



**FEBRUARY 2008
CIRCULAR**

No. 570

Para Contents

- | | |
|----|---|
| 1 | Amended arrangements for the National Standard Bearers Competition. |
| 2 | Cancellation of No 4 Area Open Standard Bearers Competition |
| 3 | Portman Building Society-Merger with Nationwide-Cautionary Tale |
| 4 | e-Mail Addresses |
| 5 | Gift Aid |
| 6 | Navy News Subscriptions - Special Offer |
| 7 | HMS ULSTER – 1958-60 Commission – 50 th Re-union |
| 8 | Falklands War – Commemorative Covers |
| 9 | Friends of HMS VIDAL |
| 10 | Worthing Branch – 70 th Anniversary Celebrations |
| 11 | Proposed RNA Trip to New Zealand – Feb/March 2009 |
| 12 | National Council, Area, Branch and Club Officials – Designation as Trustees |
| 13 | RNA Conference 2008 – Nomination of Delegates |
| 14 | Branch and Miscellaneous Announcements |
| 15 | History Notes |

Annexes :

- A. Announcement from Ministry of Defence about Radiation Linked Diseases.
- B. Gift Aid Declaration.
- C. Itinerary for Tour of New Zealand and Booking Form
- D. The Essential Trustee – What you need to know.

Dear Shipmate Secretary,

AMENDED ARRANGEMENTS FOR THE ROYAL NAVAL ASSOCIATION NATIONAL STANDARD BEARERS COMPETITION 2008

1. Due to circumstances outside our control arrangements for The National Standard Bearers Competition for 2008 have had to be changed. The competition will now take place on **Saturday 7th June 2008 in The Royal Engineers Gymnasium, Chatham** commencing at 1000. The programme will be :

Friday 6 June 2008	PM Competitors arrive King Charles Hotel (KCH). 2000 Get-together, Pembroke Suite KCH.
Saturday 7 June 2008	1000 (tbc) RE Gym available for practice. 1300 Competition draw takes place. 1400 Competition commences. 2000 (tbc) Social/Dance/Awards Ceremony KCH.
Sunday 8 June 2008	1045 Short parade to Chatham Naval Memorial. 1100 Service. O/C Buffet Lunch Gillingham Veterans Club.

Those requiring accommodation should contact King Charles Hotel direct on 01634-830303 FAX 01634-829430 e-mail enquiries@kingcharleshotel.co.uk.
Room Rates Bed and Breakfast : Double/Twin £56-00, Single 45.00.

For Competition enquires please contact S/M Alan Robinson on 0781-391-0479.
For all other enquires please contact S/M Bill Murray on 01634-304973 or e-mail bill.murray@blueyonder.co.uk.

Those eligible for entry are the winner and runner up from the 2006 Competition, the winners and runners up of Area Competitions and nominated Area and Area Deputy Standard Bearers. The rules for the National Competition are laid down in The RNA Guide to Ceremonial (available in hard copy from RNA HQ or on the RNA Website) Articles 0401 to 0415. Each Competitor is to have an Area or Branch Standard, carrying strap, gauntlets, black beret and drape. Winners and runners up of the 2006 Competition are earnestly requested to ensure that trophies are returned in pristine condition.

Entrants are to complete the following form :

ENTRY FORM
NATIONAL STANDARD BEARERS COMPETITION 2008

Name of Competitor.....

Home Address.....

.....

Telephone Number.....

(Signatures) Competitor.....

Area Secretary.....

SEND THIS FORM BY 10th MAY 2008 TO :

**S/M A ROBINSON,
NATIONAL CEREMONIAL ADVISER
161 WEST END LANE
HARLINGTON
MIDDLESEX UB3 5LY**

No. 4 Area - Open Standard Bearers Competition - 1st March 2008

2. No. 4 Area regrets that the Standard Bearers Competition scheduled for 1st March 2008 has been cancelled. They will in future have only a biennial competition in ODD numbered years.

Portman Building Society – Merger with the Nationwide – Cautionary Tale

3. The Portman Building Society, which had a number of RNA Branches as customers, merged with the Nationwide Building Society in 2007 and declared bonus payments to existing customers. On Branches requesting their bonus payments they were informed by Portman/Nationwide that a consolidated corporate bonus payment would be made to RNA Headquarters in respect of all the accounts held by RNA Branches and wrote to HQ informing the General Secretary of this. The General Secretary responded that RNA HQ had never had an account with The Portman Building Society and that individual bonuses were due to those Branches holding individual accounts – this view was supported by recent guidance from the Charity Commission which stated inter alia “Branches of the Royal Naval Association in England and Wales are self governing; each Branch has a trustee body and produces its own accounts. This qualifies them as charities in their own right and separately registerable”. The Portman/Nationwide were notified of this guidance but refused to accept it,, stating that their solicitors took the view that notwithstanding the Association’s Constitution they were treating the many RNA Branch Accounts as one Corporate Account which would be due one bonus.

The Portman/Nationwide have said they will send RNA HQ a cheque for £160-00 (£200 less £40 tax) in final settlement to the Association. The General Secretary has instructed HQ Staff not to accept any cheque from Portman/Nationwide in this regard since the HQ is not and never has been an account holder with them, and the Building Society has been so informed. They have indicated that they intend to continue in their interpretation of the facts as they see it – we appear to have a Mexican standoff. The bonuses due to individual account holders (Branches) are considerably more than the Society has offered and The General Secretary considers that the actions of the Portman/Nationwide are perverse and cynical. The costs of taking legal action against the Portman/Nationwide are likely to be such that the Association will be unable to afford to do so, however efforts continue to break the log jam. In the meanwhile, Branches maintaining accounts with Portman/Nationwide may wish to consider whether they wish to continue their relationship with that organization.

e-MAIL ADDRESSES

4. RNA HQ Staff are attempting to build a library of e-mail addresses within the Association. It would be extremely helpful if those Branch Secretaries able to communicate by e-mail would forward a short e-message to HQ on paddy@royalnavalassoc.com so that registration can begin

Gift Aid

5. Following the change from covenanting to Gift Aid, we have somehow lost momentum. The number of Gift Aid forms, from a membership of 27,680 stands at a modest 3,500. May we remind you that this is free money, which has helped us to maintain our annual subscription at £10.00. A blank Gift Aid form is included with this Newsletter at Annex B. Once completed, a Gift Aid Declaration lasts until it is rescinded. Thank you.

Navy News Subscriptions - Price Increase and Special Offers for New Subscribers

6. The cover price of The Navy News will soon increase to £1-80 per issue which is the first increase for 3 years following a large rise in the cost of printing and distribution. However,. The Navy News is offering a special deal for annual subscribers with a subscription of £18-00 for 12 issues including postage and packing - the Navy News comes though your letterbox at a very reduced rate. The cover price saving is £3-60 before considering postage and packing - for Overseas please phone 02392-734448 for Airmail prices or contact subscriptions@navynews.co.uk. See the offer each month in The Navy News.

HMS ULSTER 1958-60 Commission – 50th and Final Re-union

7. The 50th Anniversary and Final Re-union will take place between 24-27 October 2008 at the Kistor Hotel, Torquay. Booking forms and full details can be obtained from Reg Ralph, 20 Penhale Road, Eastbourne, East Sussex BN22 7JX (Tel : 01323-725978) e-mail rejoice@milnet.co.uk.

Falklands War – Commemorative Covers

8. An enthusiastic philatelist has manufactured a set of commemorative covers, each one date cancelled 25 years on from the actual date of the event. The series was originally to number 25 but the addition of the Fox Bay surrender made the actual number 26. These covers are available at a cost of £65-00 for the set (including the cost of airmail despatch) from :

Phil Middleton
Falkland Collectibles
PO Box 146
Stanley
Falkland Islands
South Atlantic FIQQ 1ZZ

e-mail : philmiddleton@horizon.co.fk

Website : www.falklandcollectibles.com

Friends of HMS VIDAL

9. The 2008 reunion of The Friends of HMS VIDAL will be held at The Burlington Palm Hotel, North Drive, Great Yarmouth, Norfolk NR30 1EG on 6th September 2008. Please contact David Parker, 28 The Sanctuary, Green Lane, Morden, Surrey CM4 5NX (Tel : 0208-648-0160) for full details.

Worthing Branch 70th Anniversary 16th March 1938 – 16th March 2008

10. Worthing Branch will be celebrating its 70th year in commission at a Thanksgiving and Rededication Service at 1500 Sunday 16th March 2008 At St Michael Church, Church Street Amberley, West Sussex. Area 3 Padre Reverend David Farrant will conduct the Service and refreshments will be available in the Church Hall on completion of the service.

Worthing Branch extends an invitation to RNA Branches interested in parading their Standard or being represented to attend.

Please contact:

S/M J Pannett
76 Brighton Road
Lancing
West Sussex

Tel: 01903 754349

A Proposed RNA Trip to New Zealand - February/March 2009

11. Attached to this Circular at Annex C are details of the proposed RNA tour to New Zealand in March next year. The minimum group number is 30 and while the current maximum is 45, if there is enough interest shown then it may be possible to organise a second tour. This all-inclusive tour (from Heathrow and return) means that the only additional expense is for your own travel/medical insurance, within NZ departure taxes - International NZ\$25 and Rotorua Domestic NZ\$5, together with items of a personal nature such as beverages, laundry, telephone, personal purchases etc.

This trip is similar to the very successful Association of Wrens 2006 tour and is organised by the same company – C R (Ron) McPhail Ltd, based in New Zealand. Ron has been organising tours to New Zealand for parties from all over the world since 1992, most recently from China, Sweden, Czech Republic and the UK. Ron has lived in NZ all his life and has Royal New Zealand Navy connections in that his father, Surgeon Captain McPhail was Medical Officer on HMNZS LEANDER in World War II and later Director of Naval Medical Services.

The co-organiser is Mrs Christina Edwards, who again organises tours throughout the world for groups from many countries. She is the long-time organiser of the successful Association of Wrens Overseas tours, normally 3 or 4 a year. She and

Ron organised the 2006 Association of Wrens tour to NZ. In 2007 the Wrens visited Madeira, Greece and the Greek Islands, and Apulia (Italy); while this year they are off to Tenerife in February, South Africa in March, Sardinia in May, and the South of France in September.

Additional copies of the itinerary and booking form should be produced locally and completed booking forms returned to be received in HQ Offices **no later than Wednesday, 28 May 2008.**

It should be noted that very few single hotel accommodation rooms are available – single room supplement is £500. If you are willing to share a room please indicate this on the booking form and you will be put in touch with a.n.other also willing to share. This does not commit you to sharing with that, or another, person, but may increase you chances of being on the tour.

