



# What Management Committees Need to Know

A Guide to the National Occupational Standards for Management Committee  
Members of Small Voluntary Organisations and Community Groups

The Governance Hub is a partnership of nine organisations that provide support to the voluntary and community sector: Association of Chief Executives of Voluntary Organisations (acevo), Black Training and Enterprise Group (BTEG), British Association of Settlements and Social Action Centres (bassac), Charity Trustee Networks (CTN), East Cornwall Council for Voluntary Services (ECCVS), National Association for Voluntary and Community Action (NACVA), National Council for Voluntary Organisations (NCVO), Social Enterprise Coalition (SEC) and Volunteering England. The accountable body for the Governance Hub is NCVO (charity number 225922).

The Governance Hub is one of six Hubs of expertise, developed as part of the Home Office funded ChangeUp programme to build capacity and improve the infrastructure of the voluntary and community sector. The Hub is funded by Capacitybuilders.

This publication may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Governance Hub and Bradford CVS copyright and the title of the publication specified.

While all reasonable care has been taken in preparing this publication, the publishers cannot assume responsibility for any error or omissions.

Written by Laura Eden, Bradford CVS on behalf of the Governance Hub

© Copyright Jointly held by National Council for Voluntary Organisations and Bradford CVS

Published May 2007

Published by NCVO on behalf of *The National Hub of Expertise in Governance*

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

E-mail: [governance.hub@ncvo-vol.org.uk](mailto:governance.hub@ncvo-vol.org.uk)

Illustrations courtesy of People First [www.peoplefirstltd.com](http://www.peoplefirstltd.com) 020 7820 6655

# Contents

	<b>Page</b>
<b>Introduction</b>	
Who is this guide for?	4
What are the National Occupational Standards?	4
How can they be used?	4
Jargon busting!	4
Further Information	4
<hr/>	
<b>Board or Management Committee, Director or Trustee?</b>	<b>5</b>
<hr/>	
<b>Format of the Standards</b>	<b>6</b>
<hr/>	
<b>Values and Mission</b>	
Values and mission health check	7
Understanding your governing document	9
<hr/>	
<b>Strategy and Structure</b>	<b>11</b>
Choosing a legal structure for your organisation	12
Registering as a charity	15
Development planning	17
<hr/>	
<b>Leading and Managing the Organisation</b>	<b>18</b>
Policies and procedures	19
Good practice in managing staff	20
Managing risk	21
Fundraising	22
Financial management	23
<hr/>	
<b>Being an Effective Committee</b>	<b>24</b>
The role of the committee	25
Sample management committee job description	26
Chair duties and responsibilities	27
Secretary duties and responsibilities	28
Treasurer duties and responsibilities	29
Effective meetings	30
Conflicts of interest	31
Recruiting new committee members	31
Committee induction	32
Committee training needs	33
<hr/>	
<b>Further Sources of Information, Advice and Support</b>	<b>34</b>

## Who is this guide for?

This guide has been written to help small voluntary organisations and community groups understand the *Trustee and Management Committee National Occupational Standards* and to provide an introduction into key issues related to the running of their organisations.

This guide is for you if you are a:

- Trustee
- Management Committee Member
- Paid worker helping committees understand their role

## What are National Occupational Standards?

National Occupational Standards (NOS) have been developed for a wide range of occupations. They set out the minimum knowledge and skills needed to do that particular job or role competently. NOS are approved by the Qualifications and Curriculum Authority which is the national body that develops and monitors qualifications.

The National Occupational Standards for Trustees and Management Committee Members are aimed at all voluntary and community organisations, but it is recognised that small organisations and community groups may take longer or need extra help in meeting the standards. This guide is one source of help in understanding the standards, giving you some basic information towards meeting the standards and also where to go for further help.

## How can they be used?

The standards can be used as:

- a guide to being an effective committee member
- a knowledge and skills checklist for assessing the training needs of committee members
- a knowledge and skills checklist when recruiting new committee members
- a base to set up accredited training and learning for management committee members, leading to a qualification by an external awarding body.

This guide uses the standards as a framework for what you need to know to be an effective committee member. Other guides, tools and checklists, including *Trust Youth*, a guide aimed at young people and children, on being a trustee, can be found at: [www.governancehub.org.uk](http://www.governancehub.org.uk)

## Jargon busting!

Management Committees tend to use a lot of jargon. It is best to avoid using jargon, however, sometimes it is difficult to avoid. Where legal or technical language is used, its meaning should be explained.

## Further information

Throughout this guide, you will see the following symbols:



Directs you to sources of further information in the text box at the end of the section



Directs you to sources of information available online – Website addresses in the text box at the end of the section

## Board or Management Committee, Director or Trustee?

The name of your organisation's committee depends on what type of legal structure your organisation has and whether you are a registered charity.



Legal structure	Name of the Governing Document	Can this structure be registered as a charity?	What the Committee are usually called
Unincorporated association	Constitution	Yes	“Management Committee” or If the organisation is a charity: “Board of Trustees”
Company limited by Guarantee	Memorandum and articles	Yes	“Board of Directors” or If the organisation is a charity: “Board of Trustees”

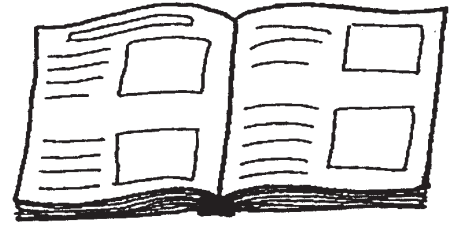
If you are a Charity and Company Limited by Guarantee, it is usual to call yourselves a Board of Trustees.

See pages 12-16 for more information about your legal structure and charitable status. There are some other less common legal structures and types of organisation, contact your local Council for Voluntary Service (CVS) if you want more information about these.

The members of the committee are the top decision making body of the organisation. In this guide, we refer to them as “Management Committee Members”. You may use another term, like “Trustees” or “Directors”.

## Format of the Standards

The standards are arranged into four units.



### **Unit 1: Values and Mission**

**Safeguard and promote the values and mission of the organisation**

### **Unit 2: Strategy**

**Determine the structure and strategy of the organisation**

### **Unit 3: Leading and managing the Organisation**

**Ensure the organisation operates in an effective, responsible and accountable manner**

### **Unit 4: Being an Effective Committee**

**Ensure the effective functioning of the management committee or board**

The full text of the standards is not reproduced here. This is a summary of the standards to pick out the priorities for small organisations and community groups.

