

Trustee Basics

What is a Trustee?

Also possibly known as a director, governor, member of management committee or executive committee. Charity trustees are the people legally responsible for the overall management and decision-making in a charity. They are also responsible for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up

They are volunteers and usually do not get paid anything but out of pocket expenses for their role. They bear the ultimate responsibility both legally and financially for the charity and any actions it takes.

If a charity has a trading arm which is a company the trustees are usually also the directors of the company.

Roles and Responsibilities

Trustees are responsible for the direction and performance of their charity.

According to the Charity Commission:

Compliance – Trustees must:

- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.
- Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
- Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Most trustee boards will have a Chair, normally appointed from the existing trustees, and a Treasurer.

They may be directly involved in the day-to-day running of the charity, this usually happens when the charity is very small. If there are staff the trustees are responsible for monitoring and controlling their activities.

Trustees usually consist of more than four people and meet quarterly.

The charity's governing document might specify a length of service - normally several years.

Who can't be a trustee?

- anyone who has been convicted of an offence involving deception or dishonesty, unless the conviction is spent anyone who is an undischarged bankrupt
- Those under 18 are usually disqualified

- anyone who has previously been removed from trusteeship of a charity by the court or the Charity Commissioners
- anyone who is under a disqualification order under the Company Directors Disqualification Act 1986.

Expenses and benefits

The Charity Commission says:

The concept of unpaid trusteeship has been one of the defining characteristics of the charitable sector, contributing greatly to public confidence in charities. This does not mean that a trustee can never receive any payment or benefit from his or her charity; there are sometimes good reasons why it can be in a charity's interests to make a payment to a trustee.

Trustees are entitled to have their **expenses** met from the funds of the charity. Expenses **can include** a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges, travelling on trustee business, and providing childcare or care of other dependants while attending to trustee business.

It is good practice to set out what will and will not be covered in expenses in an expense policy. The Charity Commission has more detail available on their website about what can and cannot be paid for.

As good practice, a trustee board should regularly **review** the performance of each trustee (including the chair). This is particularly important where a trustee is receiving a payment from the charity.

Further information

This is only an introduction, Charity Law is extensive and complex and the Charity Commission is an excellent source for further details on everything listed in this fact sheet.

The Charity Commission

<http://www.charity-commission.gov.uk/>

The regulator for all charities in Britain, provides useful toolkits and resources on their website.

Charity Trustee Networks

<http://www.trusteenet.org.uk/>

Offers trustees mutual support by encouraging and developing self-help trustee network groups providing consultancy and mentoring.