National Council Members/Area Committee Members/Branch and Club Committee Members – Designation as Trustees

12. Members of the National Council and Committee Members of Areas, Branches and Clubs are designated Trustees of the National Council, Areas, Branches and Clubs respectively and as such are responsible under Charity Commission Law for the conduct of the affairs of the Association, Areas, Branches and Clubs at their designated levels. The duties of Trustees are wide ranging but not really any different from what we have always done as Committee Members – The Charity Commission has produced a Child's Guide to the Duties and Responsibilities of Trustees and a copy of this is included at Annex D to this circular. As always, it looks far more complicated than it is, but it will be useful for Areas, Branches and Clubs to have the guidance to hand. Should there be any queries, please contact the General Secretary in the first instance.

13.

THE ROYAL NAVAL ASSOCIATION

Annual Conference

28th June 2008

**THE CAIRD HALL
DUNDEE**

Delegate for the Annual Conference 2008

Name of Delegate.....

Branch.....

Area.....

Name of Branch Secretary.....

Expected number of Observers from this Branch.....

NB: A Delegate will not be confirmed as such unless or until the Branch Balance Sheet for 2007 and Annual Subscriptions for Branch Members for 2008 have been received in RNA Headquarters (Rule 12©). Should either not have been received in HQ, the Delegate's Status will be deemed to be that of an Observer.

14. **Branch and Miscellaneous Announcements**

Area 1

Kingston-On-Thames – Sec's Tel; 0208-8755 1697
(Incorrect in Jan. Circular)

Area 2

Maidstone - Change of Secretary to; S/M J Cooper
10 Froyle Close
Allington
Maidstone, Kent ME16 0RQ
Tel. 01622-675 895

Area 3

Portsmouth - Change of Secretary to; Revd. D S Butler
11 Cunningham Court
Collingwood Road
Southsea, Hants PO5 2SU
Tel. 023-9229 1652

Area 5

Beccles - Change of Secretary to; S/M B J Woodruff
13 Meadow Gardens
Beccles
Suffolk NR34 9PA
Tel. 01502-713 053

Wisbech – Change of venue to; The Angel Inn
Alexandra Road
New Frequency; Second Tuesday

Area 6

Newbury & District - New Sec. to; S/M M Cockcroft
31 Holt Road
Kintbury, Hungerford
Berks RG17 9UY
Tel. 01488-657 878

Area 10

Runcorn – Change of venue to; The R. B. L. Club Ltd.
1 Castle Road
Halton Village
Runcorn
New Frequency; Second Friday @ 1930

Area 12

Limavady - New Frequency; First Wednesday @ 1930

Scottish Area

Dundee - Change of Sec. to; S/M W Duff
45 St. Nicholas Place
Dundee DD3 9NF
Tel. 01382-520 327

West Lothian - Change of Sec. to; S/M G Clarke
40 Glebe Avenue
Uphall
West Lothian EH52 6DL
Tel. 01506-855 607
New Frequency; Third Sunday @1300

Overseas

Eastern Cyprus – Change of venue to; Warrant Officers & Sergants Mess
Mercury Barracks, Ayios Nikolaos
New Frequency; Third Wednesday

15. History Notes

- 1ST March 2002 HMS FEARLESS, last RN steam-powered surface warship, entered Portsmouth for the last time on return from the Indian Ocean.
- 2nd March 1953 Hawker Sea Hawk jet fighter entered service with 806 NAS at RNAS Brawdy,
- 5th March 1996 Flag of FOSNNI (Flag Officer Scotland, Northern England and Northern Ireland) shifted from Pitreavie at Rosyth to HMS NEPTUNE at Faslane.
- 7th March 1952 Clearance Diver Branch (later MCD) formed.
- 9th March 1914 Lieutenants of eight years seniority became Lieutenant Commanders.
- 11th March 1787 Captain Horatio Nelson and Mrs Frances Nisbet married at Montpelier House, Nevis. Prince William (Sailor Billy), the future King William IV, was best man.
- 13th March 1762 RNH Stonehouse, Plymouth opened.
- 14th March 1958 Final parade at HMS CERES, RN Supply School at Wetherby before paying off on 31st March and temporarily moving to Chatham – it finally moved from its temporary quarters exactly 25 years later.
- 16th March 1936 Admiral of the Fleet Earl Beatty, CinC Grand Fleet 1916-19 and First Sea Lord 1919-27 buried in St Paul's Cathedral – last interment in the cathedral.
- 17th March 1912 Captain Lawrence Oates (5th Iniskilling Dragoon Guards) died in Antarctica by walking out into a blizzard in a vain attempt to improve the chances of survival for Captain Scott's party : I am just going outside and may be some time – it was his 32nd birthday.
- 20th March 1953 First naval helicopter lift of troops into combat (RN Sikorskys in Malaya).
- 22nd March 1911 Royal Fleet Auxiliary established.
- 23rd March 1960 Sheerness Main Signal Office closed down at 1700.

- 25th March 1675 MASRY (the first Royal Yacht) wrecked off Skerries.
- 27th March 1964 Last meeting of the Board of Admiralty which went out of commission on 31st March when Her Majesty assumed the office of Lord High Admiral of the United Kingdom and the Board became the Admiralty Board of the new, central Defence Council.
- 28th March 1941 Battle of Cape Matapan when the Italians lost three cruisers and two destroyers with one battleship damaged. The Royal Navy lost one aircraft.
- 30th March 1959 HM Dockyard, Malta passed into civilian hands.
- 31st March 1961 The Nore Command decommissioned after 209 years.

James McClurg
General Secretary
Paddy@royalnavalassoc.com

ANNEX A

An Announcement from the MoD about Radiation Linked Diseases



The MOD/AWE Compensation Scheme for Radiation Linked Diseases

The Compensation Scheme for Radiation Linked Diseases in the Ministry of Defence is a joint initiative between participating employers and their trades' unions. Scheme members include AWE plc, DML, Babcock Naval Services, BNFL, and is administered by an independent Executive Secretary on behalf of all participants.

WHO IS ELIGIBLE?

Claimants must be an employee or ex-employee of a Scheme participant or a dependant in the case of death. A radiation dose record must exist for the individual and they must have contracted or died from a disease covered by the Scheme. This includes most (but not all) forms of cancer as well as cataracts.

Under the Nuclear Installations Act 1965, licence holders are liable for any harm arising from site operations and negligence need not be proven. Although compensation claims may be settled by reference to the courts, such recourse can be lengthy and expensive. The Compensation Scheme is designed to be faster, less costly, less traumatic and adopts a less vigorous test than applied by the courts.

It should be borne in mind that cancer is one of the most common diseases in the developed world. Around 1 in 3 of the UK population contracts the disease and around 1 in 4 die from it. Thus not all cases applying to the Scheme will be successful. The purpose of the Scheme is to attempt to distinguish cases where there is a reasonable probability that they have been caused by occupational radiation exposure from those where there is a low probability.

It is an essential feature of the Scheme that compensation cases are never closed. In the event of further evidence becoming available, such as changes to a claimant's dose history or advances in scientific or medical knowledge, cases can be reassessed.

How to apply?

Applicants may apply through their trade union, or to the Compensation Scheme Executive Secretary, B582/IFS British Nuclear Group Sellafield, Cumbria CA20 1PE (Tel. 01946 774716). The Scheme is entirely voluntary; claimants can choose whether to use the scheme or to take legal action against their employer for radiation injury. The trade unions recommend the Scheme.

Full details on how the Scheme operates is available on the Scheme's website at www.csrlid.org.uk .

ANNEX B

GIFT AID DECLARATION

ROYAL NAVAL ASSOCIATION

Title Forename(s) Surname

Address (Area no; -----)

.....

..... Post Code

I want the charity to treat all donations I have made from the date of this declaration until I notify you otherwise as Gift Aid Donations

Signature:-

Date:-

Notes

1. If your declaration covers donations you may make in the future:
 - . Please notify the charity if you change your name or address while the declaration is still in force.
 - . You can cancel the declaration at any time by notifying the charity - it will then not apply to donations you make on or after the date of cancellation or such later date as you specify.
2. You must pay an amount of income tax and/or capital gains tax at least equal to the tax that the charity reclaims on your donations in the tax year (currently 25p for each £1 you give).
3. If in the future your circumstances change and you no longer pay tax on your income and capital gains equal to the tax that the charity reclaims, you can cancel your declaration (see note 1).
4. If you pay tax at the higher rate you can claim further tax relief in your Self Assessment tax return.
5. If you are unsure whether your donations qualify for Gift Aid tax relief, ask the charity. Or you can ask you local tax office for leaflet IR113 Gift Aid.

ANNEX C

ITINERARY FOR TOUR OF NEW ZEALAND

FOR

THE ROYAL NAVAL ASSOCIATION

27 FEBRUARY - 15 MARCH 2009

Days 1 and 2 - Friday 27 February and Saturday 28 February 2009

Depart Heathrow for Air New Zealand flight to Auckland via Hong Kong. There will be a refuelling stop in Hong Kong.

Day 3 - Sunday 1 March 2009 - Arrive Auckland

Arrive Auckland late morning. After proceeding through Immigration and Customs meet Ron McPhail and then travel to the top of Mt Eden for a panoramic view of the 'City of Sails' which has more boats per person than any other city in the world. After lunch visit Sky Tower and then check in to your hotel. Remainder of the afternoon at leisure. Dinner in your hotel.

.Overnight Langham Hotel, Auckland

L/D

Day 4 - Monday 2 March 2009 - Auckland

This morning visit the Naval Museum at Devonport and then HMNZS Philomel for a visit hosted by the Royal New Zealand Navy. This is followed by lunch on the North Shore with members of the Royal New Zealand Naval Association based in Auckland. Return to hotel late afternoon. This evening enjoy the Pride of Auckland sailing cruise and dinner on the Waitemata Harbour.

Overnight Langham hotel, Auckland

B/L/D

Day 5 - Tuesday 3 March 2009 - Auckland - Omapere

The first visit today is to the Kauri museum at Matakoho. After lunch in the Gum diggers café travel on to Dargaville and through the Waipoua Kauri Forest, home of Tane Mahuta (Lord of the Forest, the largest Kauri tree at 52 metres). Take some short walks to see some of these magnificent trees. From here continue to Omapere on the Hokianga harbour. Dinner in your hotel.

Overnight Copthorne Hotel & Resort, Hokianga

B/L/D

Day 6 - Wednesday 4 March 2009 - Omapere – Waitangi, Bay of Islands

Travel to Waitangi this morning and visit the Waitangi National Reserve where the Treaty of Waitangi was negotiated with the Maoris by Captain William Hobson representing the British in 1840. Late morning travel by ferry from Paihia to Russell where you can enjoy lunch at the Swordfish Club and explore this town which had a seamy reputation in the 1800's and where the Ngapuhi chief Hone Heke cut down the British flagstaff four times in 1844 and 1845. This afternoon cruise out through the Bay of Islands to Cape Brett and pass through the Hole in the Rock. Return to Paihia and check in to your hotel.