You can download a full copy of the Standards from the Workforce Hub's website [www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)

or buy a copy from the Workforce Hub. A pocket-sized edition is also available.

The Governance Hub has produced the guide, *Trustee & Management Committee Members National Occupational Standards Toolkit*, to help you use the standards. Visit [www.governancehub.org.uk](http://www.governancehub.org.uk)

Your local CVS or other umbrella organisation may have a copy of the standards which you can use.

## Values and Mission

### Unit 1:

### Safeguard and promote the values and mission of the organisation

---

#### What you are responsible for:

##### Understanding the organisation

- Making sure that you understand why the organisation exists, know its values, mission, aims and ethos
- Making sure that the values and mission are understandable to the community, the members you serve and other stakeholders

##### Making sure the organisation works within its values and mission

- Making sure the work you do fits with your governing document (constitution)
  - Making sure that decisions are in the best interests of the organisation and the people it serves
- 

## Values and Mission Health Check

### What's the difference between values and mission?

**Values** are the beliefs that your organisation has about the way it should work. For example, a community association might have values such as:

- To treat everyone in the community as equals
- To recognise the potential in everyone
- To recognise that everyone in the community has a contribution to make

Your **Mission** is an overall statement of what you want your organisation to achieve. So, the mission of a Parent and Toddler group might be:

*'To provide a safe space for parents and young children to meet, play and support one another in the Newtown area.'*

### Do you know what the organisations values and mission are?

Could you describe them in your own words? In order to promote the values and mission, you need to understand what they are and how they translate into the practical things your organisation does. When making decisions about the direction your organisation is going, the committee needs to ensure that they fit with the values and mission.

### Do your users know what your values and mission are?

Your values and mission should be in plain language and understandable to your users. Some organisations display their values and mission on the wall of their building to make sure that users know what the organisation is trying to achieve and how they are going to do it.

### When was the last time that the values and mission were reviewed?

The world around us changes and your organisation needs to keep up to date with these changes. Our use of language changes and it's important that the values and mission of the organisation change to keep up with this. For example, 50 years ago it was acceptable to use the term 'mentally handicapped'. Today, many people find this term offensive and use the term people with a learning difficulty or learning disability. If the values and mission of the organisation aren't reviewed regularly they can sound dated the organisation could be seen as one that is no longer meeting the needs of its users.

## Some examples of Values

To Empower People

**To be accountable to  
our service users**

**To Promote Diversity and Equality**

**For the organisation to  
be user led**

To advocate for people's rights

**Enable people to take a full and  
equal part in their community and  
society**

### Exercise

When talking about mission and values, they can seem like quite abstract concepts. It can be helpful to look at a list of values or some examples of other organisation's missions and values. Sort through the statements and select the ones that are most appropriate for your organisation. You can then tailor the wording to your organisation.

### Further Information

➡ **Living Values** includes a toolkit of ideas to help you talk about and develop your organisation's values. Available from [www.community-links.org](http://www.community-links.org)

## Understanding your Governing Document

In order for your organisation to do certain things it will need to have a governing document. To open a bank account, apply for funding or register as a charity, you must have one.



The main value and purpose of a governing document are that it:

- states the **purpose** of the organisation
- states the privileges and **responsibilities** of membership
- states how the committee will operate to ensure that the work of the organisation is achieved
- states the procedures which help to maintain the **democratic** control, order, efficiency and effectiveness of the organisation
- gives the group a formal **identity** so that it can continue even if the individual membership changes from time to time

Your Governing Document will have a different name, depending on the type of legal structure your organisation is. See page 5 and pages 12-16 if you're not sure what type of organisation you are.

Legal structure	Name of your Governing Document
Unincorporated Association	Constitution
Company Limited by Guarantee	Memorandum and Articles of Association

Your Governing Documents will contain **Objects** and **Powers**.

**Objects** are statements about the purpose of the organisation. They are similar to your mission, but will give more detail. The objects should be written intentionally broad and general to make sure that you will be able to do everything that you want to, now and in the future. Examples of Objects for a community association might be:

- To provide recreational opportunities to the community of Newtown in order to reduce isolation
- To provide educational opportunities to enhance employment and reduce poverty and deprivation
- To help people work together to achieve a pleasant and safe environment for the whole community.

These objects are broad enough to allow the organisation to do all sorts of activities such as community fun days, computer classes, a parent and toddler group, a youth club or a lunch club for older people.

 The Charity Commission publishes sample objects on its website for different activities.

**Powers** are a statement of what the organisation is allowed to do in order to achieve the objects. Examples of powers are:

- To raise funds
- To employ staff
- To recruit volunteers
- To lease or buy property and equipment

Powers and objects need to be written in formal and legal language. There are many examples of model governing documents available. Your local CVS may have one, or you can get one from the Charity Commission. ➡

It's important to make sure that the powers will allow you to do everything you need to do carry out your objects.

**Membership** is different from the members of your committee. The membership is a group of people who are interested in the work of your organisation. Your members could be the community you work in, the users of your service or organisations you work with.

### Do you know the answers to the following questions?

- What is your governing document called?
- Who is eligible to be a member of your organisation?
- What is the maximum number of committee members your organisation can have?
- What is the minimum number of committee members your organisation can have?
- How many committee members have to be present for meetings to be quorate?
- How many years can committee members stay on the committee?
- How often do you have to have an Annual General Meeting?
- How many members have to be present for your AGM to be quorate?
- What is the procedure for calling an Extraordinary General Meeting?
- Can your Governing Document be altered? How?

If you don't know the answers, get a copy of your governing document and find out. These are some of the most common queries that management committees have and the only way to find out is to read your governing document. Always have a copy of your governing document available at committee meetings, in case there is any uncertainty about whether you are acting within the governing document.

