

# Becoming a trustee



Overview  
and resource  
pack for small  
and developing  
charities

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# Introduction to Trusteeship

Trustees play a crucial role in the governance and management of charities. Understanding the basics of Trusteeship is essential for ensuring the charity operates effectively and in line with legal requirements.

This resource pack aims to equip Trustees of small and developing charities, and aspiring Trustees, with the knowledge and tools needed to fulfil their roles effectively. Trustees should seek ongoing training and support to stay informed about best practices and emerging trends in charity governance. A well-governed charity can achieve its mission and positively impact the community it serves.

Throughout the document there are links to support you to develop yourself as an aspiring Trustee and the governance of your charity.

## What is a Trustee?

A Trustee is a person responsible for controlling the management and administration of a charity. Trustees must act in the best interests of the charity and ensure it achieves its objectives. Trusteeship can be rewarding, offering opportunities to contribute to society and develop new skills.

## Who can be a Trustee?

Trustees must be at least 16 (for Charitable Incorporated Organisations) or 18 for other charities. Some individuals may be disqualified from acting as trustees, such as those with certain unspent convictions or those declared bankrupt. The Charity Commission provides comprehensive guidance on disqualifications and waivers.

Why would someone want to be a Trustee? Maybe you...

- Have free time and want to contribute to your community.
- Want to develop your skills and enhance your leadership, financial, and strategic skills.
- Want to connect and mix with individuals, professionals and communities.
- Want to get personal fulfilment and contribute positively to causes you care about.
- Want to add community voluntary work to your CV and give you valuable strategic knowledge and skills to support your future career development.
- Are retired and want to continue to use your skills for the benefit of others.

## Commitment:

Trustees are typically expected to dedicate time to attend meetings, understand the charity's work, and participate in decision-making processes. The average commitment might be around 5-10 hours per month, depending on the charity's needs.

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## Roles and Responsibilities

Trustees have a range of core responsibilities, including:

- Ensuring compliance with the charity's governing document and relevant legislation.
- Safeguarding assets by managing funds and property prudently.
- Strategic planning to further the charity's objectives.
- Monitoring activities to ensure they align with the charity's mission.

### **Trustees' duties:**

- Ensure the charity is carrying out its purposes for the public benefit
- Verify that activities align with objectives stated in the governing document.
- Regularly review the charity's mission and adapt as needed.
- Comply with the Governing Document and Law
- Follow the charity's rules, regulations, and legal obligations.
- Maintain knowledge of legal requirements through regular updates and training.

### **Act in the charity's best interest:**

- Put the charity's needs above personal or other interests.
- Make unbiased decisions that support the charity's goals.

### **Manage resources responsibly:**

- Ensure financial stability and transparency.
- Protect and manage the charity's assets.
- Act with Reasonable Care and Skill
- Make informed decisions by seeking advice when necessary.
- Use your skills and experience to guide charity actions.

### **Ensure accountability:**

- Be accountable to members, stakeholders, and the public.
- Produce and submit annual reports and accounts.

### **Role of the Chair, Treasurer, and Secretary**

- Chair: Leads meetings, represents the charity, and ensures effective board operations.
- Treasurer: Oversees financial matters, budgets, and financial reporting.
- Secretary: Manages documentation, compliance with statutory obligations, and meeting records.

## Delegation and Committees

Trustees can delegate certain tasks but must maintain overall responsibility. Sub-committees can be established to focus on specific areas, such as finance or fundraising.

## Trustee Meetings

Regular meetings are vital for discussing charity progress and making decisions and all trustees should participate actively and contribute to discussions.

# Key legal duties

## Governing document:

The governing document is the foundation of a charity's legal and operational structure. It typically includes:

- The Charity's objectives and purposes
- Trustee appointment and removal procedures
- Meeting and decision-making processes

## Legal compliance:

Charity law: Adhere to the Charities Act 2011 and other relevant legislation.

Regulatory requirements: Register with the Charity Commission if income exceeds £5,000 or is a Charitable Incorporated Organisation.

Data protection: Comply with the Data Protection Act 2018 and GDPR (general data protection regulations).

## Reporting and filing:

Annual returns: Submit annual returns and audited accounts to the Charity Commission if income exceeds £25,000. If under £25,000 the accounts do not need to be audited

Trustees' Annual Report: Outline activities, achievements, and financial performance.