Overnight Copthorne Hotel & Resort, Waitangi, Bay of Islands

B/L/D

Day 7 - Thursday 5 March 2009 - Waitangi - Rotorua

This morning drive south on State Highway One to Whangarei and then to Auckland. Travel over the Bombay hills with their rich red volcanic soil, through the lush green Waikato to Hamilton and then over the Mamaku range to Rotorua, for a 2 night stay.

This evening travel a short distance from Rotorua for a Maori hangi and cultural experience.

Overnight Kingsgate Hotel, Rotorua

B/L/D

Day 8 - Friday 6 March 2009 - Rotorua – Tauranga - Rotorua

Visit Te Puia (the Whakarewarewa Thermal Reserve and the Maori Arts and Crafts Institute). See the Maori carvers at work and walk around the thermal reserve where you see boiling mud pools and the spectacular Pohutu geyser. Next the Agrodome for an entertaining farm show. Lunch in the Skyline Restaurant before travelling a short distance to Tauranga via Te Puke (the kiwifruit capital). This was the location for the battle of Gate Pa - an epic battle between the Maoris and men from the Royal Navy and British troops during the New Zealand Wars in the 1860's. A reception in Tauranga early this evening with members of the Ex Navalmens Association. Return to Rotorua.

Overnight Kingsgate Hotel, Rotorua

B/L/D

Day 9 - Saturday 7 March 2009 - Rotorua - Queenstown

This morning fly to Queenstown via Christchurch. Transfer to the Gibbston Valley Winery for lunch. Visit historic Arrowtown which thrived in the gold rush days and explore the area's gold mining history before carrying on to Queenstown situated on the shores of Lake Wakatipu amongst magnificent alpine scenery. This evening ride on the gondola to Bob's Peak where you dine while enjoying the magnificent view of Queenstown and Lake Wakatipu.

Overnight Kingsgate Hotel Terraces, Queenstown

B/L/D

Day 10 - Sunday 8 March 2009 - Queenstown – Milford Sound – Te Anau

Travel alongside the shores of Lake Wakatipu to Southland and into the Te Anau basin and then through the spectacular Southern Alps and the Homer tunnel to Milford Sound. Cruise to the mouth of the Sound and enjoy a buffet lunch on board. Dolphins, seals and majestic waterfalls are among the magnificent sights in this part of Fiordland National Park. Return to Te Anau this afternoon. Dinner in your hotel.

Overnight Kingsgate Hotel Te Anau

B/L/D

Day 11 - Monday 9 March 2009 - Te Anau – Doubtful Sound – Te Anau

For visitors a highlight of the trip to New Zealand - the hidden treasures of Doubtful Sound. The catamaran cruise from Pearl Harbour on Lake Manapouri takes you to the West Arm. A coach trip over Wilmot Pass, is followed by an unforgettable cruise on Doubtful Sound taking in the beautiful alpine scenery. Picnic lunch on board. On returning to West Arm you have the opportunity to travel by coach down a 2km spiral tunnel to the machine hall of the underground power station. Return across Lake Manapouri. Dinner in your hotel.

Overnight Kingsgate Hotel Te Anau

B/L/D

Day 12 - Tuesday 10 March 2009 - Te Anau - Dunedin

Before leaving Te Anau visit the Wildlife Centre where the rare Blue Duck and the Takahe may be seen. From here travel via Mossburn, Gore and Balclutha past productive sheep, deer and dairy farms to Dunedin, called the Edinburgh of the South because of its Scottish heritage. The University City of Dunedin has a special place in the beginning of New Zealand's colonial history. A tour of Dunedin offers a chance to look at some of the city's historic buildings before checking in to your hotel. Reception with members of the Royal New Zealand Naval Association this evening.

Overnight Dunedin City Hotel

B/L/D

Day 13 - Wednesday 11 March 2009 - Dunedin

This morning take a tour of the Otago Peninsula which includes the Albatross Colony at Taiaroa Head. This is unique being the only mainland colony of albatross in the world. After lunch at the Royal Albatross Centre return to Dunedin This afternoon board the Taieri Gorge Train for a spectacular 4 hour trip which follows the Taieri River through rugged scenery. The train will stop 2 or 3 times for you to get off and look around. Dinner in your hotel.

Overnight Dunedin City Hotel

B/L/D

Day 14 - Thursday 12 March 2009 - Dunedin - Christchurch

Travel on State Highway 1 this morning to Christchurch. The journey takes you through North Otago hill country and then across the Canterbury Plains. Stop for lunch on a dairy farm near Rakaia. Enjoy a stroll in the beautiful garden and talk to the owners about New Zealand's biggest export industry. Continue to Christchurch and then city sights before checking in to your hotel. A reception this evening with members of the Royal Naval Association at HMNZS Pegazus.

Overnight Cophthorne Durham Street, Christchurch

B/L/D

Day 15 - Friday 13 March 2009 - Christchurch - Nelson

Today travel to Nelson via Kaikoura and Blenheim. Kaikoura is well known for crayfish (rock lobster), whale watching and seals. You will see Southern Fur Seals basking on the rocks.

Late afternoon arrive in Nelson and check in to your hotel and a chance to freshen up before a reception with members of the Royal Naval Association.

Overnight Trailways Hotel, Nelson

B/L/D

Day 16 - Saturday 14 March - Nelson – Auckland

Morning at leisure before transferring to the airport to catch your flight to Auckland where you board your Air New Zealand flight for return to Heathrow via Los Angeles. There will be a refuelling stop at Los Angeles airport.

B

Day 17 – Sunday 15 March – Heathrow

Arrive Heathrow Airport.

Included

Transport in air conditioned coach

Share twin accommodation in good quality hotels ranging from 3 to 5 star

All breakfasts, dinners and lunches as indicated in the itinerary.

Sky Tower, Pride of Auckland dinner cruise, Matakohē Kauri Museum, Waitangi National Reserve, Cape Brett cruise, Agrodome Farm Show, Whakarewarewa Thermal Reserve and Maori Arts and Crafts Institute, Maori hangi and concert, gondola rides in Rotorua and Queenstown, Milford Sound cruise, Doubtful Sound cruise, Taieri Gorge Railway, Royal Albatross Colony.

New Zealand guide. New Zealand Government Goods and Services Tax at 12.5%

Not Included

Travel/Medical insurance.

Departure taxes UK, NZ International (NZ\$25), Rotorua Domestic (NZ\$5)

Items of a personal nature such as beverages, laundry, telephone

COST: £2999-00 (excluding airport taxes) per person sharing a twin/double room.

- Single Room Supplement is £500.

A £150 per person non-refundable deposit is required at time of booking.

RNA NEW ZEALAND TOUR
27 FEBRUARY – 15 MARCH 2009
BOOKING FORM
(CLOSING DATE WEDNESDAY, 28 MAY 2008)

NAME.....

ADDRESS:.....

.....

POST CODE:

Telephone Number:

E-Mail Address:

Important: Name Must be Exactly as per Passport

Title	Forename	Surname	Room Type - Twin/Double/Single (Single Room Supplement £500)

Group Member Emergency Contact:

Please provide a contact name & phone number of a relative/friend In case of emergency,
who will not be travelling with you.

Mr/Mrs/Miss/Ms (Delete as appropriate)

Forename.....

Surname.....

Phone Number (Day).....

Phone Number (Night).....

Relationship.....

Payment Details:

.....deposits @ £150 per person (**non-refundable**) = £.....

(Cheques payable to: The Royal Naval Association)

Final Balance is due by Wednesday 10 December 2008.

Travel and Medical Insurance is **NOT INCLUDED** in the price. Please make your own comprehensive insurance arrangements. This should include for the reimbursement of the cost of the tour should you cancel after the final *balance has been paid.*

Bookings accepted on a first come first served basis
(Note: Limited Single Room availability).

Please enclose SAE for booking confirmation

Signed..... Date.....

**SEND COMPLETED FORM TO: RNA HEADQUARTERS (NEW ZEALAND TOUR), 82
CHELSEA MANOR STREET, LONDON SW3 5QJ**

Further information can be obtained by contacting Jill Stellingworth – Tel: 01932 840208/Mobile
– 07742 921910 or e-mail – jill.stellingworth@virgin.net
(please note she will be unavailable to answer queries 1-16 March inclusive)

CC3 - The Essential Trustee: What you need to know

(Version February 2007)

Contents

- [A. Foreword](#)
- [B. The charity framework in brief](#)
 - [What are charities?](#)
 - [Role of the trustees](#)
 - [Role of the Charity Commission](#)
- [C. Introduction](#)
 - [C1. What is this guidance about?](#)
 - [C2. 'Must' and 'should': what we mean](#)
 - [C3. Previous guidance](#)
 - [C4. Scope of this document](#)
 - [C5. Using this document](#)
 - [C6. Other sources of help and advice](#)
 - [C7. Some technical terms used](#)
- [D. Trustee duties at a glance](#)
 - [Compliance – trustees must:](#)
 - [Duty of prudence – trustees must:](#)
 - [Duty of care – trustees must:](#)
 - [If things go wrong](#)
- [E. Trustees and their responsibilities](#)
 - [E1. What should I do before I become a trustee?](#)
 - [E2. Trustees and directors – what's the difference?](#)
 - [E3. Am I eligible to become a trustee?](#)
 - [E4. Who appoints new trustees?](#)
 - [E5. How long does the appointment of a trustee last?](#)
 - [E6. Can a trustee resign?](#)
 - [E7. Can trustees delegate their responsibilities?](#)
 - [E8. How do trustees make decisions?](#)
 - [E9. What do the Chair and Treasurer do?](#)
 - [E10. Can a charity's property be held by someone other than the trustees?](#)

- [F. Compliance](#)

- [F1. Do all trustees have to follow the same set of principles?](#)
- [F2. Can trustees be paid for their duties?](#)
- [F3. Can a trustee be employed by the charity?](#)
- [F4. Must charities register with the Charity Commission?](#)
- [F5. Do trustees have to keep accounts?](#)
- [F6. Why are accounts and a report necessary?](#)
- [F7. What guidance is there about accounts?](#)
- [F8. Do charity accounts need external audit or scrutiny?](#)
- [F9. What are charity trustees' duties in relation to fundraising?](#)
- [F10. What if the charity's objects no longer serve a useful purpose?](#)
- [F11. With what other laws and regulations must trustees comply?](#)

- [G. The duty of prudence](#)

- [G1. What are the financial duties of trustees?](#)
- [G2. What are the principles for trustees?](#)
- [G3. What duties do trustees have towards charity property?](#)
- [G4. What powers do charity trustees have when investing funds?](#)
- [G5. What are Common Investment Funds and Common Deposit Funds?](#)
- [G6. Can trustees buy land?](#)
- [G7. Can trustees sell or lease land belonging to the charity?](#)
- [G8. Can the charity borrow money on the security of its land?](#)

- [H. The duty of care](#)

- [H1. What is the statutory duty of care?](#)
- [H2. How often do trustees need to meet?](#)
- [H3. How much time will be needed?](#)
- [H4. What else do trustees need to think about?](#)

- [I. If things go wrong](#)

- [I1. What are the liabilities of charity trustees?](#)
- [I2. Can a charity insure trustees against personal liability?](#)
- [I3. Can a charity be wound up?](#)

- [J. Further information and advice](#)

- [J1. External organisations](#)
- [J2. Key Charity Commission publications](#)

Guidance from the Charity Commission for all who serve as trustees or directors on the governing body of a charity, or who are about to take up trustee responsibilities.