### Further Information

- ➡ Charity Commission Guidance CC22 – Choosing and Preparing a Governing Document
- ➡ Contact your local CVS who can advise you on writing or understanding your Governing Document
- 🔗 [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

## Strategy and Structure

### Unit 2:

### Determine the strategy and structure of the organisation

---

#### What you are responsible for:

##### Structure of the organisation

- Deciding on the most appropriate legal structure for the organisation
- Ensuring that all the committee members understand the legal structure of the organisation
- Deciding if and when your organisation should become a registered charity or become incorporated

##### Direction of the organisation

- Setting the aims and objectives which are within the values and mission of the organisation
  - Creating a strategic plan to meet the organisation's aims and making sure it is implemented and progress is reviewed regularly
-

## Choosing a legal structure for your organisation

Charitable status is completely separate to your legal structure. Your legal structure can be unincorporated or incorporated.



### Unincorporated

Most organisations start off as Unincorporated Associations. This means that you have a constitution and a management committee, but legally you are not an organisation, you are a group of individuals. This has implications if you want to enter into a contract, such as renting a building, as one of you will have to sign the contract on behalf of the Association. This also means that the management committee is personally liable for any debts the association gets into, or any claims made against the association.

#### Advantages

- Relatively little bureaucracy.
- No need to submit accounts to regulatory body.
- Easy to wind up.

#### Disadvantages

- Not a separate legal entity.
- Cannot acquire property or contracts in name of the association – this has to be by individuals acting on behalf of the organisation.
- The Management Committee is collectively responsible for the group's obligations and debts.
- May be difficult to borrow money or attract funds.

### Incorporated

Many small voluntary and community organisations choose to become incorporated by becoming a **Company Limited by Guarantee**. This is different from becoming a company that has shareholders. A Company Limited by Guarantee has a Board of Directors, but does not make a profit. In the event of the company becoming insolvent, the members each agree to pay an amount of money (usually between £1 and £5).

From January 2008 there will be a new type of incorporated structure available called the **Charitable Incorporated Organisation**. This will enable you to become incorporated and register as a charity, through one process. Currently, becoming incorporated and registering as a charity are two separate processes.

#### Advantages of Incorporation

- The organisation is a legal entity in its own right. It can own property, take out contracts and initiate or defend legal proceedings.
- It gives committee members some protection in that if the organisation is wound up, they would not be personally liable for the organisation's debts.

## Disadvantages of Incorporation

- More administration – You need to comply with the Companies Act, which requires you to submit annual accounts, an annual return, keep minutes of meetings and inform the Companies House when any of your committee changes. (You would also need to do this if you are a registered charity).
- Increased costs to do this administration
- Incorporation does not completely protect the committee against all liabilities. You still have to act within the law and run your organisation effectively. You must not continue trading if you don't have the money to pay your bills.

## What is 'Wrongful Trading'?

- Trading, which could include employing staff, when you know that you haven't got the money to meet your liabilities.
- Using money for things other than the objects of the organisation. If you are a charity, this could also be '**Breach of Trust**'.

There are other types of incorporated organisations, but these are not commonly used by small voluntary and community organisations.

## How to decide on your legal structure

Choosing an appropriate legal structure needs careful consideration.

- What is the level of risk your organisation is taking?
- Do you employ staff?
- Do you own or rent buildings?
- What is your annual turnover?
- Do you have sufficient reserves to meet all your obligations if the organisation wound up, such as redundancy payments for staff?

The main reason that voluntary and community organisations choose to become incorporated is to reduce the personal liability of the management committee. If you have a small income and you don't employ any staff, then being an unincorporated association may be fine. However, if you own or rent buildings to which the public have access and you employ staff, then this increases the risks to the organisation, where becoming incorporated may be more appropriate.

## Steps to reduce personal liability

- Choose a legal structure appropriate for your organisation
- Comply with your governing document
- Have good management procedures
- Have clear responsibilities for paid staff
- Be clear about the boundaries between committee and staff responsibilities
- Be aware of changes to employment law
- Take professional advice when you're not sure about something
- Act reasonably

It is possible to buy 'Trustee Indemnity Insurance' to protect management committees, but this will not protect you from negligence, a wilful breach of trust or ordering goods or services that you do not have money to pay for.

### Further Information

- ➔ Governance and Participation - [www.gandp.org.uk](http://www.gandp.org.uk) Fact sheets on legal structures and a 'Select a Structure' questionnaire
- ➔ *Voluntary but not Amateur: A Guide to the Law for Voluntary Organisations and Community Groups* [www.lvsc.org.uk](http://www.lvsc.org.uk)
- ➔ *Reducing the Risks: A Guide to Trustee Liabilities* [www.governancehub.org.uk](http://www.governancehub.org.uk)
- ➔ Charity Commission Guidance OG100 A1 – Trustee Indemnity Insurance  
[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

# Registering as a Charity

## Who has to register?

Your organisation must register if it has exclusively charitable purposes and has an annual income of more than £5,000.

Some types of organisations that are charitable are exempt from registering as a charity, such as state schools and some places of worship. ➡



## Are we charitable?

An organisation is defined as charitable if it has charitable objects. “Objects” is the term used to describe the purpose of why the organisation was set up. To be a charity, an organisation’s objects must be included in one of the following:

- the prevention or relief of poverty
- the advancement of education
- the advancement of religion
- the advancement of health or the saving of lives
- the advancement of citizenship or community development
- the advancement of the arts, culture, heritage or science
- the advancement of amateur sport
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity
- the advancement of environmental protection or improvement
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- the advancement of animal welfare
- the promotion of the efficiency of the armed forces of the Crown; or the efficiency of the police, fire and rescue services or ambulance services, and
- any other purposes charitable in law

Whether you are charitable will also depend on how your governing document is written. For example, to be charitable it must not allow you to distribute profit. If you want to be sure that the governing document you use is charitable, use one approved by the Charity Commission or contact your local CVS for help.

## What are the benefits of registering?

**There are numerous benefits to registering as a charity:**

- Some tax advantages including tax relief on gifts and donations.
- You pay no more than 20% of normal business rates on buildings which you occupy mainly for charitable purposes.
- Some VAT concessions.
- It gives reassurance to funders and the public that you are being monitored by the Charity Commission.
- Some funders will only give money to registered charities.

### **But also some limitations:**

- **Your activities must be completely charitable**

If your activities include things that are not considered charitable, then these will have to stop or continue through an organisation that is separate from the charity.

- **There are restrictions on trading**

Generally, trading must be restricted to 25% of your total income or £50,000, whichever is greater, unless your primary purpose involves trading. For example, if you are a mental health charity and you run a café to provide training for people with mental ill health, this is considered to be primary purpose trading.

