SUSTAINABLE COMMUNITIES:

A GOVERNANCE RESOURCE BOOK FOR SMALL COMMUNITY AND VOLUNTARY ORGANISATIONS

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Environmental Protection Agency
An Ghníomhaireacht um Chaomhnú Comhshaoil

THE WHEEL
Support and Representation for Community & Voluntary Organisations

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DISCLAIMER

This publication contains references and pointers to information provided by other organisations. We cannot guarantee their accuracy. Note that this document is for guidance only and is not a replacement for seeking legal advice should that be necessary.

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FOREWORDS

Dara Lynott

Deputy Director General,
Environmental Protection Agency

The EPA is delighted to have partnered with The Wheel in the production of this resource book which we hope will help groups across Ireland to strengthen their governance practice. We believe this will support their community-led initiatives to be transparent, accountable and impactful, which will ensure they secure long term support and are sustainable.

Our vision for sustainable communities are ones that are economically thriving; environmentally healthy; and socially resilient. By taking an active role in the management and protection of your local amenities, groups like yours are actively contributing to improving well-being while promoting a clean environment and a prosperous future. This resource book provides guidance to establish excellent governance practices for your group, and also to meet the new legal requirements associated with running voluntary organisations.

Sustainability is a core principle for the EPA and by partnering with The Wheel and their experience in supporting and developing groups in the community and voluntary sector, we believe that we have achieved a good balance of knowledge which is hopefully reflected in a practical and useful resource book.

Deirdre Garvey

Chief Executive Officer,
The Wheel

Trust is a not-for-profit group's most valuable asset, and good governance is key to preserving that hard-won trust.

Ireland's 18,500 civil society organisations are governed by over 50,000 people who provide leadership on a voluntary basis. Trustees, directors, management committee members, whatever the leadership are called, they must oversee and take responsibility for everything the group does.

However, it is not always easy to find the information and resources needed to do this job well. That is why The Wheel is pleased to present this easy-to-use resource book aimed at small community organisations - especially volunteer-led groups.

This resource book will not only provide you with crucial regulatory and legal information but also sample policy documents and templates which you can use and reuse and will save you time and energy that could be spent on achieving your group's mission instead.

I wish you all the best on your governance journey!

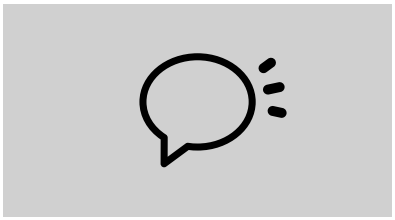
WHO THIS RESOURCE BOOK IS FOR

This resource book is mainly targeted at community organisations that are run entirely by volunteers. It is also aimed at organisations that have a very small number of staff, perhaps just one part-time paid employee. It has been developed for the members of the 'governing body' of the organisation, which you may call your board, management committee, steering group, council, or something else. These people are officially known as your 'trustees', because they have been *entrusted* to take overall responsibility for all that your organisation does. Together as a group, the trustees govern your organisation.

The work associated with governance is not the primary motivation of your organisation. Trustees have limited time to spare. This resource book will assist you to readily understand your governance responsibilities and complete your essential governance tasks. This will support you to achieve the best results for your organisation. It will also assist you to stay within the law and help protect you against unnecessary risks and mistakes.

HOW TO USE THIS RESOURCE BOOK

This is a practical resource book. It will guide you, step by step, through the process of having key discussions and completing important governance tasks. In order to make this as easy as possible, a number of standard icons are used throughout:



Having a discussion

Completing a task

Making sure everyone has a copy

Wherever possible, templates, checklists and signposts are provided. For ease of use, a colour-based code is in place for each principle of the Governance Code. A fictional all-volunteer community group – **Ballydemore Environmental Action** – is used to illustrate certain points.

By producing this document in a workbook format, you will be able to keep everything relating to your group's governance in one place. It will be a permanent record and reference point for your organisation. We recommend that you keep the resource book, governance documents, completed policies and checklists in a ringbinder or similar folder. Your workbook could therefore become your governance handbook.

By working through this resource book you are making a significant contribution to the success of your organisation. Please note that full compliance with the Governance Code is a journey that may take up to 18 months to complete. After that time, ensuring your organisation remains compliant is an ongoing process. You are to be congratulated for your commitment.

HOW THIS RESOURCE BOOK RELATES TO THE GOVERNANCE CODE

Are you aware of the Governance Code for Community, Voluntary and Charitable Organisations in Ireland? This code was developed in recent years – for the sector by the sector – to enable nonprofit clubs, associations and other organisations to demonstrate that they believe in, and adhere to, good standards of governance. It is a voluntary code, and it has become the primary standard for what excellence means when running charities or community groups of any size or description.

The Governance Code is based on five principles:

Principle 1 Leading the organisation

Principle 2 Exercising control over the organisation

Principle 3 Being transparent and accountable

Principle 4 Working effectively

Principle 5 Behaving with integrity.

The Governance Code is intended to be proportionate and user-friendly for all organisations no matter what their size or stage of development. There are three categories of organisations. Whilst the five principles remain the same across the three categories, the actions are different.

A **Type A organisation** has no paid staff and is run solely by volunteers who must assume all governance, management and operational responsibilities for their organisation.

A **Type B organisation** has a small number of operational staff, but the trustees continue to have some management (and sometimes even operational) responsibilities.

A **Type C organisation** has a board that focuses only on its governance role, delegating management and operational duties to the staff.

This resource book has been structured using the framework of the Governance Code, principle by principle. Where there are governance responsibilities that are specific to Type B organisations, this is clearly indicated.

By systematically working through the resource book, and implementing the required measures, you will at the end of the process be able to confidently declare yourself compliant with the Governance Code. This will allow you to:

— Set and achieve your goals more efficiently and effectively

— Provide evidence about your performance

— Increase transparency about how you are running your organisation

— Avoid bad risks

— Reduce your costs

— Play your role in restoring confidence in the charitable sector

INTRODUCTION

This section clarifies some of the terms that are used in governance, which can be confusing.

GOVERNANCE

Governance refers to how your organisation is run, directed and controlled; in other words, it is about oversight. It is distinct from management (coordinating the work of the organisation) and operations (carrying out the daily work of the organisation). These different responsibilities are often blurred in small organisations, but it is important to differentiate them.

Whether your organisation is about making a difference in a specific geographic area, changing attitudes, delivering a service, or improving the quality of life for a particular group in society, governance is about having ultimate organisational responsibility. Good governance is not about rules, it's about an attitude of mind.