Serious Incident Reporting: Report any significant issues affecting the charity to the Charity Commission promptly.

## Conflicts of Interest & Code of Conduct:

Trustees must identify and manage conflicts of interest to ensure decisions are made impartially. Implement a conflict-of-interest policy and maintain a register of interests.

Find out more at [www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees](http://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees). A sample policy can be seen in appendix B with a code of conduct sample policy in appendix A.

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## **Charitable Incorporated Organisation (CIO) Structure:**

For small charities, adopting a CIO structure offers benefits such as limited liability and simplified reporting. This structure is suitable for charities looking to protect trustees from personal liability while maintaining flexibility.

## **Charity registration:**

Charities must register with the Charity Commission if they meet certain criteria. Registration provides:

- Legal recognition
- Access to tax reliefs
- Enhanced public trust

## **Trustee disqualification:**

The Charities Act 2011 outlines specific disqualifications for trustees. These include undischarged bankrupts, those with certain criminal convictions, and disqualified directors. It's crucial for charities to perform due diligence when appointing trustees to ensure compliance with these regulations.

## **Trustee indemnity insurance:**

Trustee indemnity insurance protects trustees against personal liability claims arising from their duties. While not mandatory, it provides peace of mind and financial protection.

# Good governance practices

The Charity Code of Governance offers guidelines for good governance, tailored to charities of various sizes and includes:

**Organisational purpose:** Define and evaluate the charity's purpose and activities regularly.

**Leadership:** Develop effective leadership structures and processes.

**Integrity:** Uphold high ethical standards and manage conflicts of interest.

**Decision-making and risk control:** Ensure decisions are informed, and risks are managed effectively.

**Board effectiveness:** Evaluate board performance and implement improvements.

**Diversity:** Encourage diverse representation and inclusive practices.

**Openness and accountability:** Foster transparency and stakeholder engagement.

**Board effectiveness:** Enhancing board effectiveness involves regular evaluation and training. Conduct self-assessments and external reviews to identify areas for improvement.

**Leadership and strategy:** Strong leadership ensures strategic direction and operational success. Trustees should work collaboratively with staff and volunteers to achieve the charity's goals.

**Effective decision-making includes:**

- Clear procedures and documentation.
- Engaging all trustees in discussions.
- Evaluating options and considering risks.
- Ethical Standards and Integrity

**Maintain high ethical standards and transparency:** Encourage trustees to act as role models, demonstrating integrity in all actions.

### **Diversity and Inclusion**

Promote diversity within the board to reflect the communities served by the charity. Embrace varied perspectives to enhance decision-making.

## **Financial management**

Trustees must ensure proper financial management and accountability. Key tasks and responsibilities include:

**Budgeting:** Develop and monitor budgets to ensure financial stability.

**Financial controls:** Implement robust controls to prevent fraud and errors.

**Financial reporting:** Ensure timely and accurate financial reporting.

**Accounting and record-keeping:**

Maintain accurate financial records, including income, expenditure, and assets. Use accounting software or systems that suit the charity's size and complexity.

**Financial Reporting:**

**Annual accounts:** Prepare and submit annual accounts to the Charity Commission if income exceeds £25,000.

**SORP compliance:** Follow the Statement of Recommended Practice (SORP) for charities, ensuring transparency and accountability.

**Fundraising and income generation:**

**Fundraising regulations:** Comply with the Fundraising Code of Practice and data protection laws.

**Income sources:** Diversify income streams, including donations, grants, and trading activities.

**Gift Aid:** Maximise Gift Aid opportunities by encouraging eligible donations.

**Investment policies:**

Develop an investment policy aligned with the charity's objectives and risk appetite. Monitor investments regularly and adjust strategies as needed.

**Reserves policy:**

Establish a reserves policy to manage financial risks and uncertainties. Determine an appropriate level of reserves based on the charity's needs and activities.

Find out more at <https://www.gov.uk/guidance/managing-charity-finances>



# Risk management

## Identifying risks:

Trustees must identify potential risks that could impact the charity, including:

- Financial risks (e.g., loss of funding)
- Operational risks (e.g., data breaches)
- Strategic risks (e.g., mission drift)
- Compliance risks (e.g., legal breaches)

## Risk assessment:

Conduct regular risk assessments to evaluate the likelihood and impact of identified risks. Prioritise risks based on their potential effects on the charity's operations.

