

Being a trustee

This guide tells you the main things you
need to know about being a trustee



Easy read





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Who is this guide by?



We are the **Charity Commission**.

It is our job to make sure that all charities in England and Wales follow the law and their property is looked after properly.

We help charities and trustees with information and advice.

What is a trustee?



A trustee is someone who is responsible for running a charity.

A charity will have several trustees. They work as a group to make sure the charity is run properly.

Trustees are responsible for things like

- managing staff and volunteers
- money
- making decisions about what the charity will do

Introduction



This guide tells you about the main things you need to know if you are a trustee or thinking about becoming one.

It is a guide to help you.

It does not have all the information you need to know about the charity that you are a trustee of or thinking about becoming a trustee of.

Understanding about what a charity does and how it works can be hard.

If you are thinking of becoming a trustee, make sure that someone explains things to you in a way you understand.

If you are already a trustee make sure you ask questions about things you are not sure of.



Some useful words



Charity – a group that works to make life better for others.

Examples of charities are

- Mencap
- Scope
- The Red Cross
- Oxfam
- NSPCC.



Trustees – the people who make sure a charity is run properly.

In some charities the following people will be trustees:

- directors
- governors
- committee members
- board members.

In this guide we use trustees.



Board of trustees – the group of trustees who run a charity.



Governing document – this is the document that says what the charity can do. It is a legal document.

You can think of the governing document as the rules of the charity.

Other useful information



There are 2 sorts of information in this guide

When information has a black box next to it ■

- this tells you about what trustees **must** do to follow the law about charities.

When information has no box next to it

- this tells you about what trustees **should** do to make sure a charity is run properly.



You can find out more information from our website

www.charitycommission.gov.uk

Trustees and their responsibilities



Before you become a trustee

Make sure you find out as much as you can about

- the charity
- what you will be expected to do.



There are 2 main types of charity

These are

- unincorporated charities
- incorporated charities.

Find out which your charity is. There are some differences in the laws about these charities.

This will mean different responsibilities for trustees.



Who can be a trustee?

For unincorporated charities, most people who are 18 years or over.

For incorporated charities, most people who are 16 years or over.



Who chooses trustees? ■

Choosing a trustee is usually called **appointing** a trustee.

Usually the governing document tells you how trustees are appointed.

For example, the people who are already trustees vote to appoint new trustees.

Trustees and their responsibilities



How long can someone be a trustee for?

Information about this is usually in the governing document.



Can a trustee resign?

Resigning means that you stop being a trustee for a charity.

Yes, trustees can resign. There is often information about this in the governing document.

Sometimes it may be important to get advice from a legal person like a solicitor.



Can trustees get someone else to take on their responsibilities?

Yes, trustees can get other people to take on some of their responsibilities.

For example, a charity may have paid staff. Trustees can ask them to be responsible for some things as part of their jobs.

It is important to remember that even if a charity has paid staff the trustees are always responsible for making sure the charity is run properly.

Trustees and their responsibilities



Making decisions

All the trustees work together to make decisions.

Not all the trustees have to agree with a decision, it just needs to be most of them.



Chair and treasurer

Most charities have some trustees who have special responsibilities like the chair and treasurer.

How things should be done and following the law



Do all trustees have to follow the same set of rules?

There are laws all trustees have to follow.

There are laws that trustees have to follow that depend on the type of charity you are a trustee for.



Trustees being paid

Most trustees do not get paid.

Most trustees can not be employed by the charity.

Registering with us, the Charity Commission

Most charities must register with us.



Trustees and fundraising

Trustees have to make sure that any fundraising for their charity follows the law.



How things should be done and following the law



Changing what the charity does

If the rules about the work of the charity need to change this can often be done by the charity.

If not, contact us for help.

Other laws



Charities have to follow the same laws as everyone.

For example

- laws about employing people
- health and safety rules.

Looking after money

Trustees and money

Trustees must make sure that the charity looks after and uses its money in the right way.

This means being responsible for

- property, buildings or land (if a charity has these)
- following the laws about money
- how the charity gets its money
- how the charity looks after its money
- how the charity spends or uses its money.



Accounts

Trustees have to keep accounts. Accounts are written records about money.

You can get advice from us about how to keep records about money.

Looking after money



More than £25,000

If your charity has income (money coming in) that adds up to more than £25,000 a year you must have the accounts examined or audited.

This means they must be checked by someone who is not part of the charity and whose job it is to check accounts. This person is called an examiner or an auditor.

If your charity has income of less than £25,000 you must still make sure your records about money are kept properly.

It is your job as a trustee to make sure money is managed properly.

Duty of care



Duty of care

This is about each trustee doing the work of being a trustee.

It is about

- being responsible
- giving enough time to do things properly
- using your skills and experience to help the charity
- keeping up to date with laws and rules about charities.



How often should trustees meet?

As often as is needed to make sure the charity is being run properly.

How long the meetings are is up to each charity.

If things go wrong



Personal liability

If the trustees make a decision that is wrong for the charity because they did not behave in a responsible way, they may have to pay for this.

For example, if trustees decided to spend £100,000 on decorating the building when the charity did not have the money to spend.

They would be personally liable if they

- had not checked and there was not enough money to pay for the decorating

or

- decided to spend the money even though they knew the charity did not have the money

Trustees who take their responsibilities seriously should not have to worry about liability.

Can trustees be insured against personal liability?

Yes they can in many cases.

But, if a trustee behaves in a way that is dishonest or does not follow the rules and laws they will not be covered by insurance.

If things go wrong



Closing a charity



This is usually called winding up a charity.

A charity can be wound up. What it owns (money and property) can be given to another charity.

The law about this is complicated.

We can give you advice and information.



Mencap helped to make this easy read.



The pictures are from Photosymbols.