THE GOVERNING BODY

The **governing body** is responsible for the governance of your organisation. The governing body is that part of your organisation that has formal powers and responsibilities. These powers and responsibilities should be outlined in your governing document (which may be called your 'constitution', 'deed of trust' or 'rules'). If things go wrong, 'the buck stops' with your governing body.

The Governance Code, and many funders refer to the governing body as the 'board', but this resource book uses the term 'governing body' to try and capture the range of structures that exist in smaller community and voluntary organisations. Examples of what your organisation might call its governing body include:

GOVERNING BODY
Steering Committee
Council
Board
Management Committee
Executive

TRUSTEES

The people that collectively make up your governing body are your **trustees**, which is the term we use in this resource book. Examples of what your organisation might call members of its governing body include:

TRUSTEES
Steering Committee members
Council members
Directors
Management Committee members
Executive members

Trustees are volunteers, but their governance role is diferent from the other activities that other volunteers might engage in. In a small group, an individual might be a trustee and be managing the budget for a project and be supervising staff or volunteers engaged to work on the project. The same person might also volunteer from time to time on the project itself. Therefore, it is imperative that everyone is clear which part of the organisation is the governing body and which 'hat' people are wearing at any time.

Your governing body will most likely be elected by the **members** of your organisation. However, only the people who are members of the **governing body,** are the organsation's trustees. Only the trustees are responsible for the organisation's governance.

WHAT'S THE WORK?	WHO'S DOING THE WORK?
Governance = oversight of work	Voluntary trustees = the governing body
Management = coordination of work	Volunteers or paid staff
Operations = delivery of work	Volunteers or paid staff

BALLYDEMORE ENVIRONMENTAL ACTION

The group began looking at its governance arrangements. It was pretty clear to all which was the governing body, because there was only one committee. But there was some confusion about which person was a 'trustee'. Sometimes, different people attended the committee's meetings. In fact, most people did a bit of everything in the group. For instance, the Secretary did not just manage the organisation's records, she also supervised the volunteers who raised funds for the group, and she could often be seen packing bags herself at their supermarket fundraising drives.

The group realised it needed to be far clearer about roles and responsibilities. It double-checked its constitution, which stated that in addition to the three formal roles of chairperson, secretary and treasurer, there were in fact four additional spaces on the committee. At its next annual general meeting (AGM), four extra committee members were elected. The organisation now had seven official trustees. It was recognised that these were the people who had ultimate responsibility for the group. Other people stopped attending the committee meetings and concentrated on doing the day-to-day work. The trustees did not stop being involved in the day-to-day work, but they made certain they knew which hat they were wearing at any one time.

RESPONSIBILITIES OF TRUSTEES

The five main areas of responsibility for trustees align with the five Governance Code principles:

Principle 1 Leading the organisation

Principle 2 Exercising control over the organisation

Principle 3 Being transparent and accountable

Principle 4 Working effectively

Principle 5 Behaving with integrity.

Trustees must always act in the best interests of the organisation, following all relevant laws and regulations. As trustees, you must try to do everything that is reasonably possible to fulfil your governance responsibilities. If you do the right things, in good faith, it is unlikely that you or your governing body will be taken to task for any genuine errors that may occur.

COLLECTIVE VERSUS INDIVIDUAL RESPONSIBILITIES

Your governing body has a **collective responsibility** for the decisions it makes. If a trustee is absent from a meeting, s/he is still responsible for decisions made at that meeting. If a trustee disagrees with something, but is outvoted at a meeting, s/he must still abide by the majority decision. Similarly, the behaviour of one trustee is the concern of all.

It is common practice and fully appropriate for the governing body to authorise the chairperson, and usually at least one other trustee, to act in a particular situation outside of its meetings (within certain parameters). This might apply to things such as meetings with other organisations or the development of particular projects. However, the ultimate responsibility for their actions is held by the full governing body.

Trustees must also be aware of their **individual responsibilities** to the organisation. They should understand all of the duties required to fulfil their role, including their legal obligations. It is not a position that anyone should take on lightly. They must actively contribute to the work of the governing body, for example, they must prepare for, and participate fully in, all governing body meetings. Trustees must manage differences constructively and support the whole governing body. Above all, they must act with integrity and be worthy of the trust placed in them.

Officers are individual trustees who hold special roles on the governing body that bring additional responsibilities (for instance, chairperson or secretary). They have the authority to carry out the work that is delegated to them, but again, the overall responsibility remains with the full governing body.

STARTING ON THE JOURNEY TO SUCCESS

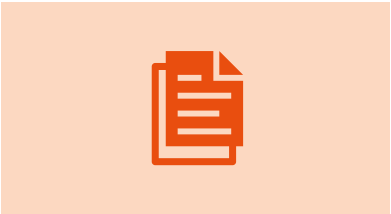
At the next meeting of your governing body:

— Confirm what type of organisation you are – Type A or Type B – if you are not clear, check the Governance Code www.governancecode.ie for further guidance

— Discuss which part of your organisation is your governing body and who are your trustees

— Commit to going 'on the journey' towards full compliance with the Governance Code

— Complete the On The Journey form (Form 1 on the website), scan it and mail it to info@governancecode.ie to inform them of your decision.



GOVERNANCE AND TRUSTEES OVERVIEW

'Governance' refers to how an organisation is run, directed and controlled.

The 'trustees' of an organisation make up the governing body and are collectively responsible for the governance of the organisation.

A trustee's core governance responsibilities are:

— **Leading the organisation** by ensuring that it has a strong vision, values and goals with good plans and adequate resources to meet those goals

— **Exercising control of the organisation** by complying with all of its legal and regulatory obligations and managing the risks associated with its work

— **Being transparent and accountable** to all of their beneficiaries and other stakeholders by actively inviting scrutiny of, and engagement with, their work

— **Working effectively** as a team, through good times and bad, with productive meetings, clear roles and responsibilities, and effective governing body processes

— **Behaving with integrity** by being honest, fair and independent, managing potental conflicts of interest and protecting their organisation's reputation.

PRINCIPLE 1: LEADING OUR ORGANISATION

WHAT DOES THIS INVOLVE?

