

Case Study – Follow your charity’s governing document

We received concerns from a charity trustee that the charity’s procedures were not being followed, particularly in regard to trustee appointments.

What happened?

The charity had three documents with the title ‘Constitution’ and there was a lack of clarity among the trustees as to which document had precedence. This confusion had led to disagreement and a breakdown in communication among the trustees.

On examination of the three competing documents, it was apparent that the Trust Deed was the charity’s actual governing document, and that the others were management and administration procedures.

As the trustees had not been following the correct document, they were not complying with the Trust Deed which, for example, stated that the charity should have its accounts audited - the trustees had only had the accounts independently examined. However, the Trust Deed was silent in other areas relating to the running of the charity that would be expected in a governing document, for example the appointment of new trustees, which was actually covered in one of the other documents. There were also policies and procedures missing, which would have supported the efficient running of a charity.

Outcome

The trustees retitled the other two documents as ‘Rules and Regulations’, and worked with the local Third Sector Interface to set up a formal complaints procedure, a Register of Interest, and a Conflict of Interest Policy.

What can you do to protect your charity?

Charities must follow the terms of their governing document. This may have various titles, for example ‘Constitution’, ‘Trust Deed’, ‘Articles of Association’ etc, but the document sets out what the charity was set up to do, and how it should be run. If there is any confusion or question about the governing document, you should act quickly to resolve this so that your members and beneficiaries have clarity and also the reassurance that your charity is properly run.

- You can [consult our guidance](#) and make sure that your trustees have read and comply with it.
- You can seek legal advice tailored to the requirements of your charity.

- You can seek the support of your local Third Sector Interface.
- Resolving this issue quickly not only prevents you falling foul of charity law – early action can also prevent internal dispute and damage to the charity's efficient operation.

Guidance and support

- You can read our guidance for charity trustees at <http://www.oscr.org.uk>
- You can [find help and support from your local Third Sector Interface here](#).