

# Trustee Handbook

## Trustees Handbook –Trustee Job Description.

### Job Description for People & Work Unit Charity Trustees\*

#### Purpose

The purpose of this Job Description is to provide potential trustees with a clear description of what is expected from them. It is meant to set boundaries around the role and help focus their attention on key issues.

#### General Objectives

The objective of every trustee should be to ensure, in common with fellow trustees, that the charity operates in a manner, which enables it to fulfil the objectives listed in the governing document (Memorandum of Association) as effectively as possible.

#### Primary Duty

The primary duty of a trustee is to carry out the function of his/her office with the utmost good faith. He or she must be impartial and mindful of the interest of the beneficiaries of the charity and of the objects for which the charity is established.

A trustee must fulfil his/her duties with diligence and act as would a prudent person.

Trustees may appoint and rely upon expert opinion of qualified professional people but, in doing so, they must take care over such appointments and test such expert opinion to the extent to which it can be expected of a prudent person acting as a trustee.

The trustees of a charity have, as prime duties, to ensure that all charitable funds are distributed in accordance with the objects of the charity and that all funds not immediately required are invested properly in accordance with the investment powers authorised by the Memorandum of Association.

#### Specific Duties

Every trustee should:

- Read the governing document and fully understand the charity's objects and rules;
- Ensure that the charity operates within the law;
- Regularly attend, and contribute to, trustee meetings and support others to contribute;

- Maintain a governance perspective by ensuring that the board establishes the charity's strategic decision and goals; fully understanding the charity's performance evaluation process and the boundaries of management authority; delegating to management the implementation of plans and budgets; monitoring key performance indicators on a regular basis and holding management accountable for outcomes; appraising the performance of the director
- Represent an agreed Board position or decision when speaking publicly;
- Review the board's performance annually;
- Help identify future trustees; and
- Induct new trustees.

### **Time requirement**

A trustee is expected to attend a minimum of (75%) of the (eleven) trustee meetings held annually. In addition, a trustee is expected to devote adequate hours per month to preparation for board meetings, visiting projects, undertaking training etc.

### **Further Information**

Further reading can be found in the charity's Code of Conduct for Trustees, notes about Qualification and Conflict of Interest Policy.

## **Trustees Handbook – Code of Conduct.**

### **Code of Conduct for People & Work Unit Charity Trustees**

#### **Purpose**

The purpose of the Code of Conduct is to provide the trustees with clear guidance as to their standard of behaviour, responsibilities and best practise in fulfilling their obligations to this charitable organisation.

This document should read in conjunction with the Trustee Job Description, the notes about Qualification and the Conflict of Interest Policy, prior to completing both Declarations. For further information on the legal responsibilities of a charity trustee, please refer to “CC3 Responsibilities of Charity Trustees” published by the Charity Commission.

#### **Introduction**

The People & Work Unit is constitutionally a Company Limited by Guarantee without Share Capital. Its charitable objects are set out in the Memorandum of Association and its internal regulation is governed by the company’s Articles of Association. It is also a charity registered under the Charities Act 1963 and members of the Board are charity trustees within the meaning of the Act.

#### **General**

- Trustees must have a good understanding of and be sympathetic with the aims and objects the charity and act in accordance with the governing document at all times.
- Trustees must act and make decisions in the best interests of the charity, present and future beneficiaries and be aware of sector-and about-specific issues that may affect the present and future growth of the charity, and its relevance to modern society.
- Where professional assistance is required for the trustees to be able to be able to make the most appropriate decision affecting the charity, that assistance should be sought and considered carefully.
- Trustees must not receive any financial or non-financial benefit that is not explicitly authorised by the governing document. Trustees should not exert any influence to garner and preferential treatment for themselves or their family (refer to conflict of interest policy).
- Trustees are jointly and severally liable for their decisions, therefore decisions should be taken together and communicated to staff, stakeholders and funders in a unified manner.
- Trustees are accountable to stakeholders for their actions, and as such decision-making and governance issues should be as transparent as possible, except for when confidentiality is required.
- Trustees should be prepared to spend an appropriate amount of time reading papers and preparing for board meetings. A minimum attendance

of 75% is required of trustees to ensure that best practice in governance is reached and maintained.

- Should a trustee feel that they require further guidance or training in their role, they have a duty to inform the charity Chairman and actively develop aspects for new training on an individual or group basis.
- Any information of confidential nature must remain so outside the confines of the trustee meeting.

## **Trustees Handbook – Declaration of Potential Conflict of Interest**

**PEOPLE AND WORK UNIT CHARITY TRUSTEE DECLARATION to be completed upon appointment and annually thereafter**

### **PART ONE - QUALIFICATION**

#### **Notes on persons disqualified from being trustees of a charity**

From 1st January 1993, under the terms of the Charities Act 1992 (subsequently consolidated into Section 72 of the Charities Act 1993) certain people were automatically disqualified from being a trustee of a charity (\*). Similarly, certain people who wish to become a trustee cannot by law become a trustee (\*). These people are those who :-

- are undischarged bankrupts; or
- have been convicted at any time of any offence involving deception or dishonesty, unless the conviction is legally regarded as spent; or
- have made composition with creditors and have not been discharged; or
- have at any time been removed by the Commissions or by the court of England, Wales or Scotland from being a trustee because of misconduct; or
- are disqualified from being company directors; or
- are subject to an order made under s429(2)(b) of the Insolvency Act 1986; or
- (in the case of charity trusteeship of a children's charity) are banned from being a trustee under the Criminal Justice and Court Services Act 2000.

