

Committee Members: Duties and Responsibilities

People who become Committee Members of any voluntary and community group are accepting certain **responsibilities and duties**. This information sheet explains in general terms what these are. Whether you are already a member of a committee, or are thinking of joining one, the information in this sheet will help you to be confident that you understand your role, and can fulfil your duties properly.

Community Groups

If your group is a small community group, not registered as a charity or company or any other regulated type of organisation, then it is most probably an *Association*. If it has charitable purposes, your committee members have the duties of charity trustees (see below). If it does *not* have charitable purposes, your committee members still have certain common law duties, which are:

- They must act within the rules set out in the group's constitution including sticking carefully to the groups aims and only doing things the constitution gives them the power to do.
- They must **act within the law**.
- They must **act honestly and in good faith**, in the **best interest of the group**.
- If the group has any money or property, they have a **duty of trust** – i.e. they must ensure that the group's money and property are only used for the purposes intended.
- They must **not profit or gain any benefit** from the group unless that is expressly allowed in the constitution.
- They must **take good care** in managing the group – if they're not sure about something, they must get some advice to help them make the right decisions.
- They must **not misuse information** they get as a committee member.

Charity Trustees

Charity Trustees have special duties under Trust and Charity Law:

- They must make sure the charity is **registered** if it has to be registered (i.e. when its annual income is more than £5,000) and it complies with the Charity Commission's reporting and accounting requirements.

- They must make sure **they are eligible¹ to be a trustee** before they are appointed as one.
- They must make sure they were **properly appointed** under the group's constitution
- They must **follow the governing document**.
- They must always **act in the best interest of the people the charity supports**.
- They must **avoid any conflicts of interest** – if they can't, they must declare the conflict and remove themselves from the discussions and decisions that cause the conflict.
- They must **safeguard the assets and reputation of the charity** for example making sure things are secure, money is properly banked, there are proper arrangements in place to prevent fraud etc.
- They **must not profit from the charity** – and that includes closely connected people, e.g. family or a company they run.
- They have a **duty of care toward the charity**, and must act reasonably and responsibly – if they are unsure about a particular issue, e.g. legal issue, they must get professional advice – and follow it.
- They have a **duty of care towards people** including employees, volunteers, visitors to the charity's premises, etc.
- They must **act personally** – a trustee can't send someone else in their place to a committee meeting.
- They must **act together**. Decisions must be made by the committee or appropriately delegated. They must all then support the committee's decision, *even if* individually they didn't agree to it.
- They must **keep accounts** that comply with the requirements of Charity Law.
- They must **comply with the law generally** and ensure that any staff and volunteers do too.

Trustees of Charitable Companies are also its Directors (see below).

Company Directors

If the organisation is a registered company, the committee members are its Directors and have the following duties:

- To act within the company's powers.
- To act in good faith in the way most likely to achieve its charitable purposes.
- To exercise independent judgement.

¹ Trustees must be aged 18 or over. Grounds for disqualification from acting as a trustee include: unspent convictions for fraud or deception; un-discharged bankrupts; un-discharged composition or arrangements with creditors, or orders under the Insolvency Act for failure to make payments under a County Court Administration Order; having been removed by the Charity Commission or the High Court; and (for charitable companies) having been disqualified from acting as a Company Director;

- To exercise reasonable care, skill and diligence.
- To avoid conflicts of interest situations (including conflicts of loyalty or duty).
- Not to accept benefits from third parties.
- To declare an interest in proposed transactions and arrangements.

What does all this mean in practice?

Every member of the committee must play an active role. No committee member (not even the chair) has more power or authority than any other committee member, and the committee should never be controlled by one or two strong personalities.

Decisions not made in a properly called committee meeting may not be legal decisions, and may be open to challenge, and liability for them might land on the individuals themselves.

Decisions need to be recorded in the minutes, everyone must then support the decision, even if individually they disagree with it. The time to dissent is *during* the discussion, not after the decision has been properly made.

Every committee member must be prepared to set aside any personal interests, or external influences. If they cannot do that, they need to remove themselves from the discussion and not take part in, or contribute to, the decision.

If the Governing Document says that the Committee may regulate its own proceedings, then the committee can agree its own rules, but if it does not say this, then the committee will need to ask the members to approve their rules.

To be accountable, you must keep records, e.g. minutes of meetings showing your decisions and who made them; financial records to prove how you have used the group's money; and administrative issues such as contracts the group has signed, and correspondence on key things. This will enable you to report to your members, funders and other important people, and will enable future committee members to effectively carry on your good work.

A healthy committee is not afraid to ask for help or advice when it needs it.

Sources of information

Charity Commission & Companies House

The regulators for Charities, Companies publish information and guidance. Their websites are: www.charitycommission.gov.uk or phone 0845 300 0218; www.companieshouse.gov.uk phone 0303 1234 500.

The National Council of Voluntary and Community Organisations (NCVO)

NCVO provides a range of information, resources and support on governance. Go to www.ncvo-vol.org.uk/governanceandleadership, or contact the Governance and Leadership team at NCVO email governanceandleadership@ncvo-vol.org.uk or phone 020 7713 6161.

- **Good Governance: A code for the voluntary and community sector** sets out best practice in trusteeship. It is free to download from the NCVO website, or costs £5 to order a hard copy (see NCVO above).
- **The National Occupational Standards for Trustees** complement the Code of Governance (above) and represent a standard of best practice for the role of governance. Also free to download from the NCVO website, or £10 to order a hard copy. (See NCVO above).

Governance Pages

Governance Pages is a simple website, providing concise and accessible information on governance for committee members of small voluntary organisations. Go to www.governancepages.org.uk.

Trustee Net

TrusteeNet is the website of Charity Trustee Networks, providing information, resources, training and guidance for all Trustees. Go to www.trusteenet.org.uk.

Directory of Social Change

A charity that offers training and publications vital to the work of voluntary and community organisations. Go to www.dsc.org.uk or phone 020 7391 4800 for training or 08450 777707 for publications.

The Russell-Cooke Voluntary Sector Legal Handbook (3rd Ed)

The essential guide to the law as it applies to charities, community groups and other voluntary organisations. Go to www.sandy-a.co.uk both to order the book, and to find updates, or phone her on 020-7232 0726.

Institute of Chartered Secretaries and Administrators

Publishes guidance and templates for company directors, including some information for Charitable Companies. They also publish The Charities Manual. Go to www.icsa.org.uk. Useful information sheets can be found at <http://digbig.com/5bcnhm>.

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