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# **The Role of the Charity Trustee**

Laura Anderson

Head of Professional Advice and  
Intelligence, OSCR

# Roadmap for this morning

- Why become a charity trustee?
- What does being a charity trustee mean?
- Common challenges and how to overcome them
- Some tools to help you

# Why become a charity trustee?



Commitment to the cause



Passionate about making a difference



A fundamental desire to help others

# The implications ...

- Great responsibility
- Legal duties under charity law
- There may be tough times – it won't always be plain sailing!
- Satisfaction

# A refresher on the basics

- Who are the charity trustees
- Collective responsibility
- A canter through the legal duties

# Who's in charge

*"the persons having the general control and management of the administration of a charity"*

Charity trustees are the members of the 'governing body' of a charity, by whatever name they are known and however they were appointed or elected.

# Collective responsibility



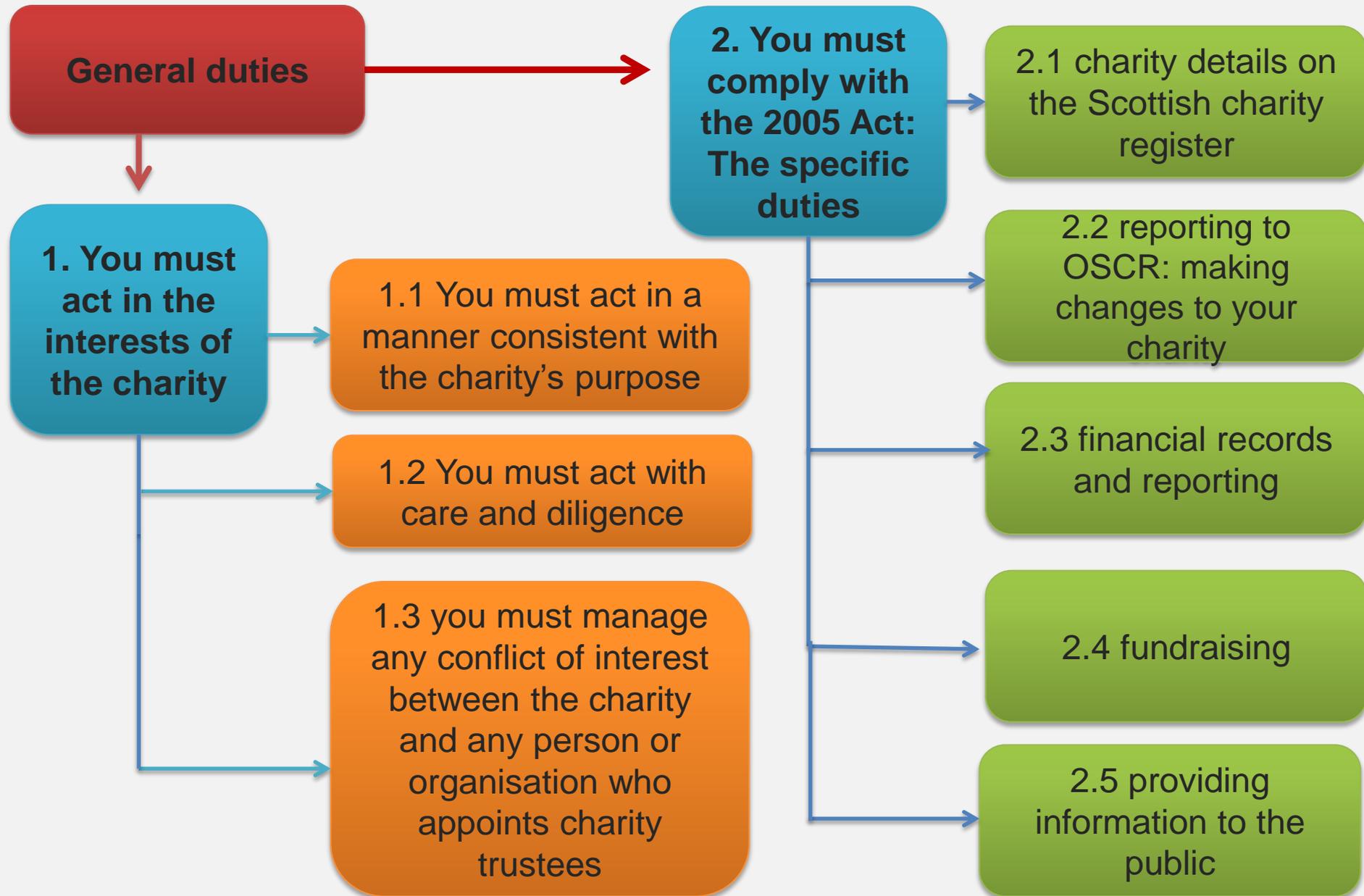
Charity trustees are not only responsible for their own actions, they are also responsible for the actions and decisions taken by the charity trustees when acting together.

