

TRUSTEES: Role, Functions, Duties and Responsibilities

1. TRUSTEES' PERSONAL LIABILITIES

The law generally protects trustees who have acted honestly and reasonably. Indemnity and insurance provisions in the Memorandum and Articles of Association also provide protection. However trustees can (extremely rarely) be held personally liable for financial losses and legal claims caused by them acting dishonestly, negligently or recklessly.

It is important, therefore, that trustees reduce the risk of becoming personally or corporately liable by ensuring they understand their role, duties and responsibilities and conduct their affairs accordingly.

2. TRUSTEES' COLLECTIVE ROLE

- 2.1 Trustees are the people who serve on the Governing Body of a charity, in the case of the Trust, this is the National Executive Committee (NEC).
- 2.2 Irrespective of their mode of election, all trustees have ultimate collective responsibility for: setting the Trust's strategic aims, objectives and direction; identifying and managing its risks; ensuring that it is well-run and remains solvent; achieving its charitable purposes for the public benefit; and for the general control and management of its administration.
- 2.3 Trustees make decisions collectively and must take personal responsibility for their decisions. Decisions need not be unanimous but are made by majority vote. Once a decision is made it becomes the collective decision of the Trust and must be externally represented as such by all trustees.
- 2.4 Trustees may delegate powers and functions to employees, Committees or Working Groups but their ultimate collective responsibility for running the Trust must always be retained.
- 2.5 Some trustees (elected by the whole membership of the Trust) are 'Officers' with special and wider responsibilities, in particular the Chairman and Treasurer. However, when making decisions about the Trust they have no special powers and must act collectively with the other trustees.

3. GENERAL DUTIES OF TRUSTEES

Trustees have six general duties encompassing their need for compliance, prudence and care.

- 3.1 **Trustees must ensure that they carry out the charitable purposes of the Trust for the public benefit.** Specifically, trustees must:
 - (a) be aware of the Trust's statements of its vision, mission and principles and of its charitable purposes, objects and powers as set out in its Memorandum and Articles of Association and modify these if they no longer meet the Trust's needs;
 - (b) ensure that all of the Trust's activities are of benefit to its U3A members;

(c) plan the Trust's future direction, strategic aims, objectives and activities and periodically review the achievements of the Trust.

3.2 **Trustees must comply with the Trust's Governing Document and the Law.** Specifically, trustees must ensure that the Trust complies with:

(a) its charitable purposes and other rules set out in the Memorandum and Articles of Association

(b) charity law and the requirements of the Charity Commission, including the preparation of an Annual Report and Annual Accounts;

(c) other laws and regulations issued by relevant regulatory bodies that affect the activities of the Trust, including those that apply to: employment of staff; equal opportunities; health and safety; data protection; property rental; copyright; and working with vulnerable adults.

3.3 **Trustees must act in the Trust's best interests.** Specifically, trustees must:

(a) do what the Trust decides will best enable it to carry out its purposes in both the short and long term;

(b) make balanced, reasonable and adequately informed collective decisions in good faith and only in the interests of the Trust;

(c) objectively review proposals and challenge assumptions;

(d) comply with collective decisions but, if a trustee considers there to have been a breach of duty in reaching a decision, he/she may request their disagreement be recorded in the minutes of the meeting;

(e) act with integrity and be mindful of 'what feels right'. This includes: avoiding or declaring personal conflicts of interest and loyalty; not allowing personal prejudices to affect their conduct; preventing any misuse of funds; treating as confidential any view or opinion expressed within any meeting that is not contained in the minutes of that meeting; and not receiving any direct or indirect personal benefits from trusteeship (see also the Trust's *'Code of Conduct for Trustees'*).

3.4 **Trustees must manage the Trust's resources responsibly.** Specifically, trustees must ensure that the Trust:

(a) uses and invests its funds lawfully; applies its funds fairly and reasonably amongst its members and only in the furtherance of its charitable purposes;

(b) prepares and agrees an annual budget of its income and expenditure, and keeps accurate records of all its financial undertakings, including those of its trading activities;

(c) has effective financial controls and protection in place for receiving income and authorising expenditure;

(d) regularly receives reports and monitors its income and outgoings to ensure they are within agreed budget limits and meet agreed aims and objectives;

(e) maintains and regularly reviews a register of identified risks and avoids undertaking activities which might place its funds, assets or reputation under undue risk;

(f) complies with its responsibilities towards its employees and volunteers, including up-to-date job or role descriptions, appropriate policies and procedures, and maintaining effective relationships between trustees, executive staff, staff and volunteers.

3.5 Trustees must act with reasonable care and skill. Specifically, trustees must:

(a) apply their personal skills and experience as needed to ensure that the Trust is well-run and efficient;

(b) give sufficient time, thought and energy to their role as trustees and to any wider networking, provision of services and training that their role may involve or require;

(c) obtain professional advice where there may be material risk to the Trust or a potential breach of trustee role or duties;

(d) take prompt and appropriate action to deal with problems or incidents that may cause significant loss, harm or damage to the Trust's assets or activities.

3.6 Trustees must ensure that the Trust is accountable. Specifically, trustees must demonstrate:

(a) in the Annual Report and Accounts that the Trust is complying with the law, well-run and effective in carrying out its purposes;

(b) that the Trust adopts good governance and management practices that demonstrate its accountability to its staff, volunteers and member U3As;

(c) that the Trust's overall accountability is maintained, through agreed monitoring and reporting procedures, when any functions and responsibilities are delegated to any Committee, designated trustees, staff or volunteers.

4. ADDITIONAL ROLES OF REGIONAL TRUSTEES

4.1 Regional trustees (elected by the members within their geographic constituency – for convenience referred to as a 'region') have an additional role of representing their region within the Trust. Nevertheless, this wider role must not interfere or conflict with the collective role of all the trustees in making the Trust's decisions (see also 3.5).

4.2 Regional trustees must apply any regional budget provided by the Trust to the benefit of their region's charitable activities and have effective financial controls, monitoring systems and protection in place for authorising its expenditure.

4.3 Regional trustees have additional roles associated with their duties and responsibilities for and within their region, including:

- representing Trust policies;
- reporting on Trust matters;
- facilitating Trust-led events;
- liaising with outside agencies and other organisations involved with third age people;
- developing and maintaining links between their region and the Trust;
- contributing to any regional committee;
- participating in regional activities and initiatives;
- developing and maintaining regional networks of U3As;
- identifying and aiding the start-up of new U3As;

- giving assistance, as requested, to individual U3As.
- 4.4 Regional trustees will not reasonably be able to carry out all their roles within their region without delegating to and seeking the help of other people. These will include: Trust employees appointed for the development or training of U3As; regional committee members; regional network officers; and other regional volunteers.
- 4.5 Regional trustees can only delegate functions – not their overall responsibility for any decision that may be taken under delegated authority. They should therefore set out, preferably in writing, the limits of any delegated functions and ensure, through appropriate monitoring and reporting procedures, that the delegated authority is being properly exercised.