Providing clear and confident leadership is a key governance responsibility. To comply with the Governance Code, trustees must provide leadership by:

1.1 Agreeing our vision, purpose mission, values and objectives and making sure that they remain relevant

1.2 Developing, resourcing, monitoring and evaluating a plan so that our organisation achieves its stated purpose and objectives

1.3 Managing, supporting and holding to account staff, volunteers and all who act on behalf of the organisation.

1.1 Agreeing our vision, purpose, mission and values and making sure that they remain relevant

THE IMPORTANCE OF PUTTING THINGS INTO WRITING

Although a group of people can come together and undertake activities simply by common agreement, this is unlikely to work on a long-term basis, especially if any difficulties arise. Writing things down ensures that everyone has a shared understanding. It allows new people to know what kind of organisation they are joining or supporting and stops people having to constantly reinvent the wheel.

OUR PURPOSE

Have a discussion to answer the following questions:

- What is the ultimate purpose of your group?
- What are the activities that you need to undertake in order to achieve your objectives/goals?
- What rules do you want to agree to guide the running of your group?
- What written policy statements do we need to express all of this?

TYPE B ORGANISATIONS

Make sure you have a written statement that outlines your organisation's mission, objectives and values. Review these every three years.

A STRONG CONSTITUTION

Your group should have a written **governing document** that is in line with your agreed vision and purpose. Some government departments and agencies refer to this your 'governing instrument'. In most all-volunteer groups, the governing document/instrument is known as the 'constitution'. The constitution is an extremely important document that establishes a framework for all your group does.

Developing the initial constitution is the responsibility of your trustees. Subsequent trustees should be given a copy of the constitution and it is one of their responsibilities to familiarise themselves with its contents. Trustees must ensure that the constitution is followed at all times. Your trustees should also review the constitution from time to time. If it no longer reflects what your group does, it is time to update it.

ARE YOU A CHARITY?

In the vast majority of cases the answer to this question will be yes. In Ireland, a charity is any organisation that has charitable purposes and that operates for the public benefit (with a limited number of exemptions). If you are a charity, then by law you must register with the Charities Regulator. In making a decision about registering as a charity, the Charities Regulator will need to see a copy of your constitution, which must include a number of essential clauses. It is important, therefore, that these clauses form part of your constitution.

The constitution template in this resource book is based on the Model Constitution for an Unincorporated Body or Association, developed by the Charities Regulator.

BALLYDEMORE ENVIRONMENTAL ACTION

The group revisited its constitution, which had not been updated in some time, and made the following decisions, for which it then sought approval at its next AGM:

Main object

- To ensure the natural habitat of Ballydemore and its environs are protected

Subsidiary objects

- To deliver awareness raising and educational activities about the importance of biodiversity
- To develop sensitive recreational activities that promote an appreciation of the natural environment

Any individual who shares the values of the group is entitled to become a full member of the group: each must complete a membership application form. Members are entitled to vote straightaway.

Organisations, as opposed to individuals, can only become non-voting associate members and trustees need to approve all applications for organisational membership.

21 days' notice of the AGM are given in writing to all members for whom the group has an up-to-date address.

No postal or proxy votes are allowed.

In order for the AGM to proceed, half of all registered members plus one should be in attendance.

In order for decisions to pass at the AGM, half plus one of all those at the meeting must vote in favour. There are separate arrangements for voting to close down the group.

Motions must be submitted no later than three days prior to the AGM.

To be nominated for election as a trustee, a member must submit a nomination form no later than three days prior to the AGM.

All nominations will be presented at the AGM for election – each nominee must be proposed and seconded at the meeting.

If more people are nominated than there are places, there will be a secret ballot with each member listing their nominees in order of preference. Votes will be counted by two independent people.

Trustees are required to step down after a three year term. They may offer themselves for re-election after a minimum break of one year.

If a trustee steps down during the year, the governing body is entitled to fill the position on an interim basis until the next AGM.

The trustees on the governing body elect officers at the first meeting after the AGM.

The governing body meets a minimum of six times per year. A quorum of half plus one must be present to hold a valid meeting. The governing body will keep minutes of its meetings.

The group maintains an annual record of income and expenditure and will make available its annual financial records to the Charities Regulator, Revenue and others as appropriate.

The group recognises that once the Charities Regulator or Revenue accepts the constitution, it cannot amend its terms without consulting with these regulatory agencies.

TYPE B ORGANISATIONS

If your organisation is already a company limited by guarantee (CLG), please be aware that the Companies Act 2014 made some important changes. The memorandum and articles of association of a CLG are now also known as the constitution.

If you are a newly forming company that will be seeking to register as a charity with the Charities Regulator, you are advised to use the Regulator's Model Constitution for a Company Limited by Guarantee. This Model Constitution will also be suitable should you wish to obtain charitable tax exemption status from the Revenue Commissioners.

If you are unsure about any company law matters, we recommend that you seek legal advice.

UNDERSTANDING THE TERMS OF THE CONSTITUTION

The language used in constitutions can be very formal and therefore somewhat off-putting. Here we explain what is meant by some of the terms that you may come across:

Name

You must agree on one official name for your group.

Objects

These are the reasons your group exists. They are often divided into the main object and the subsidiary objects. The objects are also sometimes called the 'objectives'. If you intend to become a registered charity you must ensure that your objects match at least one of the charitable purposes recognised by the Charities Regulator (see Principle 2).

Powers

Your powers, or authority, must be essential in order for you to achieve your objects. For example, they may permit you to raise funds, as this is essential in order for you to function.

Income and property

These refer to any money and assets that your group has and the broad arrangements you have for managing these.

Additions, alterations or amendments

You should ensure that your constitution remains up-to-date and you must follow proper procedures for changing it.

Winding up

These are the arrangements that must be in place in case you ever find yourself in a situation in which you need to close the group.

Other rules

There need to be sensible rules for the functioning of your group. This involves answering questions such as:

— How does someone become (or stop being) a member of the organisation?

— How do the wider, general member meetings operate?

— How many people need to be present at general meetings in order for valid decisions to be made (this is known as the 'quorum')?

— How are trustees elected? The Regulator describes these people as 'executive members'.

— How does the governing body function? For instance, how often should it meet?

ENSURING YOU HAVE A SOLID CONSTITUTION

— If you already have a constitution, check it is in line with the guidance presented in this section – if not review

— If you do not already have a constitution, complete the template in line with the guidance presented in this section

— Sign the constitution

— Keep the original in the resource book folder

— Ensure every trustee has a copy of the constitution

— Make the constitution available to anyone who wants a copy (if you have a website, make it available there)

— Review the constitution at least once every three years

CONSTITUTION TEMPLATE

NAME

The name of our group is:

MAIN OBJECT(S)

The main object(s) of our group is/are:

SUBSIDIARY OBJECT(S)

To achieve our main purposes/object(s), we will have the following supplementary object(s):

POWERS

In order to promote our objects, we may exercise the following powers:

Raise funds

Enter into contracts

Other:

RULES

Membership

Those who can become members of our organisation are:

They can become a member by:

They can have their membership taken away from them under these circumstances:

If a membership is revoked, there is an appeals process, which:

General meetings of members

A minimum of one general meeting of members is held once per calendar year. The maximum length that may elapse between one Annual General Meeting (AGM) and the next is 15 months. All other meetings of members are Extraordinary General Meetings (EGMs).