## Risk mitigation strategies:

Implement risk mitigation strategies to minimise the impact of identified risks including:

- Develop contingency plans.
- Enhance internal controls and processes.
- Train staff and volunteers on risk management practices.

## · Regular risk reviews:

- Regularly review and update risk management plans to address emerging risks. Engage trustees, staff, and stakeholders in risk assessment and mitigation efforts.

## Crisis management:

Establish a crisis management plan to respond effectively to emergencies (such as loss of IT, loss of use of offices/building) or significant incidents. Define roles and responsibilities, communication protocols, and recovery strategies.

## Health and safety:

Ensure compliance with health and safety regulations to protect staff, volunteers, and beneficiaries. Conduct risk assessments and implement appropriate safety measures.

## Insurance cover:

Obtain appropriate insurance cover, including public liability, employer's liability, and professional indemnity insurance, to protect the charity from potential claims.

Many resources, information and policy templates, for both the aspiring trustee and charity can be found at [www.resourcecentre.org.uk](http://www.resourcecentre.org.uk) and [www.gettingonboard.org](http://www.gettingonboard.org)

# Safeguarding

Trustees have responsibilities and a legal duty to safeguard beneficiaries, staff, and volunteers. This includes protecting individuals from harm, abuse, and neglect.

## **Safeguarding policies:**

Develop and implement safeguarding policies and procedures tailored to the charity's activities and beneficiaries.

Policies should cover:

- Recognising and responding to safeguarding concerns
- Reporting and recording procedures
- Annual staff, volunteer and trustee training
- Appointing a designated Safeguarding Officer to oversee safeguarding practices and act as a point of contact for concerns. Ensure they receive appropriate training and support.

## **Safer recruitment practices:**

Implement safer recruitment practices, including:

- Conducting background checks (e.g., DBS checks)
- Verifying references and qualifications
- Providing safeguarding training to new recruits
- Reporting Safeguarding Concerns
- Establish clear procedures for reporting safeguarding concerns to relevant authorities, including the Charity Commission and local safeguarding boards.

## **Whistleblowing:**

Develop a whistleblowing policy to encourage reporting of wrongdoing or concerns. Ensure staff and volunteers know how to report issues safely and confidentially.

## **Online safety:**

Implement measures to protect beneficiaries and stakeholders from online risks, such as cyberbullying and exploitation. Educate staff, volunteers, and beneficiaries on safe online practices.

Much more can be found here: [www.gov.uk/guidance/safeguarding-for-charities-and-trustees](http://www.gov.uk/guidance/safeguarding-for-charities-and-trustees).

# Charity Commission Guidance

The Charity Commission provides a wealth of guidance to help trustees fulfil their duties effectively. Key resources include:

## **The Essential Trustee (CC3):**

A comprehensive guide outlining trustees' legal responsibilities and good practice recommendations. This document is essential reading for all trustees:

You can find out more [here](#):

## **Serious incident reporting:**

- Guidance on identifying and reporting serious incidents to the Charity Commission:
- Serious incident reporting guide
- Charities and fundraising
- Guidance on legal obligations and best practices for fundraising:
- Charity fundraising: A Guide to Trustee Duties (CC20)
- Financial guidance - advice on managing charity finances, including reserves and investments:
- Charity reserves: Building Resilience
- Charity investments: Guidance for Trustees (CC14)
- Governance codes
- Charity governance code for good governance practices and standards.
- Sample policies
- Model governing documents for different types of charities.
- Model conflict of interest policy to manage trustee conflicts effectively.

Everything you need to know about serious incident reporting, and more can be found at: [www.register-of-charities.charitycommission.gov.uk/report-a-serious-incident](http://www.register-of-charities.charitycommission.gov.uk/report-a-serious-incident).