A. Foreword

A message from the Chair and the Chief Executive of the Charity Commission to charity trustees.

Dear Reader,

Charities exist to create a better society. The range and scope of their work and the variety of people they help is amazing. Whether working locally, nationally or internationally they have a remarkable history of driving social change which is reflected all around us in the world we live in today. Charities could do none of this without their trustees. You're probably reading this because you have just become a trustee yourself. If so, we welcome you to this role and thank you for taking it on. The commitment and energy you display will make a direct difference to your charity and everyone it helps. You don't have to be a hero or famous to change lives for the better – trusteeship allows you to do just that.

Being a trustee can be hard work and, for most, it's unpaid. The trustees have the ultimate responsibility for running a charity, for its property, finances and the employment of any staff or volunteers.

But being a trustee is also immensely rewarding, providing both expected and unexpected opportunities for personal development. And while you bring your skills and energy to running your charity, you will also find you are gaining new experience and knowledge.

For instance, you will help plan the strategic future of the charity and its work, be involved in developing and managing staff and volunteers and make policy decisions for your charity. You will also ensure it's accountable to its beneficiaries, to the Charity Commission and the public in general. But you won't be on your own. You'll be joining a team of trustees and becoming part of the 900,000 charity trustees in England and Wales. Effective trustee boards need a range of people with a good mix of skills. The best boards are also diverse, with people who have a real understanding of the needs to be met and others with good financial, business and management experience. The rewards of working with, and learning from, people from different backgrounds and skills will be great. We hope you will enjoy making a difference to society. And remember that, as well as regulating charities and protecting their reputation, the Charity Commission is here to help you and your fellow trustees.

As you read this booklet, you'll learn much more about your responsibilities and about the many sources of help and support.

Please accept our congratulations on your new role.

Dame Suzi Leather
Chair

Andrew Hind
Chief Executive

Acknowledgement

The Charity Commission is grateful to James Tickell at Campbell Tickell Associates for drafting this publication.

B. The charity framework in brief

C.

This page sets out an overall description of the framework for charities, trustees and the Charity Commission. It is not a legal document, but an overall summary of the position, written in everyday language.

B1. What are charities?

Charities are organisations set up for the benefit of the community. They enjoy some tax advantages from the government. While they can in certain circumstances trade for profit, they must use any such profit for the purposes of the charity. To qualify as a charity, an organisation has to meet strict conditions about its overall purposes, also referred to as its objects. The organisation also has to be set up with a constitution or rules which meet certain conditions. These rules are usually referred to as a charity's governing document.

Some charities are set up to give direct help, advice, grants or support to people in various kinds of need, for instance older people, or those with a particular medical condition. Charities are also set up to carry out research, provide training or education, or to focus on meeting the wider needs of a

particular deprived area. And some charities exist mainly to support other charities, by giving grants and other assistance to them.

Several kinds of organisation can qualify as a charity. For instance, some charities are also registered companies, while others are trusts. Some charities are also set up by special legislation. All are subject to the general principles of charity law.

Most charities are small local organisations, but some are large national operations with household names, such as Help the Aged or Oxfam. Charities receive their money in various ways, such as donations from the public, payment for services provided, government grants and legacies.

B2. Role of the trustees

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. Charity trustees are responsible for the general control and management of the administration of a charity.

Their responsibilities and duties are summarised on the next page. The great majority of trustees serve as volunteers, and receive no payment for their work.

Charity trustees come from all walks of life, and are united by their wish to create positive change in society. Most people are eligible to serve as trustees. The work of a trustee should be rewarding and enjoyable, and an opportunity to serve the community while learning new skills.

B3. Role of the Charity Commission

The Charity Commission is the independent regulator of charities in England and Wales. Our job as regulator is to work closely with charities to ensure that they are accountable, well run and meet their legal obligations in order to promote public trust and confidence. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 190,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with an annual income over £10,000 must provide annual information and accounts to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about [the Commission](#) together with a range of [guidance for charities](#) can be found on our website or by ringing Charity Commission Direct on 0845 300 0218.

D. Introduction

C1. What is this guidance about?

We are often asked to explain what is expected of someone who is appointed to act as a charity trustee. To be a trustee requires time, understanding and effort. It is also a rewarding opportunity to serve the community and develop personal skills. This guidance answers some of the more common questions and sets out briefly the duties of trustees.

C2. 'Must' and 'should': what we mean

In this booklet, where we use '**must**', we mean it is a specific legal or regulatory requirement affecting trustees or a charity. Trustees must comply with these requirements. To help you easily identify those sections which contain a legal or regulatory requirement we have used the **L** symbol next to the short answer in that section.

We use '**should**' for items we regard as minimum good practice, but for which there is no specific legal requirement. Trustees should follow the good practice guidance unless there's a good reason not to.

We also offer less formal advice and recommendations that trustees may find helpful in the management of their charity.

C3. Previous guidance

This booklet replaces the previous version published in June 2005. It has been revised to take into account the first provisions of the Charities Act 2006, which came into force in February 2007. Further provisions of that Act are due to come into force later in 2007 and in 2008.

C4. Scope of this booklet

This booklet covers a range of key areas about the work of charities and their trustees. Some topics are complex and governed by different laws and regulations depending on the kind of charity. You should not rely on this booklet to be an accurate or full description of legal matters affecting your charity. It provides a general introduction and overview, and highlights areas where you may need further advice from us or from your charity's legal advisers.

C5. Using this booklet

The structure of this guidance follows the main headings used in the next section, 'Trustee duties at a glance'. Under each heading, we ask a selection of the relevant questions that new or existing trustees may raise about their duties. Generally we give a concise summary answer ('The short answer'), and then give more background ('In more detail').

C6. Other sources of help and advice

There are many resources which trustees can use to help them. We encourage trustees to make use of the expertise of relevant organisations to help them run their charities as effectively as possible. Contact details for all the organisations mentioned in this guidance, with a brief description of what they do, can be found in [section J](#).

C7. Some technical terms used

Although we have tried to write this booklet in everyday language, we have had to use technical terms in places. This list explains some of them:

Custodian trustee: A custodian trustee is a corporation appointed to have the custody, as distinct from the management, of trust property. Where a custodian trustee is appointed to hold property of a charity, the administration of the charity is left in the hands of the charity trustees. A custodian trustee is not a charity trustee.

Holding trustee: Holding trustees are individuals appointed to hold the property of the charity. They can only act on the lawful instructions of the charity trustees and in accordance with any provisions contained in the governing document.

Governing document: A legal document setting out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, Scheme of the Commission, or other formal document.

Incorporated charity: A charity which is also a company or has a similar legal status as a corporate entity in law. See [section E2](#) for more detail.

Nominee: An individual or corporate body, normally appointed by the trustees, whose function is to hold the legal title to the charity's property or investments on behalf of the trustees. Nominees have no role in the charity's management. They must act on the instructions of the trustees, unless they are told to do something that is in breach of trust.

Permanent endowment: The property of the charity (eg land, buildings, investments or cash) which the trustees may not spend as if it were income. It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. Trustees cannot normally spend or dispose of permanent endowment without our authority.

Property: Includes not only land and buildings but also investments, cash and other assets.

Unincorporated charity: This may be either a trust or an unincorporated association. See [section E2](#) for more detail.

Quorum: The minimum number of trustees who must be present for the meeting of the trustees to be properly constituted. The governing document may specify this.

Secretary: An officer of a charity. May be a trustee, employee or other agent of the charity.

Company Secretary: An officer of a charitable company with duties set out in company law to ensure compliance with the charity's own governing document and various legal matters.

The 1993 Act: This is the Charities Act 1993, as amended by the Charities Act 2006.

The 2000 Act: This is the Trustee Act 2000, which sets out the main duties and powers of the Trustees of unincorporated charities.

Scheme: A legal document made by the Commission, normally under section 16 of the 1993 Act, used to change almost any aspect of a charity's purposes or administrative provisions.

E. Trustee duties at a glance

This page summarises the main duties and responsibilities of charity trustees. Again, it is not a legal document, but sets out the legal principles in everyday language. The headings on this page are also used for sections of the more detailed guidance that follows.

Trustees and their responsibilities

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. The principles and main duties are the same in all cases.

(1) Trustees have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

Compliance – Trustees must:

- (2) Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.
- (3) Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
- (4) Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- (5) Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence – Trustees must:

- (6) Ensure that the charity is and will remain solvent.
- (7) Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
- (8) Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.
- (9) Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Duty of care – Trustees must:

- (10) Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.
- (11) Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

If things go wrong

The Charity Commission offers information and advice to charities on both legal requirements and best practice to help them operate as effectively as possible and to prevent problems arising. In the few cases where serious problems have occurred we have wide powers to look into them and put things right. Trustees may also be personally liable for any debts or losses that the charity faces as a result. This will depend on the circumstances and the type of governing document for the charity. However, personal liability of this kind is rare, and trustees who have followed the requirements on this page will generally be protected.

F. Trustees and their responsibilities

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. The principles and main duties are the same in all cases.

Trustees have, and must accept, ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and meeting the needs for which it has been set up.

E1. What should I do before I become a trustee?

The short answer

You should take all reasonable steps to find out as much as you can about the charity, and about what will be expected of you as a trustee.

In more detail

Finding out more: Before you become a trustee, you should learn as much as you can about the charity, and what being a trustee will mean for you. For instance, for an existing larger charity, we advise you to read Annual Reports, important policies and the annual accounts; we also advise that you meet existing trustees, senior staff and perhaps some of the people who benefit from the charity's

work. Some charities may also invite you to sit in on a trustee meeting as an observer before you formally join. You may wish to find out what training and support the charity offers its trustees. The governing document: You should also get a copy of the charity's governing document, and read it. It will probably be a dry legal document, but it is the charity's main constitutional document, and governs key aspects of the charity's work. If it isn't clear what it means, then one of the existing trustees or the charity's Secretary should explain it to you.