Members will receive notice of general meetings as follows:

The quorum for passing decisions is:

Those who have voting rights are:

Trustees

Our process for electing trustees is:

Our process for electing officers is:

A person can serve on our governing body for this length of time:

Our governing body meets as follows:

The quorum for passing decisions at meetings of the governing body is:

If it becomes necessary, our process for removing trustees is:

INCOME AND PROPERTY

(this clause is required if you are registering as a charity with the Charities Regulator and if you are seeking charitable tax exemption from Revenue)

The income and property of the organisation shall be applied solely towards the promotion of main object(s) as set forth in this constitution. No portion of the organisation's income and property shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to members of the organisation.

No trustee shall be appointed to any office of the organisation paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the organisation. However, nothing shall prevent any payment in good faith by the organisation of:

a. reasonable and proper remuneration to any member or servant of the organisation (not being a trustee) for any services rendered to the organisation;

b. interest at a rate not exceeding 1% above the Euro Interbank Offered Rate (Euribor) per annum on money lent by trustees or other members of the organisation to the organisation;

c. reasonable and proper rent for premises demised and let by any member of the organisation (including any trustee) to the organisation;

d. reasonable and proper out-of-pocket expenses incurred by any trustee in connection with their attendance to any matter affecting the organisation;

e. fees, remuneration or other benefit in money or money's worth to any company of which a trustee may be a member holding not more than one hundredth part of the issued capital of such company.

f. (Nothing shall prevent any payment by the organisation to a person pursuant to an agreement entered into in compliance with section 89 of the Charities Act 2009 (as for the time being amended, extended or replaced).

ADDITIONS, ALTERATIONS OR AMENDMENTS

(this clause is required if you are registering as a charity with the Charities Regulator and if you are seeking charitable tax exemption from Revenue)

The organisation must ensure that the Charities Regulator has a copy of its most recent constitution. If it is proposed to make an amendment to the governing instrument of the organisation which requires the prior approval of the Charities Regulator, advance notice in writing of the proposed changes must be given to the Charities Regulator for approval, and the amendment shall not take effect until such approval is received.

WINDING-UP

(this clause is required if you are registering as a charity with the Charities Regulator and if you are seeking charitable tax exemption from Revenue)

If upon the winding up or dissolution of the organisation there remains, after satisfaction of all debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the members of the organisation. Instead, such property shall be given or transferred to some other charitable institution or institutions having main objects similar to the main objects of the organisation. The institution or institutions to which the property is to be given or transferred shall prohibit the distribution of their income and property among their members to an extent at least as great as is imposed on the organisation under or by virtue of the income and property clause. Members of the organisation shall select the relevant institution or institutions at or before the time of dissolution, and if and so far as effect cannot be given to such provisions, then the property shall be given or transferred to some charitable object with the agreement of the Charities Regulator. Final accounts will be prepared and submitted that will include a section that identifies and values any assets transferred along with the details of the recipients and the terms of the transfer.

Signed:	**Signed:**
Chairperson	**Secretary**
Date:	**Date:**

1.2 Developing, resourcing, monitoring and evaluating a plan to make sure our organisation achieves its stated purpose

THE IMPORTANCE OF A PLAN

Even the smallest organisation should have some sort of a yearly plan to guide its work. Lack of clarity about your group's direction can lead to wasted energies, haphazard developments and conflict. Proper planning will enable your group to:

— Be clear and realistic about what it can, and cannot, achieve

— Direct and coordinate everyone's efforts and commitments

— Match resources to activities effectively and efficiently

— Anticipate and deal with difficulties

— Instil confidence in your group

— Support your ability to secure funding.

TYPE B ORGANISATIONS

If you have any paid staff, you must work with them to develop an annual workplan. You must also agree who is responsible for what in terms of fundraising activities, funding applications and contact with funders. Staff should be asked to report to trustees on a regular basis about progress against the plan (for instance, each quarter).

Planning is one of the main contributions your trustees can make to organisational success. They have a responsibility to:

— Understand the context and background to plan

— Develop a plan that is not at odds with the constitution

— Be pragmatic about planned activities and their costs

— Identify any risks the group faces

— Ensure the plan is implemented

— Review the plan and respond to the results of that review.

Although responsibility for planning lies primarily with your trustees, it is important that they consult others in the community, such as other volunteers, beneficiaries and partner organisations. These can provide your trustees with the information they need and their active support is necessary for the successful delivery of the plan.

STARTING THE PLANNING PROCESS

Devote one of your governing body meetings to discussing these questions:

— Has the issue you work on changed in any way?

— What went well last year and what could be improved? (Do not forget to look at your list of possible risks when doing this – see later).

— What activities should you undertake over the coming year to meet your goals?

— How much will these activities cost and how will you fund them?

— Who will do what and when?

TYPE B ORGANISATIONS

The yearly work plan for a Type B organisation should set out: objectives; timelines; targets; a budget; and a funding plan. A system should also be put in place for monitoring and evaluating the plan: you need to decide how you will know if the plan has been successful and what indicators and methods you will use to determine this.

WRITING THE PLAN

It is almost impossible to write as a committee, so it is best if, after the governing body meeting, one or two people take on the task of drafting the plan. They can then ask others for their feedback on the draft.

There is no standard format for an annual work plan. It can be laid out as a table, list or description. Some groups find it helpful to break the year down into quarters, whereas others work on a month-by-month basis. You should aim to spread activities throughout the year so that you are not overly busy at any one time.

BALLYDEMORE ENVIRONMENTAL ACTION

The group had previously tried writing a one-page description of its plan for the year, but felt it was a bit woolly, so they tried a different approach this year. Here is an extract from its new work plan, which is laid out as a much clearer table:

Quarter 2: April - June

OBJECTIVE	ACTIVITY	ACTIONS	RESPONSIBILITY	TIMEFRAME
To deliver awareness raising and educational activities about the importance of biodiversity	Provide month-long biodiversity awareness campaign on behalf of local authority	Liaise with local authority	David	January - May
		Plan and deliver one library talk	Sinead	April - May
		Plan and deliver two school talks	Ciara and Mick	April - May
		Run shopping centre information stand	Tommy (with volunteer team)	May
		Write report for local authority	Sandra	June

DRAWING UP THE BUDGET FOR THE PLAN

You will need to make sure that you have adequate resources for all the activities that you plan to undertake. Some resources are non-monetary, but the budget is about your financial resources. You need to think both about the money you will spend and the money that you will need to bring in to cover these expenses. Some groups find it helpful to draw up mini-budgets for different activities or projects, especially if they have received a grant for a specific action. These mini-budgets are then consolidated into one organisational budget.