(\* ) Note – it is possible for people who are disqualified to apply at any time for a waiver from the Charity Commissioners, which if granted, allow them to continue as, or to become, a trustee.

## **DECLARATION**

**I declare that I have read the note above describing the reasons listed in section 72 of the Charities Act 1993 that disqualify a person from being a trustee of a charity and confirm that I am not disqualified from being a trustee of the People and Work Unit.**

**Signed**

**Print Name**

**Date**

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Now turn over

## **PART TWO - CONFLICT OF INTEREST POLICY**

**Why we have a policy.** Trustees have a legal obligation to act in the best interests of the People and Work Unit, and in accordance with the charity's governing document. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the People and Work Unit. Such conflicts may create problems; they can: inhibit free discussion; result in decisions or actions that are not in the interests of the People and Work Unit; and risk the impression that the People and Work Unit has acted improperly. The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

**The declaration of interests.** Accordingly, we are asking trustees to declare their interests, and any gifts or hospitality received in connection with their role in the People and Work Unit. To be effective, the declaration of interests needs to be updated at least annually, and also when any changes occur. If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the chairperson for confidential guidance. Interests will be recorded on the charity's register of interests, which will be maintained by the charity secretary. The register will be accessible by anyone.

**DECLARATION OF POTENTIAL CONFLICTS OF INTEREST**

**I declare that I have read the People and Work Unit Conflict of Interest Policy and list my interests below. I also declare that I will verbally give notice of any potential conflict of interest that may arise at any Trustee meeting.**

**Employment** - current employment and any previous employment in which you continue to have a financial interest.

**Appointments** (voluntary or otherwise) eg trusteeships, directorships, local authority membership, tribunals etc.

**Membership** of any professional bodies, special interest groups or mutual support organisations.

**Investments** in unlisted companies, partnerships and other forms of business, major shareholdings (charities may set a figure here, eg more than 1% or 5% of issued capital) and beneficial interests.

**Gifts or hospitality** offered to you by external bodies and whether this was declined or accepted in the last twelve months.

**Do you use**, or care for a user of the organisation's services?

**Any contractual relationship** with the charity or its subsidiary.

**Any other conflicts** that are not covered by the above.

*Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection*

**Signed** .....

**Print Name** ..... **Date** .....

## **Changes to the Charities Act 2006**

### **Summary of the Document published by the Cabinet Office called the: Charities Act 2006 - What Trustees Need to Know.**

This is only a brief summary of the changes that may affect the Unit. Changes that do not affect the Unit are not mentioned here. Further and more detailed information can be obtained from the Cabinet Office; Office of the Third Sector at: [www.cabinetoffice.gov.uk/thirdsector](http://www.cabinetoffice.gov.uk/thirdsector) or the Charity Commission at: [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

Alternatively the Unit holds a hard copy of this document.

- A new list of 12 charitable purposes.
- All charities must have purposes that benefit the public.
- Changes to audit, accounts and annual returns. These changes do not affect the Unit unless the annual income drops below £500,000.
- Speeding up the process of changing the governing document.
- Allowing payments to be made to trustees if certain conditions are satisfied.
- Charities may buy trustee indemnity insurance if certain conditions are satisfied.
- The Charity Commission can be more flexible in the help it can give charities to resolve issues and problems.
- The Charity Commission has new powers in conducting statutory investigations.
- The act will establish a Charity Tribunal, which charities can use to appeal against a Commission's legal decision rather than go to the High Court.
- A new structure for Charities - the Charitable Incorporated Organisation (CIO). It will have the benefits of incorporation however it will not have to register or report to both Companies House and the Charity Commission.

## **Changes to the Companies Act 2006**

The following information is taken from the Companies House website and gives a brief overview of the changes to the Companies Act 2006.

Companies House states the changes in the act are:

- to enhance shareholder engagement and a long term investment culture
- to ensure better regulation and a 'Think Small First' approach
- to make it easier to set up and run a company
- to provide flexibility in the future

Companies House states some of the key effects for all companies resulting from the Act include

- a clear statement of directors' duties
- companies able to make greater use of electronic communications with shareholders
- directors can file a service address on public record rather than a private address
- directors must be at least 16 years old
- there will be improved rules for company names
- companies will no longer be required to specify their objects on incorporation
- the articles will form the basis of the company's constitution

and for private companies

- there will be a simpler model of the articles of association
- a separate and comprehensive code of accounting and reporting
- they will not require a company secretary
- they will not need to hold an annual general meeting
- it will be easier to take decisions by written resolutions
- there will be simpler rules on share capital

- websites and emails must include the company's name, number, registered office and other particulars as business letters are already required to do.
- The deadline for filing accounts has been changed from 10 months to 9

As the People and Work Unit does not have shareholders I have not listed the changes directly affecting them and any reference to shareholders in the above list will not be relevant to the Unit either. Further information on changes to the Companies Act 2006 can be found at:

<http://www.companieshouse.gov.uk/companiesAct/faq.shtml>

and

<http://www.companylawclub.co.uk/topics/faq310.htm>

The DTI have produced a summary on what the act means for private companies and this can be accessed on their website at

<http://www.berr.gov.uk/files/file37956.pdf>

Alternatively the Unit holds a hard copy of the document.