- **There are restrictions on campaigning and political activity**

Generally, campaigning and advocacy to further the charitable objects is allowed, but party political activities are not allowed. For example, a disability charity supporting a policy to increase the rights of disabled people is allowed, but supporting and promoting a particular political party because of its policies on disabled people, is not allowed.

- **Charity Trustees cannot be paid or receive other benefits**

Trustees can receive out of pocket expenses, but not payment for their time for Trustee Duties.

### **How do we register?**

Firstly, you should review your Governing Document. Charity registration will usually be quicker and smoother if you use one of the model governing documents available from the Charity Commission. 📄 The model you choose will depend on whether you have already registered as a company.

You complete the application form and send it to the Charity Commission along with your Governing document. The Charity Commission will check that you are eligible to register. They will either approve your application or make suggestions about amending your governing document or other aspects of how your organisation is run. The registration process takes an average of four months.

### **What happens if we don't register?**

Even if you don't register, the Charity Commission can investigate you for alleged abuses or breaking charity law.

#### **Further Information**

- ➡ Charity Commission Leaflet CC21 – Registering as a Charity
- ➡ Charity Commission Leaflet CC23 – Exempt Charities
- ➡ Charity Commission Leaflet CC35 – Charities and Trading
- ➡ Charity Commission Leaflet CC9 – Campaigning and Political Activities by Charities
- 📄 [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

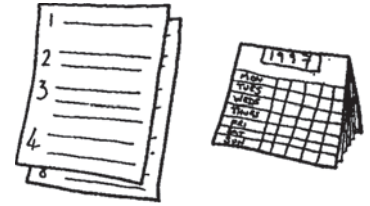
# Development Planning

## What is a Development Plan?

A development plan can also be called a business plan or a strategic plan.

A Development Plan is a written document which describes the following:

- Who your group / organisation is
- What you do at the moment
- What you want to do in the future
- How you are going to achieve these goals
- How you are going to finance individual projects
- How you will evaluate whether you have made a difference



Most funders will want you to have a Development Plan, even it's only a short, simple one. It should convince any potential funder that your organisation has the necessary knowledge, skills, and experience to successfully run a particular project.

## Why do we need Development Plans?

- A tougher **funding climate**; there is a need to increase funders' confidence that you know what you are doing
- Constant **change** inside and outside organisations: there is a need to think ahead and think strategically
- They can provide the basis for **decision-making and priorities**

**Good planning will build on what you have already achieved as a group or organisation.**

## How do we write a Development Plan?

It is vital that as many people who have an interest in the organisation, are involved in order for the plan to be accurate and for everyone to be committed to implementing it. Starting the process with a workshop that involves all the committee is a good way to get enthusiasm and commitment. It's helpful to have an external person to facilitate, and your local CVS may be able to help with this.



There is no set format for a Development Plan and there are lots of different models available. ➡

## Further Information

- ➡ *Planning Development: A resource to assist voluntary & community groups in producing a Development Plan* [www.bradfordcvs.org.uk/publications.htm](http://www.bradfordcvs.org.uk/publications.htm)

# Leading and Managing the Organisation

## Unit 3:

**Ensure the organisation operates in an effective, responsible and accountable manner**

---

### **What you are responsible for:**

#### **Policies and Procedures**

- Writing and reviewing policies and procedures
- Ensuring that Diversity and Equality is considered in policies and procedures
- Ensuring that the organisation has policies that it is required to have by law

#### **Employing and Managing Staff**

- Recruiting, inducting and managing the senior staff member
- Ensuring that employment policy and practice complies with the law
- Establishing a clear policy on who has delegated authority to do what

#### **Financial Management**

- Making sure that money is only used for the purpose for which it was given and only spent on your organisation's objects (as set out in your constitution)
- Ensuring that your organisation is meeting accounting requirements and (when required by law) the accounts are independently audited annually

#### **Managing Risks**

- Assessing the risks to you organisation and taking action to prevent those risks occurring

#### **Accountability**

- Communicating with your users, members, funders, the council and other stakeholders
  - Consulting with your users to make sure you're providing services they want and need
  - Protecting the assets of the organisation
-

## Policies and Procedures

Policies and procedures are rules about how things should be done to make sure that the organisation is working effectively and keeping within the law.

There are some basic policies and procedures that every organisation should have and others that will depend on what activities you are doing, whether you employ staff and how big your organisation is.

### Policies that every organisation should have

- ✓ Financial Procedures
- ✓ Health and Safety policy
- ✓ Equal Opportunities and Diversity
- ✓ Confidentiality
- ✓ Data Protection
- ✓ Complaints



### Policies that may apply to your organisation

- ✓ Child Protection
- ✓ Protection of Vulnerable Adults
- ✓ Recruiting and Managing Volunteers
- ✓ Volunteers Expenses
- ✓ Premises and Security
- ✓ Use of Vehicles
- ✓ User consultation policy
- ✓ Specific policies and procedures related to your activities or service delivery, e.g. a charging policy if you charge for attending an after-school club
- ✓ Employment Policies – Once you employ staff, even if only part-time or temporary, you will need to have a number of employment policies and some of them are required by law. Employment law is quite complex so it's advisable to contact your local CVS or employment rights service for advice on where to get up to date model policies.

There are lots of model policies that can be adapted to your organisation, so you don't have to write them all from scratch. ➔

You could ask similar organisations for copies of their policies.

#### Further Information

- ➔ Contact your local CVS who may have model policies
- ➔ Contact your local Community Accounting Service for model Financial Policies
- ➔ Contact your local Employment Rights Service for Model Employment Policies
- ➔ For advice on volunteer policies contact Volunteering England  
[www.volunteering.org.uk/managingvolunteers/goodpracticebank/](http://www.volunteering.org.uk/managingvolunteers/goodpracticebank/)

## Good Practice in Managing Staff

### Who is considered an employee?

Anyone you pay in return for working for you is generally considered an employee, even if they are temporary or work very few hours each week. There are a few exceptions to this and it's best to get expert advice to be clear whether they are an employee or not. Volunteers are not employees and you must be careful not to do things that may be considered to create a contract of employment.