It is easiest if your work plan and financial year coincide. The January to December calendar year is the most commonly used timeframe.

Projected expenditure

This is the money you expect to spend in the coming financial year, broken down into logical categories (for example, refreshments, venue hire). Firstly, list the estimated expenses for anything the group absolutely cannot do without or is obliged to pay (for example, insurance). Then, list the estimated expenses for things that you would like to buy, but are not sure you can afford (for example, new display stands). Add the two figures up: this is your total projected expenditure.

Projected income

This is the money that you expect to have available to you in the coming financial year, broken down by source (for example, grants, membership fees, donations). List all the money that you either already have available or that you certain you will receive during the year. Then list the income-generating efforts you intend to make during the year and how much you estimate these will raise (be realistic!). Add the figures up: this is your total projected income.

Analysing the draft budget

Compare your total projected expenditure to your total projected income:

— If they are approximately *equal* then your budget is balanced and your plan is good to go

— If your projected expenses are *significantly less* than your projected income, you have a budget surplus, which opens the possibility of extending your activities or putting money away for when you need it in future

— If your projected expenses are *significantly greater* than your projected income, you have a budget deficit.

Addressing a budget deficit

Most organisations will find that they have a deficit the first time they draft a budget. Consider the following possibilities to balance your budget:

— Raise the additional money you need through additional fundraising efforts

— Cut expenses, for instance by seeking donations of items you had planned to buy or by collaborating with another group to share the costs

— Agree that certain activities are not possible in the coming year.

Budgets need to be reviewed and adjusted on an ongoing basis to keep them accurate. Comparing your actual expenditure against your budgeted expenditure at the end of the year will help you to plan for the next year.

ENSURING YOU HAVE A SOLID PLAN AND BUDGET

— Complete the work plan template

— Keep the original in the resource book folder

— Ensure every trustee has a copy of the plan

— Repeat the process each year

WORK PLAN AND BUDGET TEMPLATE

YEAR

This plan starts on: *and ends on:*

REVIEW OF LAST YEAR

The main object(s) of our group is/are:

SUBSIDIARY OBJECT(S)

These are the key issues (successes and challenges) arising from our recent review:

PLANNED ACTIVITIES FOR THIS YEAR

We intend to do the following this year:

Actions

Timelines

Responsibilities

Other information

Budget	Estimated	Actual
Expected Income	€	€
Total:		
Expected Expenditure	€	€
Total:		
TOTAL Profit/Loss: (Income – Expenditure)		

1.3 Managing, supporting and holding to account staff, volunteers and all who act on behalf of our organisation

TRUSTEES

As part of the planning process, you will have:

— Set realistic goals

— Shared the work out as equally as possible

— Established timelines for particular actions.

Each governing body meeting provides an opportunity to review progress on the plan. The chairperson must make sure that those who committed to undertaking actions at previous meetings report back on the work that they did (and hold them to account if not). Not only must trustees work well as individuals and collectively, they must also ensure that other people involved with the organisation are clear about their responsibilities and the organisation's expectations of them.

OTHER VOLUNTEERS

Even a small organisation would benefit from having a written set of rules for volunteers who are not trustees. This document might be called something like 'how we work', and may consist of a series of bullet points addressing issues such as being punctual, completing agreed tasks on time, respecting confidentiality, appropriate ways of comunication, etc. It is especially important that volunteers know who they have to answer to. It is best if this can be drawn up as a collaborative effort, although our template may provide some useful ideas.

If your organisation is somewhat larger or runs a major event or programme that engages more volunteers, it would be good practice to have a more formalised volunteer policy, clarifying the rights and responsibilities of both the volunteer and the organisation. It would be helpful to appoint somebody with specific responsibility to coordinate this volunteer effort.

OTHER PEOPLE

Even if you do not employ any staff, it is possible that, from time to time, you may contract somebody to do some work for you, such as a graphic designer or a solicitor. You must establish clear written boundaries on the nature of your relationship with such people, including the extent to which they can use your name.

LET'S TALK BOUNDARIES

Have all trustees discuss these questions:

— Is there sufficient clarity about who does what and who is accountable to whom?

— If not, how will you formalise arrangements for this?

A VOLUNTEER POLICY THAT MEETS YOUR NEEDS

— Decide if your organisations would benefit from having a volunteer policy, and if so, what type

— Use one of the volunteer policy templates as a starting point for developing your own policy (further information, including a *Charter for Effective Volunteering* is available from Volunteer Ireland)

— Keep the original in the resource book folder

— Ensure every trustee has a copy of the policy

— Ensure every volunteer has a copy of the policy

SAMPLE VOLUNTEER POLICY FOR SMALL TYPE A ORGANISATIONS

(tailor as necessary for your organisation)

ORGANISATION NAME:

We are all volunteers. In order that we make the most of our limited time, we commit to working together like this:

If we promise to do something, we will do it.

If we cannot do something or cannot do it by the time we agreed, we will give plenty of notice, so that alternative arrangements can be made.

We will communicate respectfully and honestly at all times.

We will use _____ as our primary means of communication.

We will keep confidential matters confidential.

We will not bring the organisation into disrepute.

We will thank each other for our voluntary efforts.

SAMPLE VOLUNTEER POLICY FOR LARGER/MORE FORMAL TYPE A ORGANISATIONS AND TYPE B ORGANISATIONS

(tailor as necessary for your organisation)

ORGANISATION NAME:

Volunteers are our most valuable resource and we encourage and support them to get involved at all levels of our organisation and within all appropriate activities.

_____ (named staff member or trustee) is responsible for ensuring that the processes described in this document are followed. All other volunteers (including trustees) are expected to facilitate this process.