E2. Trustees and directors – what's the difference?

The short answer

Although there are many names for trustees, their central responsibilities are the same in all cases. However, there are two main types of charity – unincorporated and incorporated. The exact legal position of trustees is slightly different in each.

In more detail

'Unincorporated charities': These may be 'trusts' or 'associations'. Their governing document will usually be a trust deed or a constitution or a Scheme of the Charity Commission. In an unincorporated charity, the property of the charity is usually held by the trustees or their nominees.

'Incorporated charities': Most of these are charitable companies registered with Companies House as well as the Charity Commission. Here, the company is a legal entity in its own right, and the trustees are the directors of the company. You can get more information about the role and responsibilities of company directors from Companies House. Contact details for Companies House are in [section J](#). There are also other types of special incorporated charities eg charities incorporated by Royal Charter or by statute. These are not regulated by Companies House.

Your position: Before you become a trustee, you should find out whether your charity is incorporated or not, as this will affect your legal position and responsibilities. In this guidance we have stated where differences occur, but have not described them in detail. You will find more in our other publications on particular subjects.

E3. Am I eligible to become a trustee?

The short answer

Most people over 18 years of age can become trustees, but a few are not eligible. People under 18 can be trustees of an incorporated charity, but cannot be trustees of an unincorporated charity.

In more detail

Ineligible people: Those who have already been disqualified as company directors and those who have been convicted of an offence involving dishonesty or deception are some of the people who cannot usually become trustees. In some cases, people who receive benefits from the charity may also be ineligible. Full details are in our booklets [Finding New Trustees: What charities need to know \(CC30\)](#) and [Users on Board: Beneficiaries who become trustees \(CC24\)](#).

E4. Who appoints new trustees?

The short answer

Usually, the charity's governing document sets out how trustees are to be appointed – this varies according to the particular charity. In other cases the position can be more complicated, and the trustees may need to contact us to help make a new appointment. All trustees, however appointed, must act in the charity's interests, and must not represent the interests of any outside organisation or their own personal interests.

In more detail

Appointment methods: In many cases the charity's governing document says how trustees are to be appointed. It may say that some people are to be trustees because of an office which they hold (known as ex officio trustees); common examples are the mayor of a town or the head teacher of a school. Sometimes a named person or organisation is given the right to appoint new trustees. For an organisation with a wider membership, the members usually appoint some or all of the trustees in an annual election.

Existing trustees: If the governing document does not say anything about another method of appointment, then the existing trustees of an unincorporated charity may appoint new trustees. You must follow the procedure set out in the governing document where possible.

If there are problems: If it is not possible to appoint new trustees, for example because there is no person with the right to appoint them, the charity must tell us. We have the power to appoint new trustees in those circumstances. Again, detailed information is in [Finding New Trustees \(CC30\)](#).

E5. How long does the appointment of a trustee last?

The short answer

If the governing document does not specify the length of service of a trustee, the appointment continues until the trustee dies, resigns or is removed from office.

In more detail

Set terms: In some cases the governing document will say that trustees are to serve for a given period, usually a set number of years. We regard having a set term for trusteeship as best practice.

Reappointment: A trustee whose term of office has expired can be appointed for a further term of office, unless the governing document prohibits it. This should be checked before any reappointment.

E6. Can a trustee resign?

The short answer

Yes – it is usually straightforward for a trustee to resign. But in some situations, especially with unincorporated charities, it is important to check the charity's governing document carefully. Sometimes legal advice will be needed to ensure that things are done properly.

In more detail

Incorporated charities: It is generally straightforward for a trustee of an incorporated charity to resign, unless the number of trustees would then drop below the minimum set out in the governing document. In such cases, a new trustee must first be appointed to replace the outgoing one. In all cases the charity should check the terms of the governing document.

Unincorporated charities: In the case of an unincorporated charity, the situation can be more complicated. As above, any resignation must be handled as set out in the governing document. If the governing document does not say anything about this, a legal framework is set out (in the Trustee Act 1925), for how trustees may deal with the situation. Trustees should get proper advice to ensure they act correctly.

Title deeds to land: If the resigning trustee's name appears on the title deeds to land owned by the charity, then this must be changed, following a set legal procedure. Again, trustees should obtain proper advice to ensure this is done properly.

E7. Can trustees delegate their responsibilities?

The short answer **L**

Trustees can generally delegate certain powers to agents or employees, but will and must always retain the ultimate responsibility for running the charity.

In more detail

Delegation powers: Trustees always have the ultimate responsibility for running their charity. But they generally have the power to delegate certain powers to agents, subject to their governing document, and any relevant legislation. The Trustee Act 2000 says that trustees of unincorporated charities can delegate:

- carrying out a decision that the trustees have taken;
- the investment of assets, including land subject to the trust;
- raising funds for the trust other than by the profits of trade which is an integral part of carrying out the trust's charitable purposes; or
- any other function prescribed by an order made by the relevant Secretary of State.

Dealing with third parties: Someone acting as a delegate or agent of the trustees should always make clear in dealings with third parties that they are acting in that capacity (particularly if they are not an employee of the charity), and should always record in writing what was agreed in the conversation.

E8. How do trustees make decisions?

The short answer

All decisions by the trustees concerning a charity are taken by all the trustees, acting collectively and as a team. However, the decisions need not be unanimous; a majority decision is sufficient unless the charity's governing document states otherwise.

In more detail

Collective responsibility: Subject to any power of delegation there is a general rule that trustees must take personal responsibility for their decisions, and that all decisions concerning the charity must be taken by the trustees acting together.

Setting up groups or committees: Trustees can always invite some of their number to look into particular matters and make recommendations. The decision whether or not to act on the recommendations is for the trustees to take together. In some cases the governing document of a

charity may permit the trustees to set up committees with delegated powers to carry out particular functions.

Delegating to employees: The trustees of some charities may need to delegate decisions on day-to-day management matters to employees. In these cases the scope of the authority should be clearly laid down in writing and instructions given for decisions on important matters to be reported to the trustees. Trustees should establish proper reporting procedures and clear lines of accountability.

Information and guidance for trustees who employ staff is provided by a number of organisations, including the National Council for Voluntary Organisations (NCVO) and the National Association for Voluntary and Community Action (NAVCA).

E9. What do the Chair and Treasurer do?

The short answer

Some trustees are known as 'officers' and have special responsibilities. These include the Chair, Treasurer, and in some cases there may also be other designated officers.

In more detail

Special responsibilities: The Treasurer and the Chair of the charity will have wider responsibilities than other trustees. For instance, the Treasurer will ensure that proper accounts are kept, and help set financial and investment policies. The Chair, as well as helping to plan and chair trustee meetings, may also be the link between the trustees and the employees and representing the charity at appropriate events. However, when it comes to making decisions about the charity, the trustees must take them together.

A number of organisations, including the Institute of Chartered Secretaries Administrators (ICSA), provide model job descriptions for Chairs and Treasurers.

E10. Can a charity's property be held by someone other than the trustees?

The short answer

The trustees of unincorporated charities may find it convenient for the title to land owned by the charity to be held by the Official Custodian for Charities or by a custodian trustee or a holding trustee.

Trustees also have a power to appoint a nominee to hold the title. Whether and how they do this depends on the charity's governing document and the law.

In more detail

Reasons for appointing a corporate body to hold title: If the trustees hold the title to the charity's property this can lead to practical difficulties, particularly where the trustees change regularly. It can be more convenient to hold the property titles in the name of a corporate body, whose identity never or rarely changes. This must be done only with proper legal authority and trustees should seek legal advice, especially before doing so for the first time.

Making the appointment: To appoint a corporate body in this way, a charity must follow its own governing document, and also comply with relevant legislation. Three Acts of Parliament apply in different situations (the Public Trustee Act 1906, the Charities Act 1993, and the Trustee Act 2000).

We may also give powers to appoint nominees. You can get more details in [Appointing Nominees and Custodians: Guidance under S.19\(4\) of the Trustee Act 2000 \(CC42\)](#).

F. Compliance

Trustees must:

- ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports, Annual Returns and accounts as required by law
- ensure that the charity does not breach any of the requirements or rules set out in its governing document and remains true to the charitable purpose and objects set out there
- comply with the requirements of other legislation and regulators which govern the activities of the charity
- act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets

F1. Do all trustees have to follow the same set of principles?

The short answer

The principles of trusteeship are set out by law for unincorporated charities. For incorporated charities, the general principles are similar, but will depend on the charity's governing document and the law affecting corporations.

In more detail

The legal position: The Trustee Act 2000 defines some of the key statutory powers and duties of trustees of unincorporated charities. It also gives such trustees the powers they need to administer

their charity effectively. If you are such a trustee, you should find out more about the Act, and how it applies to your charity. Further [guidance on the Trustee Act 2000](#) is on the Operational Guidance page on our website.

Incorporated charities: The 2000 Act does not apply to incorporated charities. But where an incorporated charity is itself a trustee of an unincorporated charity, then the Act will apply to its actions as a trustee.

F2. Can trustees be paid for their duties?

The short answer **L**

Generally, no. Most trustees are unpaid, and must not benefit in any way from their connection with the charity. There are limited exceptions to this rule.

In more detail

Prohibited benefits: Trustees are not entitled to receive any payment out of the charity's funds other than reasonable and necessary out-of-pocket expenses, such as the cost of travel to attend trustee meetings. Additionally, they must not benefit, either directly or indirectly, from the charity by, for instance:

- taking a lease of the charity's property;
- borrowing money from the charity; or
- making contracts to do business with the charity.

When trustees abuse their position: This is a legal rule and any trustee who breaks it may have to make good any loss that results to the charity out of their own pocket. Even if there is no loss, a trustee who makes a profit from breaking the rule may have to pay the amount of any profit to the charity.

Exceptions: There is an exception to this rule where the governing document explicitly allows payment to trustees, and/or allows them to do business with the charity. Any personal benefit must be strictly confined to the terms of the governing document. In certain circumstances, we have the power to authorise a transaction between a charity and a trustee personally, where the trustees can show that there are clear advantages to the charity. You can get more information in [Payment of Charity Trustees \(CC11\)](#).

In line with the principles of proportionality set out in our publication [The Charity Commission and Regulation](#), there are simplified procedures to allow payments totalling less than £1,000 a year to a trustee for providing a service to the charity. You can get details in our guidance note [Streamlined procedures for authorising trustee payments \(CSD 1377A\)](#) on our website.

Note: The 2006 Act contains provisions that will allow limited payment of trustees, but only for the provision of goods or a service to their charity over and above their normal trustee duties. This will not include contracted employment or payment for acting as a trustee. These provisions are expected to come into force early in 2008.

F3. Can a trustee be employed by the charity?

