



## **The Role of the Board of Trustees**

At its simplest, the role of a charity trustee is to receive assets from donors, safeguard them, and apply them for a charitable purpose according to the wishes of the donor. The board of trustees is the governing body of a charity and is ultimately responsible for everything the charity does. It is accountable in law to the donors through the Attorney General and the courts. The trustees must act in the best interests of the beneficiaries, exercising the same duty of care that a prudent person of business would in looking after the affairs of someone for whom they had responsibility. The trustees must act together as a group, rather than as individuals, setting aside their personal interests, and giving their time to carry out their duties for no payment or gain.

The fundamental role of the trustee does not change as an organisation grows, although the responsibilities become more onerous as staff and resources expand. The activities of trustees do vary with the type and size of the charity and the stage it has reached in its development. Many charities are run entirely by their trustees, without any assistance from other volunteers or paid staff, in which case the trustees both govern the charity and do all the work. However, as most charities grow, the trustees recruit volunteers or employ paid staff to help them until eventually the role of trustees becomes that of pure governance. Then the role of the trustee is to ensure that the organisation is well managed, not to manage it themselves.

It is important to distinguish from the outset the governance matters that trustees must deal with personally, and the day to day management and operational matters that could be delegated to staff. If this distinction is made, even in small organisations with few or no staff and where trustee agenda tend to be dominated by operational issues, it helps the trustees to remember their duty to guard the charity's long-term future as well as to deal with short-term crises. As organisations develop and grow, it also makes it easier for trustees to free themselves from having to deal with matters that could be delegated to staff, so that they can focus on governance. If the role between governance and operational matters is not clearly defined, the role of the board will need to be reassessed from time to time as organisations develop.

Governance is about leadership and direction. It is about ensuring that your charity has a clear, shared vision of its purpose, what it is aiming to achieve and how in broad terms it will go about doing it, and that it maintains a sense of urgency about its work. Trustees must set clear aims and objectives, establish priorities, safeguard the charity's assets (money, property, equipment and human resources) and use them effectively and exclusively for the benefit of those the charity exists to help. Where day to day management and operations are delegated to staff or volunteers your board remains responsible for supervising the Chief Executive Officer and ensuring that the organisation is being well managed and operating within agreed policies, the law and its budget.

Trustees may act only within their powers. The governing document usually sets out trustees' powers, including the powers to delegate certain limited tasks to sub-committees, staff or volunteers; to change the governing document; to make investments; and to take out trustee liability insurance.

### **The main roles of the Board**

- Determine the charity's mission and purpose
- Guard the charity's ethos and values
- Develop and agree the charity's long term (or strategic) plan
- Develop and agree the charity's policies
- Ensure that all the charity's activities are within the law
- Ensure that all the charity's activities come within its charitable objects
- Ensure accountability as required by law (the Charity Commission, Inland Revenue, Customs and Excise) and to others such as donors, beneficiaries, staff, volunteers and the general public.
- Ensure accountability to the Registrar of Companies, as required by law
- Ensure the charity has adequate resources
- Ensure the charity's property, assets and other resources are protected and managed effectively
- Agree the budget and monitor financial performance
- Monitor the charity's programme and services
- Review annually the performance of the board of trustees
- Establish procedures for recruitment, support, appraisal, remuneration of staff and for dealing with disciplinary matters.

### **In order to carry out its role the board must:**

- Meet as often as is necessary for the proper administration of the charity
- Seek professional and other expert advice where necessary

Trusteeship is a serious responsibility and should not be undertaken lightly. You must be prepared to give the necessary time for reading board papers, attending board meetings, and keeping yourself informed about the charity's activities and up to date with regulations, charity law and, where appropriate, company law and best practice recommendation such as the Statement of Recommended Practice (SORP) for Accounting by Charities.

### **Can trustees delegate to committees?**

Trustees are required to act in person and any decisions affecting the charity must be made by the trustees acting together. If your governing document gives you the power to do so, you may delegate authority to a sub-committee of your board for a particular aspect of the charity's work, or delegate authority to a task group or committee whose members need not necessarily all be trustees. However, any decision made by such groups remain the responsibility of the whole board of trustees. The terms of reference and reporting-back procedures of any committees, sub-committees or task groups should be laid down in writing and agreed by the board of trustees.

### **What can trustees delegate to staff?**

Similarly, if your charity is of a sufficient size, and your governing document gives you the power to do so, you may delegate the day to day management of the charity and all its operations to staff. The scope of delegated authority should be set down in writing and decisions made by staff on important matters must be reported to the board of

trustees as quickly as possible. The board remains legally responsible for all activities of the charity, including matters delegated to staff.

What is appropriate to delegate to staff will vary with the size of the charity. For example, the trustees of a small grant-giving trust would be expected personally to examine all grant application, but this would be impractical for the trustees of a charity of CF's size. The trustees of such charities should produce written guidelines setting out their grant-giving policy, and then delegate to staff the authority to make grants within those policy guidelines up to a specified amount. The trustees should be given a report of any grants made. Similarly, the boards of trustees should make major policy decisions. The trustees of a national network of self-help groups may decide that all helpline volunteers must be trained, but could delegate locally decisions about the hours each helpline should be staffed, similarly trustees of a charitable company running charity shops may decide whether properties should be purchased or rented but will delegate decisions about shop location and layout to local staff.