

- understand and accept that trusteeship carries legal duties and responsibilities.

#### You cannot be a charity trustee if you

- are under 18 years of age (unless the charity is a registered company); or
- are disqualified under section 72 of the Charities Act 1993 for example because you are an undischarged bankrupt or have an unspent conviction for an offence of dishonesty or deception; or
- (in the case of charity trusteeship of a children's charity) you are banned from being a trustee under the Criminal Justice and Court Services Act 2000.

#### Before you first become a charity trustee you should

- study the charity's governing document to learn about its purposes and administrative procedures;
- ask your fellow trustees to give you full details of the charity's property, investments and income; and
- study recent accounts and minutes of meetings to learn about the charity's finances and policies.

*Remember that this is only a summary of the full duties and responsibilities of charity trustees. More information can be found in our publication "The Essential Trustee: What you need to know" (CC3), which may be viewed on our website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk) or obtained by phoning our Contact Centre on 0845 300 0218.*

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## Responsibilities of Charity Trustees

### *A Summary*

## Responsibilities of Charity Trustees

This publication is a summary of the main duties and responsibilities of charity trustees. The last three paragraphs apply especially to persons who are thinking of becoming charity trustees.

### FOR ALL CHARITY TRUSTEES

#### **You are a charity trustee if you are**

- the trustee of a charitable trust (for example a charity founded by someone's will); or
- the director of a charitable company; or
- a member of the management or executive committee of a charitable association.

#### **You and your fellow trustees have full responsibility for your charity and must**

- act together and in person and not delegate control of the charity to others (you may be able to delegate areas of work, but they must remain under the trustees' control);
- act strictly in accordance with the charity's governing document;
- act in the charity's interests only and without regard to your own private interests;
- manage the charity's affairs prudently and take a long-term as well as a short-term view;
- not (without explicit authority) derive any personal benefit or gain from the charity of which you are trustees; and
- take proper professional advice on matters in which you are not yourselves competent.

#### **In managing the charity's finances you must**

- make sure that bank accounts are operated by more than one person;
- make sure that all the charity's property is under the control of the trustees;

- make sure that funds held for different purposes are kept in separate bank accounts, or that the charity's accounting records show clearly at all times the amount of funds held for each purpose;
- keep full and accurate accounting records; and
- collect in full all money owed or due to the charity, including tax and rating reliefs.

#### **In applying the charity's income you must**

- spend it solely for the purposes set out in the charity's governing document;
- spend it with absolute fairness between persons qualified to benefit from the charity; and
- spend it for the purposes of the charity unless you have some specific future use for it in mind, or unless you have explicit authority to accumulate it.

#### **If your charity has land or buildings you must**

- either occupy and use it for the charity's purposes or let it for the maximum possible return;
- make sure it is maintained in good condition;
- consider the need for insurance;
- regularly consider whether you are using it to the best advantage of the charity; and
- make sure that the charity property is vested in the trustees or in the name of a nominee where there is proper authority to do so.

#### **If your charity has funds to invest you must**

- invest only within the limits of the powers granted by the charity's governing document or the Trustee Act 2000;
- constantly monitor the performance of the investments;
- avoid speculation and invest prudently to achieve both income and capital growth; and

- seek professional advice about what investments are most suitable for your charity.

#### **If your charity needs to employ staff you should**

- give each employee a proper contract of employment and a written job description making clear the extent of his or her authority to act on your behalf.

#### **If you raise funds by appealing to the public you should**

- make sure that your appeal properly describes what the public's donations will be used for;
- be open and honest if asked about the costs of the appeal;
- not use fund-raising methods which exert undue pressure on people to give;
- approve in advance any fund-raising or advertising campaign carried out on your charity's behalf; and
- require fund-raisers to hand over money raised or collected by them before deducting their fees or expenses.

#### **You and your fellow trustees will put yourselves at risk of personal liability only if you**

- cause loss to the charity by acting unlawfully, imprudently or outside the terms of the charity's governing document; or
- commit the charity to debts which amount to more than its assets.

### FOR PERSONS THINKING OF BECOMING TRUSTEES

#### **You should become a charity trustee only if you**

- are prepared to give the necessary time and effort to the management of the charity;
- can help the charity achieve its aims through your expertise or commitment; and