The short answer **L**

Generally, no because trustees must not gain from their position. Again, there are limited exceptions to this rule.

In more detail

The legal position: Generally, a trustee cannot become an employee of their charity nor can an employee become a trustee. The exceptions are where the governing document of the charity explicitly authorises it, or if permission has been given by us or a court of law.

When trustees abuse their position: This is a legal rule and a trustee who breaks it may have to repay to the charity any benefits they have received, such as salary. The rule still applies even where the trustee has resigned as a trustee, before or after taking up employment.

The exception: The only instance in which special permission may not be needed is where the charity can show that the trustee has not obtained the employment by reason of being a trustee and there is no ongoing conflict of interest. This would mean that the trustee concerned:

- has no significant involvement with the charity's decision to create or retain the post, or with any material aspect of the recruitment process; and
- had resigned as a trustee to apply for the post in advance of a post being advertised publicly in a fair and open competition.

Seeking advice: If in any doubt, a charity should approach us or a legal adviser for advice at an early stage.

F4. Must charities register with the Charity Commission?

The short answer **L**

Generally, yes. Most charities must register. There are some exceptions to this rule for special classes of charity. Once registered, charities must comply with our requirements.

In More Detail

The law says: The 1993 Act requires trustees to register charities in England and Wales with us and to give any information needed for the purposes of registration. Any charity which has a gross income exceeding £5,000 a year is required to register. Some special classes of charity are free from the requirement to register. You can get more details in [Registering as a Charity \(CC21\)](#).

Charity status: Once a charity is registered, the law says it should generally be accepted as a charity by outside bodies. This may well help in obtaining tax and rating relief or in obtaining grants from other charities.

Letterheads etc: Every registered charity with an income over £10,000 in its last financial year must state that it is a registered charity on any appeal documents and on many of its financial documents, such as cheques, invoices and receipts. It is not a requirement to state the charity's registration number, but many charities do so.

Keeping us informed: Once a charity has been registered, trustees must tell us about any changes to the details that appear on the [Central Register of Charities](#), such as the name or purposes of the charity or the name or address of the charity's correspondent, or if the charity ceases to exist or operate.

F5. Do trustees have to keep accounts?

The short answer **L**

Yes. All charities must prepare annual accounts. Different rules apply to different sizes and types of charity. Preparing accounts is of course only one part of proper financial planning and control.

In more detail

The legal position: There are legal requirements (in the 1993 Act and associated regulations) for charities, relating to:

- maintenance and retention of accounting records;
- preparation of charity accounts and Annual Reports;
- audit or independent examination of accounts;
- submission of accounts, Annual Reports and Annual Returns to us; and
- availability of accounts to the public.

Financial thresholds: How far any individual charity must comply with these requirements depends on the level of gross income. Trustees must familiarise themselves with the appropriate requirements. Registered charities with gross income or total expenditure of over £10,000 per year must submit their accounts to us annually, within 10 months of the end of the relevant financial year.

Non-submission of accounts: If trustees fail to submit their accounts and Annual Return to us on time, this could lead to us taking action against the trustees. This action could include conducting an investigation into the charity or publishing the charity's details on our website as defaulting in the submission of Annual Returns and accounts.

Incorporated charities: Different accounting rules apply to charities that are companies, although the Charities Act 2006 will remove these differences by 2008. Further information is available from Companies House and from the ['Charities Accounts and Reports'](#) pages on our website.

F6. Why are accounts and a report necessary?

The short answer

Because they are a central part of the accountability of charities to funders, regulators and the wider public.

In more detail

Accountability and stewardship: The Annual Report and accounts are the primary means through which trustees report on their stewardship of their charity and show public accountability. The two documents form a package and should be sent out together. The accounts provide financial information as to how resources are obtained and used and about the financial situation of the charity. The Annual Report should explain what the charity is trying to do, how it is going about it, and whether it has achieved its objectives. It also provides an opportunity to explain the figures in the accounts, such as fundraising costs and their effectiveness.

F7. What guidance is there about accounts?

The short answer

There is a good range of available guidance from us and other bodies.

In more detail

Our guidance: We provide a range of accounting guidance to help trustees prepare their Annual Report and accounts. All are available on the '[Charities Accounts and Reports](#)' pages on our website or from Charity Commission Direct on 0845 300 0218. We recommend you start by reading [Charity Reporting and Accounting: The essentials \(CC15\)](#), available on our website.

Smaller charities: We also provide two accounts packs, aimed at smaller charities and designed to fulfil all legal requirements when completed.

- [Receipts and Payments Accounts Pack \(CC16\)](#); and
- [Accruals Accounts Pack \(CC17\)](#).

The SORP: In addition, there is the [Statement of Recommended Practice, 'Accounting and Reporting by Charities'](#) – in effect regulations about how accounts should be prepared. This is usually referred to as SORP 2005 and is available free from our website or copies can be ordered from the publishers CCH at £15 per copy. To order call CCH on 0870 777 2906 (between 8.30am and 5.30pm weekdays) or email their [customer services](#), quoting product code CCSORP. Alternatively orders can be placed online at www.cch.co.uk.

All charities should follow SORP 2005 (unless a more specialist SORP applies), or provide a clear explanation of the reasons for any departure from it.

F8. Do charity accounts need external audit or scrutiny?

The short answer **L**

All charities with a gross income of more than £10,000 must have their accounts scrutinised by 'an independent person'. Larger charities will need a full external audit. Charities that are companies must comply with company law.

In more detail

Deciding the requirements: Whether and how the accounts of a particular charity need external scrutiny must take into account statutory requirements and any provisions in the charity's governing document. For further information see [Charity Reporting and Accounting: The essentials \(CC15\)](#) on our website. You may also ring Charity Commission Direct for advice on 0845 300 0218.

Requirements in the governing document: The governing document of a charity can impose accounts scrutiny requirements which are more stringent than the statutory ones; in such cases trustees may be able to amend the governing document in line with statutory requirements, and should contact us for advice in such circumstances. Statutory requirements must always take precedence over provisions in the governing document.

Independent person: In general statutory requirements mean that all charities with an income over £10,000 must have their accounts scrutinised by an 'independent person'. This can be by independent examination or an audit by a registered auditor. To be 'independent' the person concerned should not be:

- a trustee;
- involved in the administration of the charity;
- a major donor or beneficiary; or
- a close relative, business partner or employee of any of the above.

If the charity's gross income exceeds £250,000, then extra qualifications are required of an independent examiner. They must be a reporting accountant, a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) or a Fellow of the Association of Charity Independent Examiners.

External audit: A charity's accounts must be audited by a registered auditor if either:

- its gross income for the year exceeds £500,000; or
- its gross income for the year exceeds £100,000 and at the end of the year the aggregate value of its assets (before deduction of liabilities) exceeds £2.8 million.

Incorporated charities: Different rules apply to charities which are companies. Further information can be obtained from Companies House.

F9. What are charity trustees' duties in relation to fundraising?

The short answer **L**

Trustees must ensure that any fundraising activity carried out by, or on behalf of, their charity is properly undertaken, and that all funds collected are properly accounted for.

In more detail

The legal position: Where trustees allow or employ people to undertake fundraising on their behalf, all funds raised should be paid into a bank account in the charity's name before deduction of the fundraiser's expenses. In certain circumstances this is a legal requirement. Trustees must always:

- ensure that any appeal properly describes what donations from the public will be used for; and
- ensure that where professional fundraisers are employed as agents for the charity, a proper contract is drawn up.

Good practice: In addition to these legal requirements, trustees should always:

- insist on approving both the fundraising methods and any appeal literature that will be used on their behalf;
- be prepared to be open and honest about the costs of such an appeal if asked; and
- explain in their Annual Report the effectiveness of fundraising activities to explain the figures given in the accounts.

More information: [Charities and Fundraising \(CC20\)](#) and [Charities and Commercial Partners \(RS2\)](#) explain trustees' duties when raising funds in more detail.

F10. What if the charity's objects no longer serve a useful purpose?

The short answer

If a charity's objects are no longer relevant there are ways of changing them. Where charities don't have the powers themselves to make the changes, they must contact us.

In more detail

Regular review: Trustees should regularly review whether their charity is still meeting a useful purpose. Sometimes a charity can become more effective by changing the way it works. In other cases it may need to change the objects or provisions (or both) in its governing document.

Amending the governing document: The governing document of most unincorporated charities contains a power enabling its amendment. In some cases the charity can amend the objects without our intervention, subject to what is said in the governing document and the general law; in many others any amendment will require our written consent. In either case, any new objects should be kept close to the charity's original intention and must remain legally charitable.

Contacting the Commission: Any trustees intending to make or propose an alteration to their charity's purposes are advised to seek our views beforehand. If the charity's governing document has no amendment provision, or one that does not allow the objects to be amended, trustees should contact us for help.

Incorporated charities: Section 64 of the 1993 Act requires a charitable company to seek our prior consent to any amendment of the company's objects or provisions relating to the way the company's property is used.

Special procedures for small charities: Trustees of some small charities without proper amendment provisions may be able to use the special provisions in the 1993 Act to amend the trusts of the charity. You can find details in [Small Charities: Transfer of Property, Alteration of Trusts, Expenditure of Capital \(CC44\)](#).

After the objects have been changed: Whether or not our prior authorisation is needed trustees must give us details of any change to the objects of the charity.

F11. With what other laws and regulations must trustees comply?

The short answer **L**

Like all organisations, charities are subject to the law of the land. Aspects of their work may be regulated by other government bodies. Trustees need to be aware of these requirements, and must ensure that the charity complies.

In more detail

Some examples: The exact answer will depend on the type of charity, and the activities it undertakes. The following list gives examples of key areas that may apply to your charity:

- For charities that are companies, company law.
- For charities employing staff, employment law.

- Health and safety legislation, for instance as relating to staff, volunteers and beneficiaries.
- Legislation concerning racial equality, disability discrimination, equal opportunities and similar areas.
- For charities providing registered care, the requirements of the Commission for Social Care Inspection.
- For charities working with children or other vulnerable people, the range of legislation protecting those clients.
- For charities that are housing associations, the requirements of the Housing Corporation.

External advice: We emphasise that this is not a full list, and that many other regulators and Inspectorates may be involved with certain charities. Trustees may need to seek external advice to be sure they are aware of all their compliance responsibilities.

G. Duty of prudence

Trustees must:

- ensure the charity is and will remain solvent
- use charitable funds and assets reasonably, and only in furtherance of the charity's objects
- avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk
- take special care when investing the charity's funds or borrowing funds for it to use
-

G1. What are the financial duties of trustees?

The short answer **L**

The trustees of every charity must ensure that its finances are used appropriately, prudently, lawfully and in accordance with its objects.

