

# Duties and Responsibilities of Charity Trustees in Northern Ireland – A Summary

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## Who are Charity Trustees?

Each of the individuals who have general control and management of a charity are defined by charity legislation and in particular the Charities Act (Northern Ireland) 2008 (the “Act”) as being a “charity trustee”. Duties, responsibilities and liabilities apply to charity trustees and it is best to know what they are.

## General Duties

A charity trustee must comply with the following general duties: ensure that the charity operates in a manner that is consistent with its governing document; act in the interests of the charity; safeguard and protect assets; avoid conflicts of interest between their personal interests and those of the charity; manage and invest charity property prudently; and ensure that the charity complies with the provisions of the Act, and other relevant legislation.

## Responsibilities

All charity trustees are accountable for how the charity is run. Charity trustees have a collective general duty of care for the charity, and they must all observe the requirements imposed by legislation.

## Specific Duties

Charity trustees also have a statutory duty of care under article 1(1) of the Trustee Act (Northern Ireland) 2001. This includes a duty “to exercise such skill and care as is reasonable in the circumstances”. This means that the duty of care is greater for a charity trustee with special knowledge or experience.

The Act also puts additional specific duties on charities and it is the charity trustees who should meet these duties. These are not in force as at the time of issuing this article but these additional duties relate to the following: providing charity details for inclusion on the Northern Ireland Charity Register; reporting to the Charity Commission for Northern Ireland; financial record keeping and reporting; fundraising and providing information to the public.

## Reporting to the Charity Commission for Northern Ireland

The Act requires all charities in Northern Ireland to be on the Register and to supply certain information to the Charity Commission for Northern Ireland.

## Financial records and reporting

Charities must keep accounting records of sufficient detail that are able to disclose at any time with reasonable accuracy, the financial position of the charity at that time. Under the Act, at the end of the financial year charities must prepare a statement of account, including a report of activities, which must be independently examined or audited.

*Please note: The content of this article is for information purposes only and further advice should be sought from a professional advisor before any action is taken.*

## **Providing information to the public**

The fact an organisation is a charity should be stated on all correspondence, notices, bills and invoices, etc. There are additional disclosure requirements for charities who are also companies. Charity trustees should seek further information on what must be disclosed.

## **Charity Trustee Remuneration**

A charity trustee must not be remunerated from charity assets for providing services to a charity unless certain conditions set out in the Act are met.

## **Trustee indemnity insurance**

Charities may wish to take out trustee indemnity insurance, which provides cover for legal expenses and awards made against individual trustees. At present the charity's constitution must include specific power to purchase trustee indemnity insurance out of the charity's funds however the Act will allow purchase of trustee indemnity insurance in certain circumstances unless the governing document prohibits this.

For further information please contact Charity Law Partner Jenny Ebbage, 028 9027 1302, [j.ebbage@cfrlaw.co.uk](mailto:j.ebbage@cfrlaw.co.uk).

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