#### **Do not:**

- Pay volunteers a daily expenses allowance or honorarium, instead of out-of-pocket expenses
- Ask them to sign a 'volunteer contract'
- Ask them to commit to working a minimum amount of time

Even if you only employ one person on a part-time or temporary basis, you must have policies and procedures in place to ensure that you are acting within the law.

### Supervision and Management

The most senior member of staff is supervised by the management committee. It is good practice for one committee member to be responsible for supporting and supervising the performance of the senior staff member. This is usually the Chairperson, although there is no reason why it cannot be another committee member. It's good practice to meet regularly, at least every month to make sure that the committee are keeping in touch with the work of the organisation and that the staff member is being supported in their work.



### Training and Development

To make sure that your staff are doing their job effectively they will need opportunities for training and development. Make sure that you allow for training costs in your budget or when you are writing funding applications. Training courses can be expensive, so don't forget that there's a variety of ways to learn new things; on-the-job training, work-shadowing or reading books to increase knowledge.

### Contracts of employment, policies and stuff like that.....

Employment law is very complex and changes frequently. It's best to get expert advice to make sure that you are acting within the law and treating your staff fairly. However, you don't have to pay a solicitor for this. There are model employment policies available either from a local employment rights service or from ACAS. ACAS have a telephone helpline and a website.

#### Further Information

- ➔ ACAS – Helpline **08457 47 47 47** [www.acas.org.uk](http://www.acas.org.uk)
- ➔ Contact your local employment rights service
- ➔ The Workforce Hub has a Human Resources Bank of donated employment policies [www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)
- ➔ For advice on volunteer policies contact your local Volunteer Centre or Volunteering England [www.volunteering.org.uk](http://www.volunteering.org.uk)

## Managing Risk

Managing risk is about identifying the risks to your organisation and taking reasonable steps to try and prevent them from happening.

### Risks that your organisation may face are:

- Loss of funding
- Cash flow problems – not having enough money in the bank account to pay your bills
- Risks to health and safety
- No longer a need for your project
- Staff leaving
- Not having enough staff or resources to deliver what you have committed to
- Being sued
- Internal conflict

### You can reduce some of these risks by:

- The committee being aware of the risks and managing your organisation well
- Planning your fundraising well in advance of your current funding ending
- Having good financial procedures and monitoring what money you have in the bank
- Having a health and safety policy and training staff and volunteers in health and safety
- Reviewing how you are delivering your services and adapting to meet your user's needs
- Being realistic about what your organisation can do, when applying for funding
- Having all the necessary insurance – buildings and contents, public liability and employee liability
- Ensuring that staff are properly trained to do their jobs
- Ensuring that management committee members receive an induction and ongoing training

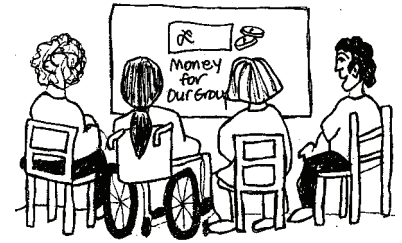


## Fundraising

Most funders have application processes that take months, or sometimes over a year. You need to plan your fundraising well before your money runs out.

It's important to do research before you approach a funder, to find out which funders may be interested in the work you do. Some funders will only fund registered charities or groups working in a certain geographical area.

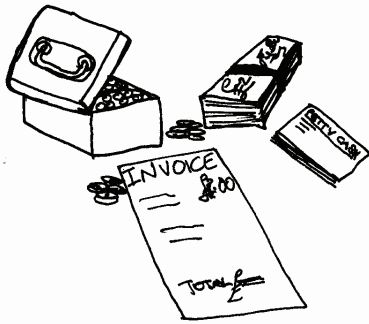
There are databases of funders (See below). Your local CVS may be able to advise you on fundraising or direct you to an organisation that can. They may also have CD Roms of Funderfinder and GRANTfinder.



### Further Information

- ➔ Funderfinder – A searchable database of funders. The website has some useful fundraising information leaflets [www.funderfinder.org.uk](http://www.funderfinder.org.uk)
- ➔ GRANTfinder [www.grantfinder.co.uk](http://www.grantfinder.co.uk)
- ➔ Fit 4 Funding [www.fit4funding.org.uk](http://www.fit4funding.org.uk) The website has information sheets on various aspects of fundraising
- ➔ NCVO has a Sustainable Funding Project, which has produced packs on Fundraising and Sustainable Funding. They are available to download from [www.ncvo-vol.org.uk/sfp/index.asp?id=3199](http://www.ncvo-vol.org.uk/sfp/index.asp?id=3199) or free hardcopies are available from NCVO on 0800 2 798 798
- ➔ Your local CVS

## Financial Management



There are four parts to good financial management. The committee is responsible for making sure that all of these things happen.

- **Planning** - budgeting is planning your income and expenditure for a certain period, usually the next year.
- **Recording** - is keeping accurate records of your income and expenditure (Bookkeeping)
- **Rules and Procedures** – Having clear rules about who is allowed to approve spending, handle cash, sign cheques, etc.
- **Reporting** - is about the committee having financial information to enable them to monitor the finances, plan their spending and make financial decisions.

### Accounting Rules

There are rules about how you should set out your accounts and about when you need to have your accounts inspected or audited. The rules on how to set out your accounts change from time to time, so get advice from the Charity Commission or your Local Community Accounting Service.