In more detail

Financial management: This could include making decisions about fundraising, the provision of services, and investments. This is an important duty in any charity. Whatever the size of the capital and income of the charity, proper financial management is the key to the success of the charity and its ability to help its beneficiaries.

G2. What are the principles for trustees?

The short answer **L**

Trustees must act reasonably and prudently in all matters relating to the charity and must always bear in mind that their prime concern is the charity's interests. The charity's income and property must be applied only for the purposes set out in the governing document.

In more detail

Fairness and objectivity: The charity's expenditure must be applied fairly among people who are properly qualified to benefit from it. The trustees of charities with permanent endowment must maintain a fair balance between the interests of present and future beneficiaries, for example when selecting investments.

Accumulation of surpluses: The income of a charity must be applied for its purposes within a reasonable period of receipt, unless the trustees have explicit power to accumulate it. Without such a power, the trustees should not allow the charity's income to accumulate unless they have a specific use for it in mind. If the trustees are allowed discretion about the use of the charity's property, but are in any doubt about the proper use of that discretion, they should ask us for advice. You can find information about charities holding reserves in [Tell it like it is: The extent of charity reserves and reserve policies \(RS13\)](#).

Personal conduct of trustees: Trustees must act reasonably and prudently in all matters relating to the charity and need always to bear in mind that their prime concern is its interests. They must not let any personal views or prejudices affect their conduct as trustees. They must exercise an appropriate degree of care in administering their charity. See also [Section H](#) concerning the duty of care referred to in the Trustee Act 2000.

Conflict of interest: Where trustees are required to make a decision that affects the personal interests of one of the trustees, the charity's governing document may require that that person should not be present at any discussion or vote on the matter. Even if the governing document does not require this, trustees should follow this procedure as a matter of good practice.

Further information: You can find more details about procedures for dealing with conflicts of interest in our [guide to trustees on conflicts of interest](#), which can be viewed via the Publications and Guidance page on our website.

G3. What duties do trustees have towards charity property?

The short answer

Trustees must always act to protect property owned by the charity. If a charity has permanent endowment, particular care must be taken to maintain its value.

In more detail

The trustee role: Trustees are accountable for the charity's solvency, continuing effectiveness and the preservation of its endowments. They must exercise overall control over its financial affairs. They should ensure that the way the charity is administered is not open to abuse by unscrupulous associates or employees; and that their systems of control are rigorous and constantly maintained. More details and a checklist of controls is in our guidance [Internal Financial Controls for Charities \(CC8\)](#).

Land and buildings: If the charity owns land or buildings, trustees need to know on a continuing basis what condition it is in, that it is being properly used, and that adequate insurance is in place. The Trustee Act 2000 confers a power to insure property but it does not impose a duty to do so. However, the trusts of many charities do impose a positive duty to insure: if trustees fail to insure property this will be a breach of trust. More details are available in our guidance [Charities and Insurance \(CC49\)](#).

Cash management: Money not needed for immediate expenditure should be invested. We recommend that if expenditure is expected in the near future, surplus cash is deposited to earn interest. Investments need to be reviewed periodically to ensure they remain suitable for the charity's needs. Wherever possible, we suggest that funds are placed in a range of investments so as to avoid substantial losses caused by the failure of a single investment or institution.

Bank accounts: Trustees must follow any relevant clause in the charity's governing document that specifies who is authorised to sign cheques. If there is no provision in the governing document which relates to the operation of bank accounts, the bank mandate must specify at least two trustees as signatories, unless the trustees can reasonably claim that it is necessary for employees to sign cheques to allow the charity to operate. Further guidance on security matters related to a charity's finances, is available in our guidance [Internal Financial Controls for Charities \(CC8\)](#). You can also find [guidance on electronic banking](#) on our website.

Protecting endowed property: In particular, trustees need to ensure that property which is permanent endowment is used in a way that produces enough money for expenditure while at the same time safeguarding the value of the investment. We can offer trustees a power to use the 'total return approach' to investment, which offers a more flexible approach. For more information about this, see our guidance [Endowed Charities: a Total Return Approach to Investment](#), on the Publications and Guidance page on our website.

Debts and money due: Trustees must ensure that all income due to the charity is received and that all tax and rating relief due is claimed.

G4. What powers do charity trustees have when investing funds?

The short answer

The Trustee Act 2000 gives trustees a general power of investment. This allows trustees to place funds in any kind of investment as though they were the absolute owner of those funds: trustees must comply with certain conditions when using this power. The general power of investment is in addition to any existing power, but is subject to any restrictions and exclusions in the charity's governing document.

In more detail

Trustee' duties: When exercising any power of investment trustees must follow standard investment criteria on the suitability and diversification of investments. They must also review the investments from time to time, and take proper advice when investing or reviewing those investments. They must also comply with the duty of care except, in the case of a constitutional power of investment, where it is excluded.

Incorporated charities: The governing documents of charitable companies will usually give comparable powers of investment; they can be changed where they do not.

Further information: You can find more guidance on selecting and managing the charity's investments in [Investment of Charitable Funds: Basic Principles \(CC14\)](#).

G5. What are Common Investment Funds and Common Deposit Funds?

The short answer

Common Investment Funds and Common Deposit Funds are collective investment schemes which are open only to charities.

In more detail

Common Investment Funds: A Common Investment Fund (CIF) is a type of collective investment scheme in which money contributed to the scheme by investors is pooled and the operator of the scheme invests the money in a range of investments in accordance with the published policy of the scheme. They are similar to unit trusts, and provide specialised investment management. There are a number of CIFs, each of which has different objectives. They can take investments only from charities and may have different requirements about minimum investments. Trustees of investing charities will still be responsible for reviewing their investments periodically and will still need to do so to ensure that investment in a particular CIF continues to be appropriate.

Common Deposit Funds: Similar to CIFs, but dealing with cash deposits rather than investments, common deposit funds (CDFs) enable charities to deposit their money collectively, with a better rate of interest than if investing alone.

You can find more information on [CIFs](#) on the Publications and Guidance page on our website.

G6. Can trustees buy land?

The short answer

Yes – trustees have a general power to buy land (this term includes buildings).

In more detail

The legal position: The Trustee Act 2000 and the Trusts of Land and Appointment of Trustees Act 1996 give trustees of unincorporated charities the power to acquire and manage freehold or leasehold land in the United Kingdom. The land can be acquired as an investment, for occupation by beneficiaries, or for any other reason.

Duty of care: Trustees should remember that the general power to acquire land is subject to the statutory duty of care.

Incorporated charities: The governing documents of charitable companies will usually give comparable powers to acquire land. See also our guidance [Acquiring Land \(CC33\)](#).

G7. Can trustees sell or lease land belonging to the charity?

The short answer **L**

Yes. Most charities can sell land unless the trusts on which it is held prevent this. There are certain requirements which they must meet when selling a charity's land.

In more detail

Power to sell or lease land: The governing documents of many charities (including most charitable companies) will give the trustees power to dispose of land. Those that lack such a power may be able to rely on statutory powers in the Trustee Act 2000 and the Trusts of Land and Appointment of Trustees Act 1996, provided that this is consistent with the charitable trusts on which the land is held.

Procedures for disposal: Before trustees may sell, lease or otherwise dispose of land or buildings, they will normally have to follow a statutory procedure. In certain circumstances, this will require trustees to obtain an Order from us beforehand, giving consent. Trustees considering the sale of charity property should read [Disposing of Charity Land \(CC28\)](#).

The requirements: Briefly, trustees must instruct a qualified surveyor and must consider the advice given. Trustees must not sell land for less than the best price reasonably obtainable. To lease land for more than seven years, trustees must follow the statutory procedure for sales, but there is a simpler procedure for some leases for seven years or less. If, in either case, trustees are unable to follow the statutory procedure, or they wish to sell land to a person connected with themselves, they must obtain an order from us.

Property subject to trusts: When the property being sold or leased is subject to trusts requiring it to be used for charity's specific purposes, the trustees must normally give public notice of the disposal. They may also need to apply to us for a scheme to give them power to sell the property; this should be done before the property is marketed.

Sales between charities: Different considerations may apply to a sale by one charity to another charity. The trusts of the first charity may authorise the disposal of the land to the other charity for less than the best price reasonably obtainable.

G8. Can the charity borrow money on the security of its land?

The short answer **L**

Generally, a charity can borrow money and give a charge (ie a mortgage) on its land as security for the loan but its trustees must comply with certain conditions.

In more detail

Need for advice: Before they mortgage a charity's property, trustees must get advice from a person with ability in, and experience of, financial matters who has no personal interest in the proposed loan.

This person can be a trustee or employee of the charity, and must advise on whether the loan is necessary for the charity, whether the terms are reasonable, and whether the charity will be able to repay the loan on those terms.

Unsecured borrowing: Trustees should seek advice in the same way even where the borrowing, such as a temporary overdraft, is unsecured. If trustees do not seek advice on matters on which they are not themselves experts, they could be regarded as having acted imprudently. This may leave them personally liable for the consequences.

More information: You can find more details on mortgages in [Disposing of Charity Land \(CC28\)](#).

H. Duty of care

Trustees must:

- use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient
- consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties

H1. What is the statutory duty of care?

The short answer **L**

This general duty on trustees means they must give enough time, thought and energy to their duties as trustees, and make reasonable use of their skills and experience.

In more detail

The law says: The Trustee Act 2000 sets out what it calls the 'duty of care' – to exercise such care and skill as is reasonable in the circumstances having particular regard to:

- any special knowledge or experience that the trustee has or professes to have; and
- where a trustee acts in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession.

Application of duty of care: Narrowly speaking, the statutory duty of care only applies to trustees of unincorporated charities who are exercising specified powers conferred on them by the Trustee Act 2000. It also applies when such trustees exercise the same type of powers derived from a source other than that Act. An example might be when they exercise investment powers set out in the governing document. More generally, legal precedent and good practice mean that the duty of care should be considered as applying to all aspects of trustees' work in making decisions about their charity. As noted above, trustees should ensure that they know and understand how the Trustee Act 2000 applies to them and their charity.

Incorporated charities: The Trustee Act 2000 does not apply, but the principles of general charity law impose similar duties and requirements on trustee directors.

H2. How often do trustees need to meet?

The short answer **L**

They must meet as often as needed to do justice to the affairs of the charity, and make well-informed decisions. Trustees who do not meet often enough risk breaching their duty of care.

In more detail

Need for regular meetings: Not every charity conducts all its business at meetings of the Trustees, but many do. If the charity does so, it cannot be administered properly unless the Trustees meet regularly. How often that needs to be will depend on the size and nature of the charity, but requirements for meetings may be set out in the governing document.

