

Being a good Charity Trustee

Webinar

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Outline

1. Introduction
2. Who are your church's Charity Trustees?
3. Understanding your duties as a Trustee
4. Managing conflicts of interest
5. Payments to Trustees
6. Liability and insurance
7. Serious Incident Reporting
8. Where to go for help
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Introduction

- All Baptist churches are charities whether registered or not, so every church will have Charity Trustees
- Regulated by the Charity Commission
- Webinar for new and existing Charity Trustees
- Available online at www.baptist.org.uk with our suite of webinars

Who are your church's Charity Trustees?

“the persons having the general control and management of the administration of a charity”

(s.177 Charities Act 2011)

- Ministers, Deacons, Elders or “Leadership Team”, including the Church Secretary and Treasurer – all with equal responsibility and accountability in law
- Sometimes called “Managing Trustees”

Who are your church's Charity Trustees?

- Distinct from “Property”, “Holding” or “Custodian” Trustees e.g. the BUC
- See Guideline leaflet C15
www.baptist.org.uk/resources/C15
- Charity Commission guide CC3 – *The Essential Trustee*
- Registered charities must notify Commission of their Trustees and keep the register up to date



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s?



Ensure your charity is carrying out its purposes for the public benefit

Comply with your charity's governing document and the law



Act in your charity's best interests

CHARITY COMMISSION FOR ENGLAND AND WALES

Ensure your charity is accountable



Manage your charity's resources responsibly



Act with reasonable care and skill

Do you know your duties?



- What your charity can and can't do within its purposes, usually *“the advancement of the Christian faith according to the principles of the Baptist denomination”*
- How your church charity is fulfilling its purposes and benefiting a sufficient section of the public
- What difference your charity is really making

Do you know your duties?



- Being familiar with your governing document (Constitution)
- Statutory duties – maintaining records & supplying information to Commission
- Being up to date with filing accounts, returns and any changes to your charity's registration details
- Being aware of other laws that apply to your charity e.g. Data Protection, H&S
- You don't need to be an expert - but you do need to take reasonable steps to keep up to date

Do you know your duties?

- Make balanced, informed decisions
- Act in good faith, recognise and deal with conflicts of interest
- Ensuring trustee benefits are allowed
- Being prepared to question and challenge
- Accepting majority decisions

It's not about:

- preserving the charity for its own sake
- serving personal interests



Do you know your duties?

- Duty of prudence - managing risks, assets & reputation
- Getting the resources your charity needs & use to support purposes
- Having and following appropriate controls and procedures (no blank cheques!)
- Dealing with land and buildings
- Responsibility for, and to, staff, volunteers and beneficiaries

www.gov.uk/guidance/safeguarding-duties-for-charity-trustees



Do you know your duties?



- Use your skills and experience
- Deciding when you need advice
- Preparing for meetings
- Getting the information or advice you need
- Being prepared in case something does go wrong
- Exercise extra care than you would with your own affairs

Do you know your duties?



- Meeting legal, accounting and reporting requirements
- Being able to show that your charity complies with the law and is effective
- Being accountable to members and others with an interest in the charity
- Ensuring staff and volunteers are accountable to the Trustees
- Welcoming accountability as an opportunity not a burden

Managing conflicts of interest

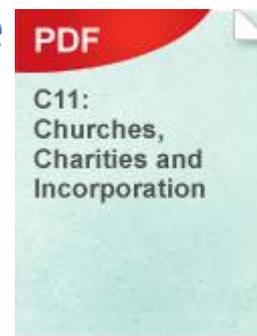
- Legal duty to make decisions that are in the best interests of the church charity
- If you have a personal or other interest that might affect your decision making, this is a conflict of interest
- Connected persons
- Conflicts of interest and loyalties have to be managed in order to protect the charity
- Guideline leaflet C16 *Conflicts of Interest*

Payments to Trustees

- Not normally allowed (except for expenses)
- Ministers can receive a stipend
- Constitution must authorise payments to Ministers and employees who are Trustees (see AGD) or seek Charity Commission consent
- Can pay for an additional service from a Trustee or connected person if it is in the best interests of the charity
- Number of paid Trustees must be in the minority
- Pay must be reasonable and set out in writing

Liability and insurance

- Unincorporated charities act through Charity Trustees
- Charity trustees may be personally liable
- Criminal liability (HSE) & civil liability (unlimited for breach of fiduciary duty resulting in loss to charity)
- Trustees may be entitled to an indemnity from the church assets (Constitution or in contracts)
- Problem if insufficient assets to meet a claim
- CIO offers a limited liability structure – See C11 *Churches, Charities and Incorporation* or webinar



Liability and insurance

- Insurance must be sufficient having regard to church's risk profile and activities
- Insufficient insurance is a breach of trust
- See L16 *Legal Liability of Church Members in a Baptist Church*

Serious Incident Reporting

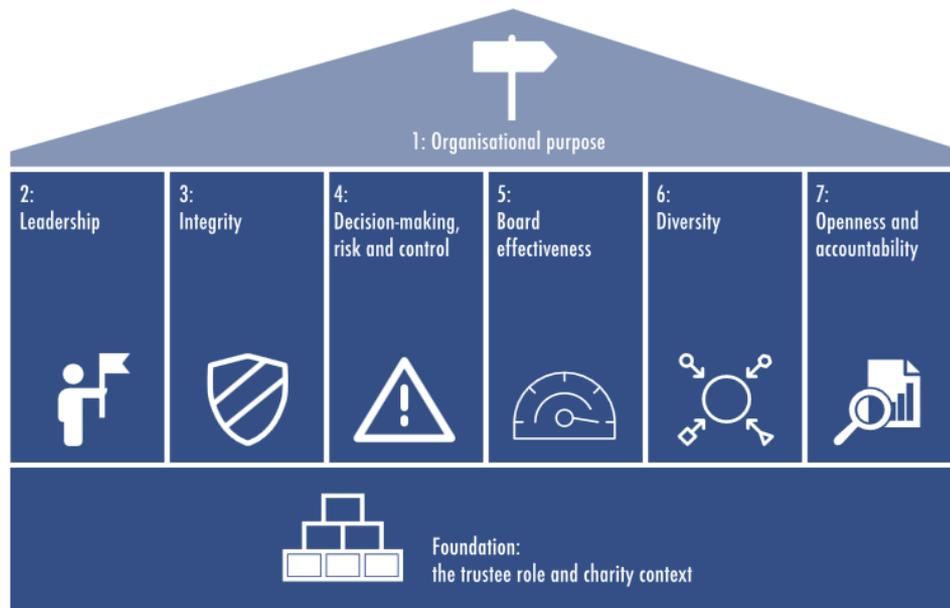
- Applies to all charities
- Report any serious incident to Commission that results in or risks:
 - loss of charity money or assets
 - damage to charity property
 - harm to charity's work or reputation
 - harm to beneficiaries, staff, volunteers or others who come into contact with your charity through its work
- Examples of serious incidents
- Failure to report may be considered to be mismanagement
- Guideline leaflet C17 *Serious Incident Reporting*

Where to go for help

- Baptist Union guideline leaflets: download from our website www.baptist.org.uk/resources (Legal & Operations and Finance leaflets)
- Support Services Monthly Update and *Transform*
- Email supportservices@baptist.org.uk
- Charity Commission website:
<https://www.gov.uk/government/organisations/charity-commission>

Where to go for help

- Charity Governance Code – offers a practical diagnostic tool to help charities and their Trustees develop high standards of governance www.charitygovernancecode.org



Any questions?