Recruitment

— Anyone who is commited to the aims and values of the organisation is eligible to apply to become a volunteer

— We always provide an accurate description of the tasks that we expect volunteers to undertake

— We may draw up a brief person specification for volunteer tasks that require a particular skill-set

— We always have an informal chat with potential volunteers, so that we can each decide if we are right for each other

— We always take up references

— We reserve the right to not select someone as a volunteer

Induction

— We welcome all new volunteers warmly and provide them with the information they need in order to become fully involved in our organisation

— All placements are subject to an initial trial period of one month

Support

— We respect volunteers' right to privacy and confidentiality

— We reimburse any previously agreed out-of-pocket expenses incurred in the course of undertaking voluntary work for our organisation

— We provide insurance to cover volunteers' activities

— Volunteers are sometimes able to avail of training and development opportunities through our organisation

— We thank our volunteers on an ongoing basis for their contribution, using both informal and formal recognition techniques

— We provide references for current and former volunteers on request

Supervision

— Basic administrative records are maintained on each volunteer to which they may have access at any time

— Each volunteer has a named supervisor

— We gratefully acknowledge the gift of time to our organisation, but stress that unscheduled absences can create organisational problems and request that volunteers inform their supervisor of these as soon as possible, so that alternative arrangements can be made

— We expect volunteers to adhere to the policies and procedures of our organisation (this includes maintaining the confidentiality of all privileged information to which they are exposed while volunteering)

If problems arise

— We aim to act quickly and fairly if difficulties arise

— We urge volunteers who have any sort of problem to contact their supervisor at the earliest opportunity

— If the supervisor is the source of the problem or cannot resolve the issue, the volunteer should contact the chairperson

— We reserve the right to dismiss volunteers who do not adhere to the organisation's rules or who fail to perform their volunteer assignments satisfactorily

Signed:

(Appointed volunteer supervisor)

Date:

Signed:

Volunteer

Date:

TYPE B ORGANISATIONS

The Governance Code requires Type B organisations that involve volunteers (outside of the governing body) to have a **written volunteer policy**.

The main factor that distinguishes a Type B from a Type A organisation, however, is that it has paid staff. Taking on paid staff is a big decision. In addition to all of its other responsibilities, by becoming an employer, the governing body has to adhere to all the requirements of employment legislation, which can be onerous. Here are some key things that the governing body has to do in relation to employing staff:

Register as an employer with Revenue.

Issue a written statement of terms and conditions **(contract)** within two months of an employee starting work. One of the things this must contain is a **job description**. Job descriptions should be updated if the nature of the job changes.

Issue a copy of the organisation's **disciplinary and grievance procedures** within 28 days of starting work.

Have an up-to-date **employment policy/ staff handbook** covering all aspects of the employer-employee relationship (recruitment, induction, supervision, appraisals, etc).

Appoint a **line manager/supervisor** for each member of staff. If there is only one employee, this is usually the chairperson. It is vitally important that there is a good working relationship between the staff member and her or his supervisor.

Establish **clear boundaries** between the roles and responsibilities of the staff and those of trustees. These may need to be reviewed as the organisation grows.

Make sure that paid staff receive regular **supervision**, at least one **appraisal** each year and ongoing opportunities for **development**.

PRINCIPLE 1: OTHER RESOURCES

DEVELOPING A CONSTITUTION

Charities Regulatory Authority

- model constitution for an unincorporated body

https://www.charitiesregulatoryauthority.ie/en/CRA/Pages/WP16000065

- model constitution for a Company Limited by Guarantee

https://www.charitiesregulatoryauthority.ie/en/CRA/Pages/WP16000065

The Wheel
http://www.wheel.ie/content/choosing-right-structure

The Wheel Solid Foundation Series: getting to grips with governance
http://www.wheel.ie/about/publications

DEVELOPING A PLAN

The Wheel
http://www.wheel.ie/content/strategic-planning-0

DEVELOPING A BUDGET

EPA & The Wheel
Sustainable Communities: A Funding Handbook

The Wheel
FundingPoint
http://www.wheel.ie/funding

The Wheel
http://www.wheel.ie/content/budgeting

The Wheel Solid Foundation Series: Financing Your Future
http://www.wheel.ie/about/publications

MANAGING VOLUNTEERS & STAFF

Volunteer Ireland
http://www.volunteer.ie/who-we-help/organisations/managing-volunteers

Employer Resources
http://www.employerresources.ie/

The Wheel Solid Foundation Series: Workplaces that Work
http://www.wheel.ie/about/publications

PRINCIPLE 2: EXERCISING CONTROL OVER OUR ORGANISATION

WHAT DOES THIS INVOLVE?

Trustees should have full and appropriate control of the organisation. This involves:

2.1 Identifying and complying with all relevant legal and regulatory requirements

2.2 Making sure there are appropriate internal financial and management controls

2.3 Identifying major risks for the organisation and deciding ways of managing the risks.

2.1 Identifying and complying with relevant legal and regulatory requirements

LEGAL FORM

Organisations in the community and voluntary sector can have a number of different legal forms. The most common are unincorporated associations and Companies Limited by Guarantee (CLGs). Others include trusts and friendly societies.

Most Type A organisations are unincorporated associations. This type of legal form has a number of advantages. They are easy and inexpensive to set up and regulatory obligations are not too onerous. The main disadvantage of not being incorporated is that the group has no separate legal 'personality'. As a result, members may find themselves personally liable for the actions or debts of the group. The group may also have difficulty establishing its credibility and entering into contracts, for example if it wishes to employ staff or lease property.

If your group grows and becomes a Type B organisation, trustees should seek a more formal legal structure, usually in the form of a CLG.

	Unincorporated			Incorporated	
Organisational structure	Unincorporated association	Trust	Benevolent society	Company limited by guarantee (CLG)	Industrial and provident society (ISP)
Legal personality	No	No	No	Yes	Yes
Governing document	Constitution	Deed of trust	Rules	Constitution (made up of memorandum and articles of association)	Rules
Can apply for charitable status?	Yes	Yes	Yes	Yes	Yes
Can apply for charitable tax exemption?	Yes	Yes (but difficult)	Yes	Yes	Yes (but difficult)

CLGs are regulated by the Companies Registration Office, www.cro.ie and Office of the Director of Corporate Enforcement, www.odce.ie. Benevolent societies and IPSs are regulated by the Registrar of Friendly Societies, www.cro.ie. Trusts are regulated by the Charities Regulator, www.charitiesregulatoryauthority.ie.

TYPE B ORGANISATIONS

If you are a CLG, your trustees must appoint a **Company Secretary**. The Company Secretary's role includes maintaining administrative and legal records and ensuring that the governing body adheres to company law and its own constitution (see this **Office of the Director of Corporate Enforcement guide** for further information).