Quorum of trustees: The governing document may require a quorum for meetings of the trustees. If so, the trustees must ensure that their number does not fall below the minimum required for a quorum or, if it does, that it does not stay below that number. If there are no such requirements in the governing document, then the number of trustees needs to be kept to an effective working strength. This number will depend on the charity's administrative requirements and the legal rule (if the governing document does not specify otherwise) that no decision can be taken except by the agreement of all or a majority of the trustees. Detailed guidance is in [Charities and Meetings \(CC48\)](#).

H3. How much time will be needed?

The short answer

This will depend entirely on the charity's size and activities. But many trustees of larger charities find that they need to give the equivalent of about a day a month.

In more detail

Giving adequate time and energy: Being a trustee will involve preparation for and attendance at trustee meetings, and often also at other meetings and functions. It is essential that trustees are able to devote enough time to these essential duties of being a trustee. This means they should be aware of their responsibilities and duties and how much time they will need to give.

H4. What else do trustees need to think about?

The short answer

Running a charity can be complex and trustees need to be up to date on the operating environment for their charity. This may involve wider networking, taking up training opportunities, or reading the relevant newsletters or specialist trade papers.

In more detail

Collaboration: Trustees should find out what work is being done by similar organisations working in the same area. In some cases they can do this by joining an umbrella association co-ordinating work in a particular field. Trustees should try to collaborate with other charities and avoid duplicating their efforts. We suggest they also work with local authorities and other statutory bodies which provide services that are similar or complementary to the charity's own.

NCVO's Collaborative Working Unit provides support and advice on all forms of collaborative working, from joint projects to full mergers. You can find detailed information about working with other charities in our booklet [Collaborative Working and Mergers: An introduction \(CC34\)](#) and our research report [Collaborative Working and Mergers \(RS4\)](#).

Providing public services: Charities may enter into agreements with government or local authorities to provide public services which those authorities are responsible for providing. However, they must be able to meet the following legal requirements:

- Trustees must only undertake activities that are within the charity's purposes and must only act in the interests of the charity and its beneficiaries.
- Trustees must act reasonably and make decisions in accordance with their duty of care and duty to act prudently. This means they should seek full cost recovery for the service they provide unless this is not in the beneficiaries' interests.
- Trustees must also ensure that the charity remains independent.

You can find detailed information about the issues that trustees should consider when providing public services in our publication [Charities and Public Service Delivery: An introduction and overview \(CC37\)](#).

Strategy and risk: Trustees are also responsible for setting the charity's strategic aims, objectives and direction. Identifying risks arising from its activities and managing those risks is important in helping to ensure that the charity achieves its strategic aims and objectives. Trustees of charities with either a gross annual income in excess of £500,000, or gross assets exceeding £2.8m, must make a statement in their Annual Report as to whether they have considered the major risks to which the charity is exposed and systems designed to minimise those risks. Guidance on how to undertake [risk management](#) is available via the ['Meeting our Requirements'](#) page on our website.

I. If things go wrong

The Charity Commission offers information and advice to charities to help them operate as effectively as possible and to prevent problems arising. In the few cases where serious problems do arise, we have wide powers to look into these problems and to help resolve them. Trustees may also be personally liable for any debts or losses that the charity faces as a result. This will depend on the circumstances and the charity's governing document. However, personal liability of this kind rarely occurs and trustees who have followed the requirements in this guidance will generally be protected.

I1. What are the liabilities of charity trustees?

The short answer

As stated above, a conscientious and committed trustee need have few worries about personal liability. But it is important for all trustees to understand their position.

In more detail

The normal position: If trustees act prudently, lawfully and in accordance with the governing document, then any liabilities (ie debts or financial obligations) that they incur as trustees can normally be met out of the charity's resources. However, if trustees incur liabilities or debts that amount in total to more than the value of the charity's assets they may not be able to cover themselves in full out of the charity's property, even if the liabilities have been properly incurred.

If trustees act imprudently: If the trustees act imprudently, or are otherwise in breach of the law or the governing document, the position is different. Here, trustees may be personally responsible for liabilities incurred by the charity, or for making good any loss to the charity. Since trustees act collectively in running a charity, they will usually be collectively responsible to meet any such liability. **Our powers:** We can take proceedings in court for the recovery, from trustees personally, of funds lost to charity as a result of a breach of trust by the trustees. However, there is only a small likelihood that trustees will have to pay out of their own pocket towards a financial loss suffered by the charity, or towards compensating a third party who has suffered a financial loss as a result of their dealings with the charity. If necessary, we can relieve trustees of any liability to pay, provided they have acted honestly and reasonably. Despite this, we appreciate there are genuine concerns about the risk of personal liability.

Reducing risk: We strongly recommend that trustees are particularly careful when entering into substantial contracts or borrowings to ensure that the charity has the means to meet its obligations. If trustees are clear about all the potential risks and identifying the areas, if any, where their charity might be exposed, trustees can take preventative action to lessen the possibility of personal liability. For example, we recommend that trustees:

- familiarise themselves with the governing document;
- establish effective induction procedures for new trustees;
- take professional advice when needed or required by statute;
- take advice from the Commission or a professional expert when unsure about their duties;
- clarify what powers they have to delegate authority either to an agent or employees;
- implement effective internal management and financial controls;
- find out what areas of law might affect the charity's activities, such as employment, health and safety, human rights and data protection; and
- before they enter into a contract, satisfy themselves that the charity has the resources to meet its part of the contract and understand the consequences of breaching the contract.

Incorporated charities: Different rules apply to the directors of charitable companies, as company law also applies; this confers limited liability on trustee company directors. The general principles of prudence are, however, the same.

12. Can a charity insure trustees against personal liability?

The short answer **L**

Where it is in the interests of the charity, trustees can be insured by their charity against personal liability.

In more detail

Insurance that is not a personal benefit: Where reasonable to do so, trustees can insure the charity out of the charity's funds against liabilities to third parties arising from acts properly undertaken in the administration of the charity. This is not a trustee benefit, and explicit authority to buy this type of insurance is not required.

Insurance that is a personal benefit: The 1993 Act allows almost all charities to buy trustee indemnity insurance policies. There are certain limitations – for example, the policies cannot include cover for criminal fines or penalties, a trustee's costs in defending criminal proceedings if he or she is convicted of fraud, dishonesty or reckless conduct, or where the trustee's liability results from a deliberate disregard of the interests of the charity.

More information: You can get more details about using the charity's funds to purchase this type of insurance from our information sheet [Trustee Indemnity Insurance](#) available in the Publications and Guidance section of our website. It is also covered in our booklet [Charities and Insurance \(CC49\)](#).

13. Can a charity be wound up?

The short answer **L**

In certain situations, a charity can be wound up, or its assets transferred to another charity. This is a

complex area of law, and trustees must ensure that they act lawfully. We can advise, and may need to use our statutory powers.

In more detail

The law says: A charity can only be wound up if:

- all of its property is expendable and has been disposed of; or
- the governing document contains a dissolution or winding-up provision; or
- section 74 or 75 of the 1993 Act applies, allowing the trustees of some small charities to wind up the charity by transferring its property to one or more similar charities or by spending its permanent endowment.

Full details of eligibility and procedures are given in [Small Charities: Transfer of Property, Alteration of Trusts, Expenditure of Capital \(CC44\)](#).

Remaining assets: The governing document will normally require the assets remaining on dissolution to be passed to a charity with similar purposes. The trustees must closely follow the procedure stated in the document and send copies of all relevant resolutions to us.

Endowed charities with no dissolution power: If a charity is permanently endowed and the governing document contains no power of dissolution, the charity cannot usually be wound up unless it fulfils the eligibility requirements for using section 74 or 75 of the 1993 Act.

However, we have the power under the 1993 Act to make a Scheme to amalgamate the charity with another or others, if the trustees are satisfied that:

- their charity no longer serves a useful purpose; or
- the purpose for which it was originally established has been fulfilled by other means; or
- an amalgamation with another charity would enable the charity to use its property more effectively.

Applying for a Scheme: In these circumstances the trustees are under a duty to apply to us for a Scheme.

After winding up: Whenever a registered charity is wound up or ceases to operate because all its property has been spent or transferred to other charities, the trustees must send a copy of the final accounts (showing a nil balance and how the remaining assets were distributed) to us, with a request to have the charity removed from the [Register of Charities](#).

Incorporated charities: Different rules apply to the winding up of charitable companies. Further information is available from Companies House.

More information: Further guidance and forms to help with the process of bringing a charity to an end are in the ['Apply for it'](#) area of our website.

Charity Commission Publications

The Charity Commission produces a wide range of publications and website guidance giving information and advice to charity trustees and the general public on issues relating to charity law, regulation and best practice. The [full list of publications](#) is on our website and in our publication [CC1](#), but the list below is a selection based on the issues covered in this guidance.

[CC8 Internal Financial Controls for Charities](#)

[CC11 Payment of Charity Trustees](#)

[CC14 Investment of Charitable Funds: Basic Principles](#)

[CC15 Charity Reporting and Accounting: The essentials](#)

[CC16 Receipts and Payments Accounts Pack](#)

[CC17 Accrual Accounts Pack](#)

[CC20 Charities and Fundraising](#)

[CC21 Registering as a Charity](#)

[CC24 Users on Board: Beneficiaries who become trustees](#)

[CC28 Disposing of Charity Land](#)

[CC30 Finding New Trustees: What charities need to know](#)

[CC33 Acquiring Land](#)

[CC34 Collaborative Working and Mergers: An introduction](#)

[CC37 Charities and Public Service Delivery: An introduction and overview](#)

[CC42 Appointing Nominees and Custodians: Guidance under s.19\(4\) of the Trustee Act 2000](#)

[CC44 Small Charities: Transfer of Property, Alteration of Trusts, Expenditure of Capital](#)
[CC48 Charities and Meetings](#)
[CC49 Charities and Insurance](#)
[RS2 Charities and Commercial Partners](#)
[RS4 Collaborative Working and Mergers](#)
[RS13 Tell it like it is: The extent of charity reserves and reserve policies](#)
[RS15 Stand and Deliver: The future for charities providing public services \(PDF\)](#)
[The Charity Commission and Regulation](#)

Website publications

[Charities and Risk Management](#)
[Guidance on electronic banking](#)
[A Guide to Conflicts of Interest for Charity Trustees](#)

To obtain copies of these or any of our publications you can:

- View and print them from our website;
- Order during opening hours - Monday to Friday 08:00 - 20:00 and 09:00 - 13:00 Saturdays by telephoning us on 0845 300 0218; or
- Write to Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG

To obtain copies of SORP 2005:

- View and print them from our website;
- Order from the publishers CCH at £15 per copy, by:
 - calling them on 0870 777 2906 (between 0830 – 1730 weekdays);
 - emailing their [customer services](#), quoting product code CCSORP, or
 - ordering online at www.cch.co.uk