# Resources and support

- National Council for Voluntary Organisations (NCVO): Provides resources, training, and support for charities and trustees. [www.ncvo.org.uk](http://www.ncvo.org.uk)
- Small Charities Coalition: Offers advice and resources tailored to small charities. [www.smallcharities.org.uk](http://www.smallcharities.org.uk)
- Directory of Social Change (DSC): Provides training and publications for the charity sector. [www.dsc.org.uk](http://www.dsc.org.uk)
- Institute of Fundraising (IoF): Offers fundraising training and resources. IoF Website
- Association of Charitable Foundations (ACF): Supports foundations and grant-making charities. <https://acf.org.uk/acf/ACF/Home.aspx>
- The Cranfield Trust: Offers pro bono management support for charities. [www.cranfieldtrust.org](http://www.cranfieldtrust.org)
- Charity Finance Group (CFG): Provides financial training and support for charities. [www.cfg.org.uk](http://www.cfg.org.uk)
- Charity Excellence offer free templates and checklists. [www.charityexcellence.co.uk/free-charity-resources-templates-and-checklists](http://www.charityexcellence.co.uk/free-charity-resources-templates-and-checklists)

## Training and development:

Trustees should take responsibility for developing their knowledge and skills with regard to governance and being a trustee and lots of training can be found here:

[www.gettingonboard.org](http://www.gettingonboard.org). A sample trustee induction checklist can be found at appendix D.

Other methods to help you develop include:

- Online courses: Many organisations offer free or low-cost online courses for trustees, such as the Open University's Charity Trustee Training.
- Webinars and workshops: Attend webinars and workshops hosted by sector experts to stay informed about best practices and emerging trends.
- Networking opportunities
- Trustee networks: Join trustee networks to connect with peers, share experiences, and learn from others.
- Events and conferences: Attend charity sector events and conferences to gain insights and make valuable connections.

## · Publications and Guides

**Charity Commission Publications:** Access a wide range of guides and reports on charity governance and management here: [www.gov.uk/government/organisations/charity-commission](http://www.gov.uk/government/organisations/charity-commission)

Further information, resources and guidance can be found on the govt website here: [www.gov.uk](http://www.gov.uk)

Lastly, the following links will take you directly to some specific areas of becoming or wanting to become a trustee [www.gettingonboard.org](http://www.gettingonboard.org)

## Appendix A

# Sample Trustee Code of Conduct

This sample code of conduct outlines expected behaviours and responsibilities for trustees. Adapt it to suit your charity's specific needs.

**Code of Conduct:**

**Integrity:** Act honestly and with integrity in all dealings.

**Confidentiality:** Maintain confidentiality of sensitive information.

**Respect:** Treat all individuals with respect and dignity.

**Commitment:** Dedicate sufficient time and effort to trustee duties.

**Compliance:** Follow the charity's governing document and legal obligations.

**Collaboration:** Work collaboratively with fellow trustees, staff, and stakeholders.

**Conflict of Interest:** Declare and manage any conflicts of interest.

## Appendix B

# Sample Conflict of Interest Policy

A conflict-of-interest policy helps trustees identify and manage conflicts effectively.

Customise this sample policy for your charity.

### **Conflict of Interest Policy:**

**Purpose:** To ensure trustees act in the charity's best interest and maintain transparency.

**Declaration:** Trustees must declare any conflicts of interest at the earliest opportunity.

**Recording:** Maintain a register of interests, updated regularly.

**Management:** Address conflicts through agreed procedures, including exclusion from relevant discussions or decisions.

**Review:** Regularly review the policy to ensure effectiveness and compliance.

## Appendix C

# Trustee Induction Checklist

**Welcome pack:** Provide an overview of the charity's mission, values, and activities.

**Governing document:** Explain the charity's governing document and key policies.

**Legal responsibilities:** Outline trustees' legal duties and obligations.

**Financial overview:** Provide an overview of the charity's financial position and reporting processes.

**Meetings and procedures:** Explain meeting schedules, procedures, and decision-making processes.

**Safeguarding and risk management:** Introduce safeguarding policies and risk management practices.

**Support and development:** Highlight training opportunities and support available to trustees.



# Appendix D

## Glossary of key terms

**Trustee:** A person responsible for controlling the management and administration of a charity.

**Governing document:** The legal document that sets out a charity's rules and objectives.

**Conflict of interest:** A situation where a trustee's personal interests may influence their decisions.

**SORP:** Statement of Recommended Practice, providing guidance on financial reporting for charities.

**CIO:** Charitable Incorporated Organisation, a legal structure for charities.

**Public benefit:** The principle that charities must benefit the public, as outlined in charity law.

**DBS check:** Disclosure and Barring Service check, used to verify an individual's criminal record.

**Reserves:** Funds set aside to manage financial risks and uncertainties.

**Fundraising Code of Practice:** Guidelines for ethical and legal fundraising activities.