from and how it spends it
- information about any property or investments the charity owns or manages
- details of any staff that the charity employs, what they do and how they are funded
- in a larger organisation, a copy of any business, strategic or development plan it has produced showing what it wants to do in the future
- minutes of the last committee meeting which will give you an idea of the issues that are discussed
- details of the year's meetings, how often and for how long, so that you can get a clearer idea of how much time and commitment is expected from you
- a copy of *The Essential Trustee* (CC3), a booklet produced by the Charity Commissioners
- a copy of the Declaration which is signed by all trustees, declaring that they understand the responsibilities of being a trustee and that they are not legally disqualified from being one.

Despite this list of tasks, being a trustee of a charity is fun – meeting people, exchanging ideas, seeing good work happen – so do enjoy it!

FURTHER HELP

Voluntary Action-Leeds



0113 297 7920



0113 297 7921



www.val.org.uk

NCVO have a section on their website covering trusteeship and governance. Go to www.ncvo-vol.org.uk and follow the links to sector issues and then trustee and governance.

The Charity Commission Website has a section on How to be an Effective Trustee. This acts as a shortcut to all the other pages on their site covering being a trustee.

<http://www.charitycommission.gov.uk/supportingcharities/efftrustintro.asp> -

FURTHER READING



Charity Commission Publication CC3 The Essential Trustee: what you need to know



Mike Eastwood The Charity Trustee's Handbook (DSC, London, 2001) ISBN 1 900360 88 8



Kevin Nunan The Good Trustee Guide (DSC, London, 2003) ISBN 0 7199 1610 0

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