The Charities Regulator recommends that the Company Secretary of a charity CLG should not be a paid member of staff. Paid staff may assist the Company Secretary in carrying out duties, but the Company Secretary retains responsibility for making sure these duties are carried out.

WHAT IS OUR LEGAL FORM?

Trustees should discuss the following:

— What is your legal form?

— Does this suit your needs at present?

— Will it still suit you in the future?

— Should you consider a simpler or more complex legal structure?

One of the trustees may need to take on the task of doing some more research in this area. You should always seek legal advice before making any decisions about changing your legal form.

CHARITY STATUS

This is an area that many groups find confusing. It has little to do with your legal form. Groups may not describe themselves as charities, but in the eyes of the law, they probably are charities. There are two ways in which charities are registered in Ireland:

— With the Charities Regulatory Authority: you **must** do this if you are a charity

— With the Revenue Commisioners: you **may** do this if you are a charity and wish to avail of charitable tax exemptions.

ARE YOU A CHARITY?

If you have 'charitable purposes' and provide 'public benefit', you must register as a charity with the Charities Regulator. Some organisations are excluded from registering as charities, such as most sporting clubs and purely political entities.

Charitable purposes are those for:

— The prevention or relief of poverty or economic hardship

— The advancement of education

— The advancement of religion

— Any other purpose that is of benefit to the community.

BALLYDEMORE ENVIRONMENTAL ACTION

Somebody had asked the chairperson 'what is the legal form of Ballydemore Environmental Action?' and in all honesty, he struggled to answer this. He decided to do some background research and brought the issue up as an item for discussion at the next committee meeting.

He had worked out that the group was an unincorporated association. This seemed to be fine, because the group did not own or lease a building and did not employ staff. The trustees were concerned when they heard that individual members could be open to full legal liability if something went wrong, however. But their minds were put at rest when they found out that - provided that they had adequate insurance cover and implemented all their new governance arrangements - this was an entirely acceptable legal form for groups like theirs.

Saying this, members often dreamed of the day when they could build an interpretative centre and have paid staff to run this alongside the volunteers. There was no chance of this happening soon, but they recognised that they would probably have to change their legal structure if this looked likely. They decided to revisit this issue in a year's time.

'Any other purpose that is of benefit to the community' is a catch-all category that includes the activities of most community organisations:

- Community welfare (youth, age, ill-health, disability, etc)
- Community development, including rural or urban regeneration
- Promotion of civic responsibility or voluntary work
- Health
- Conflict resolution or reconciliation
- Promotion of religious or racial harmony and harmonious community relations
- Protection of the natural environment
- Environmental sustainability
- Efficient and effective use of the property of charitable organisations
- Prevention or relief of suffering of animals
- Arts, culture, heritage, sciences
- Integration of those who are disadvantaged.

Public benefit means that it must be beneficial in an identifiable way to the general public or a significant section of the public.

TAX BENEFITS

The Revenue Commissioners also permits charities to whom they have granted a 'CHY Number' to claim certain tax benefits. The eligibility criteria for CHY status is broadly the same as for Registered Charity status, although there are a few exceptions for groups that were formed outside Ireland, operate outside Ireland or whose trustees are mostly based outside Ireland. Revenue requires that there are a minimum of three trustees who are not related to each other and specifies that trustees cannot be in receipt of any remuneration from the charity. Contact Revenue for further advice. If you do not already have CHY status, you must firstly apply for registration with the Charities Regulator – only if successful will you be able to apply for CHY status.

MAKING DECISIONS ABOUT CHARITY STATUS

Your trustees must have a discussion to answer these important questions:

- Are you a charity?
- Who will take responsibility for registering the group with the Charities Regulator and ongoing reporting?
- Would it be helpful to your group to avail of charitable tax exemption from Revenue?
- Who among you will take responsibility for registering the group with the Revenue?

THE PROCESS FOR REGISTERING WITH THE CHARITIES REGULATOR

Apply for an online account from the Charities Regulator

You will receive a security PIN, which you will need to create your online account.

Apply for registration using your online account. The information listed below is all required. However, if your charity was established before 16 October 2014, and your gross annual income last year was less than €10,000 and is likely to remain so for the forseeable future, you may be eligible for a simplified registration process.

Charity details

— Name and other names known by

— Type of organisation (your legal form)

— Date and country of establishment

— If you operate in Northern Ireland

— If you are an education body

— End of financial year

— Size of charity based on gross income (three bands available)

Charitable purpose

— Your purpose (drop down menu)

— Your objects as stated in your constitution

Activities

— You will need to show how your activities directly support your objects and how you are providing public benefit

— Information about your beneficiaries, volunteers and any codes you are signed up to

Address

— Principal and correspondence addresses

Places outside Ireland

— This probably does not apply to you

Fundraising

— Details of how you plan to raise money, focusing especially on donations

— Who raises funds for you (drop down menu)

Trustees

— Relatively detailed information is required for each trustee, but only their names, positions and start dates are made public

Parents/subsidiaries

— This may not apply to you – if you are a branch of a larger organisation, check with head office if you have to apply for charity registration in your own right

Financial

— Gross income and sources

— Gross expenditure

Financial advisors

— Details of your accountant, auditor and solicitor (if any)

Bank accounts

— Full details of all bank accounts

Further information

— The risk assessment procedures, safety checks and safeguards employed if you work with vulnerable people (see later).

— Any further information that you think the Charities Regulator should consider when evaluating your application

Documents

— Upload in PDF format: constitution and most recent annual report (if available)

— Upload in PDF format: latest set of accounts

— Upload in PDF format: anything else you think the Charities Regulator would find helpful

Declaration

— Sign the declaration and upload as a PDF

The Charities Regulator will let you know in due course if your application has been successful. You will also be contacted if there are any queries.

Once you are registered, there are certain things you have to do, such as displaying your Registered Charity Number in your communications and reporting annually to the Charities Regulator. A trustee should be tasked with the responsibility of checking the Charities Regulator website on a regular basis to ensure your organisation is keeping up to date with is obligations.

REGISTERING YOUR CHARITY WITH THE CHARITIES REGULATOR

— Apply for your online account

— Gather all the information that you will need

— Make your application

— Keep a copy of your application in the resource book folder

— If your application is successful, keep a copy of your Registered Charity Number in the resource book folder

— Identify the Charities Regulator reporting and other requirements and add them to your work plan

THE PROCESS FOR REGISTERING WITH REVENUE

Before you begin, ensure you have your Registered Charity Number from the Charities Regulator.

