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### News

Kevin Brennan, MP for Cardiff West, has been appointed the new Minister for the Third Sector. He replaces Phil Hope, MP who has been appointed Minister of State for the Department of Health.

## news and opinion from a trustee's perspective

### The economic climate

These are uncertain times economically. Some charities have already been affected, for example as a result of having investments in Icelandic banks, and it is likely that many more will start to feel the pinch as recession hits. Do think about including a discussion on the subject at your next trustee meeting - think about the potential impact on your charity and aim to mitigate this as much as possible.

If you are concerned about whether or not your charity would be eligible to claim compensation should your bank or building society fail, the Charity Commission has guidance at [www.charity-commission.gov.uk/news/fincomp.asp](http://www.charity-commission.gov.uk/news/fincomp.asp).

### Fundraising and trustees

As a charity trustee, fundraising will be high on your agenda - as a vital income source, a tool to communicate your cause with the wider world, and a means to retain an independent voice. Whether or not you are directly involved in finding the funds, as a trustee you have specific responsibilities and interests in the fundraising carried out in your name. These can be summed up as:

**Resources** - trustees have the ultimate responsibility for the finances of a charity - you need to be confident that you will have enough funds to support the valuable work of your organisation.

**Risk** - trustees have to report on major risks and how they are being managed, and fundraising income and how it is raised is a major factor to be considered.

**Reputation** - fundraising is often the main interface your organisation has with the public, and can build or damage your reputation accordingly. How you fundraise can be as important as how much you raise.

Raising confidence in standards across the whole of the sector is important, as it has a direct impact on levels of giving for all charities. This is the role of the self-regulatory body for fundraising, the Fundraising Standards Board (FRSB), which gives charities of all sizes a chance to demonstrate their commitment to best practice by signing up to the Fundraising Promise, a public declaration of key principles:

- Honest and Open
- Clear
- Fair and Reasonable
- Respectful
- Accountable
- Committed to high standards

By joining the FRSB scheme, charities also commit to abide by the Institute of Fundraising's Codes of Fundraising Practice. In return, member charities are able to display the FRSB's logo to publicise that they are committed to best practice in fundraising. For more information, go to: [www.frsb.org.uk](http://www.frsb.org.uk) or email: [info@frsb.org.uk](mailto:info@frsb.org.uk)

**Tip:**

Do you know that you can rate the resources on our website. Just click on the stars underneath the resource to let other trustees know how useful you found it.

## New offers for trustees

CTN offers an upgraded membership package 'trusteenetplus' which is now better value than ever. For just £40.00 per year you can receive the following benefits:

- Free subscription to *governance* magazine
- Individual Trustee Indemnity Insurance cover
- Free Legal Advice from LawWorks
- 15% discount on BoardsCount™ board reviews
- 10% discount on training from the Media Trust

To find out more about these offers, log on to our website:

[www.trusteenet.org.uk/upgrade](http://www.trusteenet.org.uk/upgrade)

## \*New\* Central London Trustee Network

The first meeting of the new Central London Trustee Network was held on 20 October. The meeting, generously sponsored and hosted by Kingston Smith LLP, looked at how trustee meetings could be as effective as possible. The handout from the meeting is available at -

[www.trusteenet.org.uk/networks/central-london-trustee-network](http://www.trusteenet.org.uk/networks/central-london-trustee-network)

Information about Kingston Smith is available at [www.kingstonsmith.co.uk](http://www.kingstonsmith.co.uk)

## Thoughts from Golam Morshed: Trustee Recruitment doesn't have to take that long

A few years ago, I contacted a charity I was really interested in becoming a trustee of. The trustees said that they wanted me to join the board, but it was more than eight months before I was co-opted to the board (during which time I did consider giving up the whole idea). I have since learned that this happens frequently in charities.

I was curious about why it took so long to recruit trustees when charities claim to be desperate to bring new trustees on board. I asked the Chief Executive and the Chair why it took so long, but could not get a clear answer. Over a number of trustee meetings I observed that the subject of trustee recruitment somehow became an informal item in almost every meeting. However, there was no systematic effort to find new trustees, nor clear ideas about when they were needed or what skills they needed to have. It was as if the current trustees were hoping that someone suitable would just appear somehow. After a few meetings, when I felt a bit more confident, I suggested to the Chair that we follow the same recruitment process we use for staff, that is, using a role specification, advertising, specific time frames and induction. This was agreed, and the adoption of this process has paid off; we have new trustees, and they didn't have to wait eight months.

## Charitable Incorporated Organisation: Consultation

The Charitable Incorporated Organisation (CIO) is a new legal form for charities - the first incorporated legal form designed specifically with the needs of charities in mind.

The Office of the Third Sector (OTS) and the Charity Commission are seeking responses to a consultation on the detailed legal framework for CIOs from those who will use the CIO model and those who will work with CIOs.