If you are **not** a company:

- You don't have to have your accounts inspected or audited if your gross annual income is less than £10,000
- You have to have your accounts independently examined if your annual income is over £10,000. Between £250,000 and £500,000, your independent examiner must have an accountancy qualification
- Your accounts have to be professionally audited if you have an annual income over £500k or you have assets over £2.8 million and annual income over £100k

If you **are** a company:

- You do not have to have your accounts inspected or audited if your income is less than £90,000
- You have to get an accountants report if your income is between £90,000 and £500,000
- If your income is over £500,000 you have to get your accounts audited

### Further Information

➡ Charity Commission Leaflet CC61 (a) - Charity Accounts: The Framework

📄 [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

➡ NCVO has a Sustainable Funding Project, which has produced a pack on Financial Management. It is available to download from [www.ncvo-vol.org.uk/sfp/index.asp?id=3199](http://www.ncvo-vol.org.uk/sfp/index.asp?id=3199) or free hardcopies are available from NCVO on 0800 2 798 798

# Being an Effective Committee

## Unit 4:

### Ensure the effective functioning of the management committee or board

---

#### What you are responsible for:

##### Understanding the role of the committee

- Making sure the whole committee understands the role and responsibilities of being a committee member and understands the role and responsibilities of the Chair, Vice-Chair, Treasurer and Secretary
- Writing a role description for committee members and honorary officers of Chair, Vice-Chair, Treasurer and Secretary, including any delegated authority

##### Make up of the committee

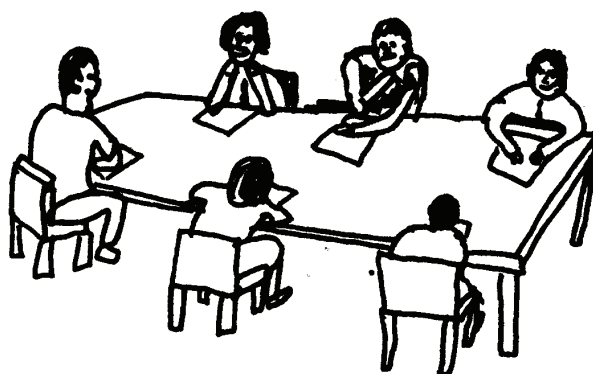
- Ensuring the committee reflects the community and membership it serves
- Making sure the committee has a good mix of skills and experience so that it can be effective
- Making sure that there are policies and procedures for recruiting, selecting, inducting and replacing committee members, in line with the governing document

##### Functioning of the Committee

- Running meetings efficiently in order to make good decisions
- Reviewing how well the committee is functioning, including any sub-committees
- Being aware of potential conflicts of interest and having a procedure for dealing with them

##### Committee training and development

- Inducting new committee members so they understand their role and the commitment required
  - Reviewing committee members' training needs and organising training and development activities
- 



## The Role of the Committee

### What's the role of the committee?

The committee is responsible for governing the organisation.

**Governance** is about making sure that things get done and it's not necessarily doing it yourselves. However, most committees of small organisations find that they have to get involved in the 'doing', as they only have a few, if any paid staff. For example in larger organisations financial record keeping is done by the staff, but in a small organisations, the treasurer may have to take on this responsibility. Governance is also about making sure that the organisation is doing what it should be to fulfil its mission, comply with the law and work within the Objects and Powers in the governing document.

The whole of this booklet is about 'What is the role of the committee?', but there are some key areas to recap.

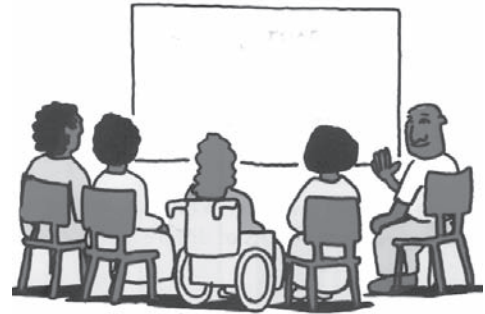
- 1. Giving Direction to the Organisation**  
Responsibility for planning the strategy and direction of the organisation's activities
- 2. Accountability**  
Being answerable to your users
- 3. Managing People**  
Making sure that staff and volunteers are well supported and supervised
- 4. Legal Responsibilities**  
Keeping to the law and your constitution
- 5. Managing Resources**  
Managing money, property and other resources efficiently
- 6. Managing Itself**  
Making sure that the committee functions effectively, that meetings are well run and that all members are involved



# Sample Management Committee Role Description

## Expectations

- To attend a committee meeting every month
- To read meeting minutes and other papers in preparation for meetings
- To sit on at least one sub-committee which meets bi-monthly
- To send apologies when unable to attend meetings
- To participate in training and development activities to be an effective committee member
- To declare any conflicts of interest at meetings



## Conduct

- Be familiar with and agree with the aims and objectives of the organisation
- Work with the committee as a group to achieve the organisation's aims
- Make decisions, which are in the best interests of the organisation and the users
- Keep the organisation's business confidential
- Represent the organisation at functions and meetings

## Responsibilities

- To keep informed about the organisation's work and the wider issues that affect it
- To make sure that the organisation has enough money to meet its obligations
- Developing policies
- Making sure the organisation stays within the law and the governing document
- Making sure the organisation is adequately insured
- To lead the organisation effectively
- To make sure that staff are properly supervised and supported

## Chair Duties and Responsibilities

### Planning Meetings

- Set the agenda in consultation with the secretary and any staff
- Make sure that the agenda, minutes of previous meeting and any other papers are sent out prior to the meeting
- Make sure that all the committee know the dates, times and venues of meetings, as far in advance as possible



### Running Meetings

- Make sure that the meeting starts and finishes on time
- Make sure the meeting is quorate
- Make sure that everyone gets an opportunity to contribute their views
- Keep order in the meeting
- Conduct votes if necessary
- Use a casting (second) vote if necessary, if this is allowed in your governing document
- Rule on any disputes about the constitution
- Be alert to potential conflicts of interest

### Representing the Organisation

- Be a spokesperson for the management committee and figurehead for the organisation
- Representing the organisation at meetings

### Governing the Organisation

- Monitoring that decisions and action plans are implemented by the committee
- Supervising the senior member of staff

# Secretary Duties and Responsibilities

## General Administration

- Keep a copy of the constitution, meeting minutes and other important documents
- Make sure necessary documents are completed, e.g. for the Charity Commission or Companies House
- Keep records of the organisation's membership
- Notify members of the AGM

## Meetings

- Book the meeting room and arrange refreshments
- Prepare the agenda with the Chairperson
- Circulate the agenda and any other papers
- Check that meetings are quorate
- Make sure the Chairperson signs the minutes when they have been approved by the committee
- Take, write and circulate minutes
- Monitor when committee members term of office ends

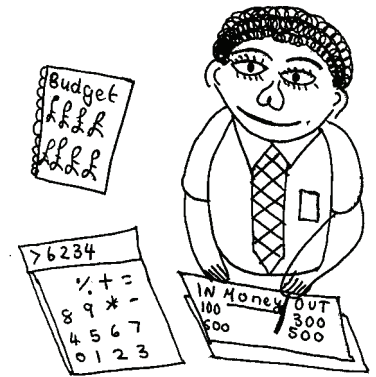


If you are a Company Limited by Guarantee, then you have to have a Company Secretary, but this does not have to be the same person as the Secretary – It could be a member of staff.