# Legal responsibilities



- All charity trustees have legal duties and responsibilities under the 2005 Act
- A duty is something you must do
- The duties are separated out into the general duties – a broad framework which all trustees must work within, and 5 specific duties they must comply with

# Trustee duties

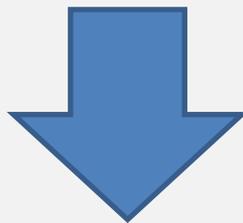


# General duties

1. You must act in the interests of the charity
  - Always do what is best for your charity and beneficiaries, not what is best for you, your friends, family or business interests
  - Always put the needs of your charity before the needs of any other organisation or company that you are involved with

## **1.1 You must operate in a manner consistent with the charity's purpose (1)**

A charity's purposes are what the charity has been set up to achieve and are the reason your charity exists – they will be set out in the charity's governing document



Take time to understand the purpose  
Revisit it regularly

## **1.1 You must operate in a manner consistent with the charity's purpose (2)**

- Always act honestly and reasonably (in good faith) when acting for the charity and make sure the activities advance its purposes
- Make sure the assets are being used to achieve the purposes of the charity

# 1.2 You must act with care and diligence (1)

- When you are dealing with charity's affairs, you should do so as carefully as you would if you were looking after someone else's affairs, for example a relative or friend
- What this means in practice...

# 1.2 You must act with care and diligence (2)

- Protect your charity – assets, beneficiaries and reputation
- Understand the financial position of the charity
- Know the risks the charity faces and manage these appropriately

# **1.3 You must manage any conflict of interest between the charity and any person or organisation who appoints trustees**

This can arise when a charity trustee's duty to act in the interests of the charity conflicts with the interest of the person or organisation that appointed them as a charity trustee

# Conflict of interest – practical help

## Identify

- Be clear what could be a conflict of interest
- Have a conflict of interest policy

## Manage

- Have clear procedures to deal with conflicts that arise
- Where there is a conflict make sure the charity can still carry on its business

## Record

- Keep a written record of the situation, what the charity did and why

## Learn

- Reflect on the experience and make improvements to the policy and procedure where needed

# Specific duties

2. You must comply with the 2005 Act:
- Charity details on the Scottish Charity Register
  - Reporting to OSCR – making changes
  - Financial records and reporting
  - Fundraising
  - Providing information to the public

# What does all of this mean?

- So although there are legal duties to meet, in many ways what is expected of charity trustees is common sense
- Sometimes running a charity is difficult and not straightforward – but using your commitment and enthusiasm is the best way to deal with the tough times

# Common challenges and how to overcome them (1)

- Conflicts of interest – spend time discussing what conflict of interest is and how it can arise as this will help you manage the risk
- Mission creep – know your governing document and keep it under regular review. Don't lose sight of the reason the charity was established.

# Common challenges and how to overcome them (2)

- Disagreements among charity trustees – getting through deadlock. Take a step back; remember what you are all trying to do; get external support if you need it.
- Overlooking the importance of good governance – easy to lose sight of how the charity is run but it is as important as what the charity is doing

# Tips for good decision making

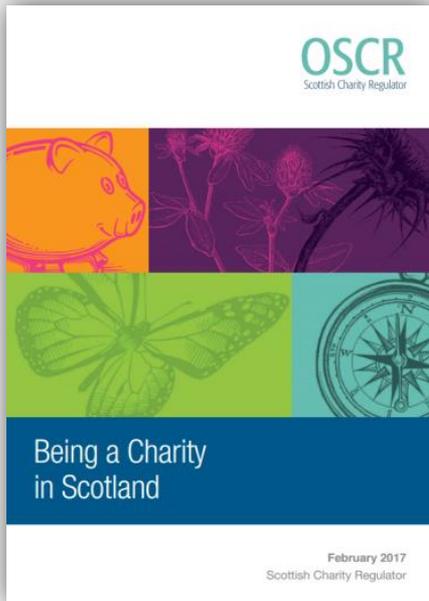
Making good decisions is an important part of running any charity. To make good decisions you should:

- Have the right information to make decisions
- Make decisions in line with rules set out in your in your governing document
- Record the decisions and
- Be able to justify your decisions if necessary

# Take-away points

1. Use your passion and enthusiasm for the charity and board's benefit
2. Remember your legal duties as charity trustees
3. Challenges can be overcome but don't shy away from them – tackle them head on
4. Seek help from others when you need it
5. Good governance of your charity is critical – don't lose sight of it

# Some tools to help



All available at:

[www.oscr.org.uk](http://www.oscr.org.uk)

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# Questions

- 3 most important skills a charity trustee need to have?
- Biggest challenge facing charity trustees in 2018?
- One thing that EVERY charity trustee needs to be aware of?