Charities who want to enjoy the benefits of incorporation must currently be regulated by both Companies House and the Charity Commission. The

**KEEP YOUR DETAILS UP TO DATE**

If you are no longer a trustee or your details have changed, log in to [www.trusteenet.org.uk](http://www.trusteenet.org.uk) to update your details.

CIO will only be regulated by the Charity Commission, ensuring a considerable reduction in the regulatory burden.

As an incorporated body, one of the main benefits of the CIO is that members are personally safeguarded from the financial liabilities it incurs. However, the consultation is concerned with the level of responsibilities that trustees should have in order to have this limited liability. These might include maintaining a register of trustees and members, and making that and other information about the CIO publicly available.

For more information and details of how to take part in the consultation, go to

[www.cabinetoffice.gov.uk/third\\_sector/Consultations/current\\_consultation/cio.aspx](http://www.cabinetoffice.gov.uk/third_sector/Consultations/current_consultation/cio.aspx)

### **The future of the Compact: Consultation**

The Compact was signed in 1998 by the Government and by representatives of the voluntary and community sector (the sector). It is a partnership working agreement, in which central Government (ie departments, agencies and quangos) and the sector signed up to a number of principles and undertook to follow particular practices in their relations with each other. While commitment to the ideal of partnership working has remained strong on both sides since 1998, there has been frustration in recent years - especially within the sector - that the practices set out in the Compact are not being followed fully or consistently enough in day to day relations.

In 2007, the Government created the Commission for the Compact with a brief to improve partnership working between Government and the sector. The Commission is now conducting a national debate and seeking views on the future of the Compact. To read the Commission's discussion paper and contribute to the debate visit

[www.thecompact.org.uk/information/101774/](http://www.thecompact.org.uk/information/101774/)

### **Advice from the Compliance-on-Time team at the Charity Commission**

Most trustees are aware that they have to send certain information to the Charity Commission each year. This information is used to maintain the Register of Charities and it enables the Commission to provide the public with accurate and up-to-date information about charities. What you might not be aware of is that the Commission is now highlighting on its website all charities who have not sent the required information in time.

The requirements are different for different sizes and types of registered charities. To understand how it applies to your charity, you need to check:

- its income for the current financial year;
- whether or not your charity is also a company;
- the value of its assets.

You should then establish:

- what type of accounts must be prepared;
- whether the accounts need an independent examination, accountant's report or audit;
- what information is needed in the Trustees' Annual Report;
- what information must be sent to the Charity Commission.

All registered charities must inform the Commission of any changes that need to be made to their registered details. Charities with an income over £10,000, must submit, within 10 months of the end of the charity's

#### ANY OTHER BUSINESS?

Do let us have your feedback on this e-newsletter by replying to this email. Let us know if we are getting it right or how we can improve this e-newsletter, **trustee focus** goes out bi-monthly, and we want as much content as possible to be from you - we would really welcome your ideas and submissions.

This newsletter is sent to you by CTN

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financial year, an Annual Return together with a copy of the charity's Trustees' Annual Report and Accounts. Charities with an income of £10,000 or below are encouraged to keep their Register entry up to date by submitting an Annual Update, and although accounts should still be prepared they are not required to be sent to the Commission.

Further details can be found on the Commission's website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk).

### **Acevo Annual Conference - Transforming your Strategic Planning**

ACEVO, the membership body for third sector chief executives, is hosting their annual conference on 28 November 2008. The conference will explore key issues such as:

- From Strategy to Sustainability
- Benchmarking Governance Performance
- The Relationship between Board Composition and CEO Performance

A special offer is available for CTN members. Any who book using the link below will receive a 25% discount on the cost of the conference.

[www.acevo.org.uk/captest/download\\_file.cfm?filename=Annual\\_Offer\\_CT\\_N\\_2.pdf&email=0](http://www.acevo.org.uk/captest/download_file.cfm?filename=Annual_Offer_CT_N_2.pdf&email=0)

### **Survey finds charities not investing ethically risk losing support of the public**

The majority (83%) of the general public would be less likely or unwilling to give to a charity if they found out it was not investing ethically, according to research released by the EIRIS Foundation.

Almost all (91%) of those surveyed agreed that charities should be investing their money in an ethically or socially responsible way.

The survey illustrates the growing public interest in the finances of charities, and the risks to both reputation and income that charities face by not investing in line with their mission

More information about ethical investment can be found at [www.charitysri.org](http://www.charitysri.org)

### **Network Events in October, November and December**

Please go to [www.trusteenet.org.uk/events](http://www.trusteenet.org.uk/events) for more details of these and many other events

**30 October** – Vale Trustee Network

**30 October** – Lewes Trustee Network

**20 November** – The Honorary Treasurers Forum - London

**25 November** – Cumbria Trustee Network - Penrith

**1 December** – Cumbria Trustee Network - Maryport