# Treasurer Duties and Responsibilities

## Financial Records

- Keep accounts (can be delegated to staff as appropriate for the size of the organisation)
- Produce end of year accounts and arrange for these to be examined or audited, where required
- Make sure that bills are paid promptly and that all income is banked regularly
- Liaise with the bank and make sure that bank statements are kept securely
- Check that bank statements reconcile with the cash book



## Helping the committee understand the finances

- Provide financial information to the whole committee
- Explain the financial situation to the committee in language that they can understand
- Enable the committee to agree an annual budget

## Financial Compliance

- Make sure there are financial systems and policies in place
- Prepare an annual budget for the committee
- Report to the AGM on the annual accounts
- Make sure that an independent examiner or auditor is appointed, as required by charity law or your constitution

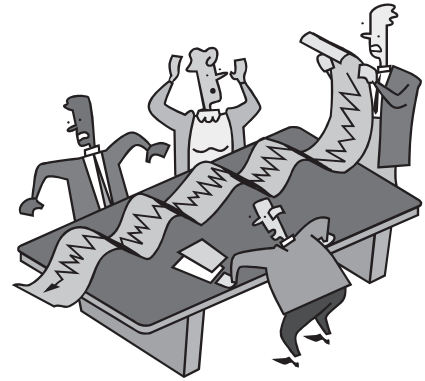
# Effective Meetings

## Tips for making meetings effective

### Before the meeting

The Chair should:

- Plan the agenda in consultation with the other officers and any paid staff
- Make sure that everyone knows the date, time and venue of the meeting and that agendas and other papers are sent out in advance
- Make sure the venue has been booked and refreshments organised



### During the meeting

The Chair should:

- Welcome everyone
- Make sure the meeting is quorate (check your constitution)
- Keep focused on the business and the decisions to be made
- Remind everyone to avoid jargon, acronyms or abbreviations that some people may not understand
- Encourage everyone to participate
- Make sure decisions are minuted with the name of the person responsible for any action
- Set the date and time for the next meeting
- Finish on time!

### After the meeting

- Type up the minutes as soon as possible after the meeting and then send them out
- Act on the decisions that you made

## Why take minutes?

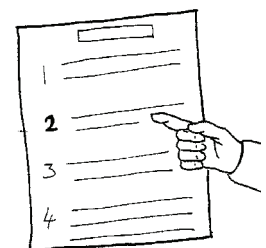
Minutes are a legal record of what you discussed and what decisions you made. They do not have to record everything that was said, but the main points and any decisions that were made.

They also:

- Inform people who were not there, what happened
- Remind you of what action you are supposed to take and by whom

## What should minutes include?

- Name of the organisation
- What type of meeting (e.g. management committee or finance sub-committee)
- Date, time and venue
- List of management committee members present and other people in attendance, such as staff
- Apologies for absence
- Confirmation that the previous meeting minutes are a true record
- Matters arising from the previous meetings minutes
- Separate minute for each item discussed
- Date, time and venue of next meeting



## Conflicts of Interest

### What is a conflict of interest?

As a management committee member, your first priority is to the organisation. All decisions you make must be in the best interests of the organisation and its beneficiaries. Sometimes situations will arise, where you may feel your loyalties are divided or it's hard to make an objective decision.

### Case Study

Jane is a Management Committee member of her local community centre. Up until now, the centre has rented space to other organisations, but due to an expansion in the centre's activities, they need these rooms themselves and are considering giving the other organisations notice on their tenancies. Jane's husband is the Director of a community organisation that rents a room in the centre.



Jane knows that her husband and his colleagues will not be pleased and it will be difficult for them to find an alternative room to rent, that the organisation can afford. Despite this conflict of interest, Jane's priority is to the community centre and she has to make decisions that are best for the centre.

Committee members may 'wear many hats' because they are involved in a number of organisations or their family and friends are involved in organisations.

Management committee members should not receive any personal benefit from their role. For example, if a management committee member has their own business, they should not expect contracts to be awarded to them. However, this is allowed if there is a transparent competitive tendering process and the contract is awarded in the best interests of the organisation.

## Recruiting New Committee Members

Don't wait until you're down to three committee members before you think about recruiting new ones. The Governance Hub has produced a toolkit which gives ideas on how to successfully recruit new committee members.

### Further Information

➔ Trustee Recruitment Toolkit available from the Governance Hub.  
[www.governancehub.org.uk](http://www.governancehub.org.uk)

## Committee Induction

Having an induction process for new committee members is a good idea, so that they are clear about their role and are knowledgeable about the organisation. Here's a list of things that may be useful for new committee members to do in their induction. You could also compile a committee induction pack.

### Activities

- ✓ Tour of office or other buildings
- ✓ Introduction to other committee members
- ✓ Introduction and talks with staff
- ✓ Informal presentations by staff
- ✓ Introduction and talks with volunteers
- ✓ Introduction to members
- ✓ Observing the organisation's activities or projects
- ✓ Reading key information about the organisation (See below)



### Induction pack checklist

#### Key documents

- ✓ Governing document (Constitution)
- ✓ Latest annual report and accounts
- ✓ Minutes of recent committee meetings
- ✓ Copy of the Charity Commission's The Essential Trustee: What you need to know
- ✓ Committee member's role description
- ✓ Pocket Guide to the 'National Occupational Standards for Trustees and Management Committee Members'
- ✓ Pocket Guide to the 'Code of Governance for the Voluntary and Community Sector'

#### Other documents/information

- ✓ Key policies, e.g. health and safety, code of conduct, conflict of interest, financial controls and human resources
- ✓ History of the organisation
- ✓ Organisational structure
- ✓ Senior staff job description
- ✓ Statement of ethos and values
- ✓ Business, strategic or work plans
- ✓ Newsletters, publicity material
- ✓ Dates and agendas of forthcoming committee meetings
- ✓ Names and contact details of other committee members

### Further Information

- ➡ Trustee Recruitment Toolkit available from the Governance Hub [www.governancehub.org.uk](http://www.governancehub.org.uk)

## Committee Training Needs

Do you know what skills and experience your committee has? You could do a skills audit to find out what skills, knowledge and experience you already have and what the gaps are. Then you can consider whether you look for new committee members who have these skills or whether you could provide training for existing committee members. Your local CVS will be able to advise you on how to find training for your committee.

Here's a basic skills and knowledge checklist that you could do with your committee

<b>Management Committee Skills Audit and Training Needs</b>				
Name _____ Organisation _____				
Please indicate your level of knowledge, skills or experience and whether you would like training in this area.				
	High	Medium	Low	Need Training
<b>Understanding your Role</b>				
Role and responsibilities of the Committee				
Role of the Honorary Officers (Chair, Treasurer, Secretary)				
Understanding your constitution / Governing Document				
Understanding the legal structure of your organisation				
Knowledge of Charity Law				
Knowledge of Company Law				
Understanding your legal obligations and which laws apply to your organisation				
<b>Being an Effective Committee</b>				
Organising committee meetings				
Chairing meetings				
Taking Minutes				
Recruiting and inducting new committee members				
<b>Strategy and Planning</b>				
Determining the organisation's vision and mission				
Experience of development or strategic planning				
Formulating policies				
<b>Financial and Risk Management</b>				
Knowledge of budgeting and cash flow forecast				
Experience of fundraising				
Contingency planning and minimising risks				
<b>Managing and Supporting Staff and Volunteers</b>				
Providing staff or volunteer supervision and support				
Knowledge of responsibilities as an employer				
Experience of staff recruitment				

## Further Sources of Information, Advice and Support

### Books

**Just About Managing** by Sandy Adirondack

Available from Directory of Social Change (See contact details below)

**Voluntary But Not Amateur** by Jackie Reason, Duncan Forbes and Ruth Hayes

Available from Directory of Social Change (See contact details below)

**The Good Governance Action Plan** by Sandy Adirondack

Available from NCVO (See contact details below)

### Local Organisations

Your local Council for Voluntary Service (CVS) - Check the phone book or the NAVCA web site [www.navca.org.uk](http://www.navca.org.uk)

Your local Community Accounting Service

Your local Employment Rights Service

(Your local CVS can tell you whether these organisations exist in your area).

### National Organisations

#### Governance Hub

C/O NCVO

Regents Wharf,  
8 All Saints Street  
London  
N1 9RL

Phone	0800 652 4886 (Helpdesk)
E-mail	<a href="mailto:governance.hub@ncvo-vol.org.uk">governance.hub@ncvo-vol.org.uk</a>
Website	<a href="http://www.governancehub.org.uk">www.governancehub.org.uk</a>

#### Workforce Hub

C/O NCVO

Regents Wharf,  
8 All Saints Street  
London  
N1 9RL

Phone	0800 652 5737
E-mail	<a href="mailto:help@ukworkforcehub.org.uk">help@ukworkforcehub.org.uk</a>
Website	<a href="http://www.ukworkforcehub.org.uk">www.ukworkforcehub.org.uk</a>

#### NCVO (National Council for Voluntary Organisations)

Regents Wharf,  
8 All Saints Street  
London  
N1 9RL

Phone	0800 2 798 798
E-mail	<a href="mailto:helpdesk@askncvo.org.uk">helpdesk@askncvo.org.uk</a>
Website	<a href="http://www.ncvo-vol.org.uk">www.ncvo-vol.org.uk</a>

**NAVCA (National Association for Voluntary and Community Action)**

177 Arundel Street  
Sheffield  
S1 2NU

Phone 0114 278 6636  
E-mail [navca@navca.org.uk](mailto:navca@navca.org.uk)  
Website [www.navca.org.uk](http://www.navca.org.uk)

**The Charity Commission**

PO Box 1227  
Liverpool  
L69 3UG

Phone 0845 3000218  
Website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

**Companies House**

Crown Way  
Maindy  
Cardiff  
CF14 3UZ

Phone 0870 33 33 636  
E-mail [enquiries@companies-house.gov.uk](mailto:enquiries@companies-house.gov.uk)  
Website [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**Directory of Social Change**

24 Stephenson Way  
London  
NW1 2DP

Phone 0207 391 4800  
E-mail [enquiries@dsc.org.uk](mailto:enquiries@dsc.org.uk)  
Website [www.dsc.org.uk](http://www.dsc.org.uk)

**Volunteering England**

Regent's Wharf  
8 All Saints Street  
London N1 9RL

Phone 0800 028 3304  
E-mail [Information@volunteeringengland.org](mailto:Information@volunteeringengland.org)  
Website [www.volunteering.org.uk](http://www.volunteering.org.uk)

**ACAS**

Brandon House  
180 Borough High Street  
London  
SE1 1LW

Phone 08457 47 47 47  
Website [www.acas.org.uk](http://www.acas.org.uk)



Whether you are a board member, a trustee or part of a management committee, understanding how to fulfil your role effectively will help your organisation grow and flourish. *What Management Committees Need to Know* has been written to help small organisations and community groups use the *National Occupational Standards for Trustees and Management Committee Members* and to introduce key issues related to the running of their organisations. It has been written by Bradford CVS on behalf of the Governance Hub.

The Governance Hub exists to improve governance within the voluntary and community sector in England by:

- increasing the supply of trustees
- enhancing trustee learning and development
- strengthening and extending support services for trustees
- promoting good governance in the voluntary and community sector

#### **Governance Hub**

Helpline 0800 652 4886  
(9am to 6pm Mon to Fri)

020 7520 2469

020 7520 2514

**c/o NCVO, Regents Wharf, 8 All Saints Street, London, N1 9RL**

To order publications and resource packs, and for general information about the Hub, governance and board membership

Media enquiries

Inquiries about the Hub's partnerships, tenders or policies

**[governance.hub@ncvo-vol.org.uk](mailto:governance.hub@ncvo-vol.org.uk)** General enquiries about the Hub, governance and board information

**[www.governancehub.org.uk](http://www.governancehub.org.uk)** To access information, download free resources or sign-up to our e-newsletter

#### **Bradford CVS**

01274 722772

[cvs@bradfordcvs.org.uk](mailto:cvs@bradfordcvs.org.uk)

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

**19-25 Sunbridge Road, Bradford, BD1 2AY**