Apply using the **CHY1 form** available from the Revenue website – www.revenue.ie/en/business/charities. The following information is required:

Identification

— Standard details such as name, address, etc

— Tax reference number (you may not have this yet)

— A brief description of what you do

Trustees/Officers/Directors

— Name, address, occupation and PPS number of every trustee

— Any involvement or connection (current or past) by a trustee with another charity

Objectives and activities

— A copy of your constitution

— A statement of activities carried out to date and proposed for the next year (you can send your work plan)

— Any leaflets, press cuttings, fundraising materials or similar

Finance and funding

— Your latest annual acounts (if your annual income exceeds €100,000, these must be audited accounts)

— A proposed budget if your group is not yet operating, or has not been in existence for a full year

— Details of all bank accounts

— The names, addresses and PPS numbers of any professional fundraisers that you pay

— Any trading activities that you have already engaged in or plan to engage in

Property

— Details of property owned by your group

Declaration

— Sign the declaration

Send your documents by post to the Charities Section of Revenue.

Revenue will let you know in due course if your application has been successful. You will also be contacted if there are any queries.

Once you are registered, there are certain things you have to do, such as displaying your CHY Number in your communications.

REGISTERING YOUR CHARITY WITH REVENUE

— Gather all the information that you will need

— Make your application

— Keep a copy of your application in the resource book folder

— If your application is successful, keep a copy of your CHY Number in the resource book folder

— Identify any additional requirements and add them to your work plan

OTHER LEGAL AND REGULATORY RESPONSIBILITIES

Your group may have other legal and regulatory obligations. These will depend on the nature of your work. It is the responsibility of your trustees to ensure that all these obligations are being met and to keep up to date with any changes in the rules. This resource book can only provide a basic overview of some common regulatory areas here, but we signpost you to places where you can find further information.

TYPE B ORGANISATIONS

If you are an employer, health and safety law requires you to identify hazards; carry out Risk Assessments; and prepare a written Safety Statement.

Health and safety

You have a duty of care to those who come into contact with your organisation. Your trustees have to consider what they will need to do in order to ensure the health, safety and welfare of all: add these tasks to your annual plan. For more information, contact the **Health and Safety Authority** – www.hsa.ie.

Food safety

If you prepare and/or serve food as part of your activities, you must abide by all the relevant regulation and guidelines to ensure your systems are safe. For more information, contact the **Food Safety Authority of Ireland** – www.fsai.ie.

Child protection

This is a constantly evolving area both in terms of law and good practice. You need to put appropriate safeguards in place so that anyone under the age of 18 comes to no harm as a result of anything that you do or don't do. For instance, all of your volunteers may need to go through the Garda Vetting process. For more information, contact the **Department of Children and Youth Affairs** – www.dcya.gov.ie.

TYPE B ORGANISATIONS

If you are an employer, you are subject to employment equality legislation. You must ensure that: there is no discrimination when you advertise job opportunities; there is equal pay for equal work; employees are protected from harassment; you make reasonable accommodation for potential and current employees with disabilities; there is no victimisation of employees who decide to take action under the relevant Acts; and you take all reasonable practical steps to prevent discrimination in the workforce.

Vulnerable adult protection

This is similar to child protection, but for people over the age of 18 who may be vulnerable due to, for example, health, age or disability.

Equality

Equal status legislation outlaws discrimination in the provision of goods and services. You must therefore ensure all of your activities are as accessible as possible. The nine grounds of discrimination are: gender; civil status; family status; sexual orientation; religion; age; disability; race; and membership of the Traveller community. For more information, contact the **Irish Human Rights and Equality Commission** – www.ihrec.ie.

Data protection

Data protection legislation specifies rules for how personal information is handled. Any information that you hold about beneficiaries and other individuals must be essential information, must be kept in a safe place, must not be shared inappropriately and without permission, and must not be kept for longer than necessary. One of your trustees – usually the secretary – should be given the task of managing the group's records, meeting minutes, membership, etc. For more information, contact the **Office of the Data Protection Commissione** – www.dataprotection.ie.

Fundraising

Charity law states that in order to engage in charitable fundraising, you **must** be a registered charity. There are specific legal requirements for carrying out street collections and lotteries. Charities that engage in public fundraising activities, i.e. on street or door to door collections, are strongly advised to sign up to the Statement of Guiding Principles for Fundraising, which is another good practice code. There are potential tax implications for some fundraising activities. For more information, contact **ICTR** – www.ictr.ie

Grants and other contracts

When you accept a grant from a statutory body or a trust/foundation, you are entering some form of a contract. Trustees are responsible for ensuring that any terms and conditions associated with any contracts, including governance requirments, are reasonable and complied with.

POLICIES

It may be necessary to draw up internal policies to ensure that your group complies with the law, the rules of regulators, the requirements of funders and good practice standards. Small community groups tend to have few policies, particularly at the beginning of their existence. Over time, it is likely that some simple policies will help to build a shared understanding of how things should be done. Clear policies will also assist planning and decision-making.

Regardless of who is involved in the development process, signing off on policies is the responsibility of trustees.

WHAT POLICIES DO WE NEED?

Trustees should discuss the following:

— What are your other legal and regulatory responsibilities?

— Do you need any support to ensure you have identified them all?

— Where will you find this support?

— Do you need any written policies in order to meet your responsibilities?

— Do you need any support to develop these?

— Where will you find this support?

DEVELOPING YOUR POLICIES

— Complete the policies checklist

— Agree on an order of priority (we advise that you only work on one policy at any one time)

— Agree who will be responsible for each policy (this individual or working group should consult with others when developing policy)

— As each policy is approved, an original copy should be signed by the chairperson and kept in the resource book folder

Ensure each trustee has a copy of all the group's policies

FINANCIAL CONTROL

POLICY CHECKLIST

Policy	Do we need this?	Person responsible for developing	Date of sign-off by trustees	Date of review
Employment				
Volunteer				
Health and safety				
Food safety				
Child protection				
Vulnerable adult protection				
Equality				
Data protection				
Fundraising				
Financial management				
Risk management (risk register)				
Complaints				
Conflict of interest and loyalty				

2.2 Making sure that there are appropriate internal financial and management controls

Trustees need to be certain that the group is always solvent and that its financial affairs are conducted properly. This includes raising money, spending money and record-keeping. A yearly report of income and expenditure should be drawn up and income and expenditure should be monitored against the budget on a regular basis. Although certain tasks may be delegated to a finance subcommittee, the governing body as whole retains overall collective responsibility for financial control.

BALLYDEMORE ENVIRONMENTAL ACTION

The group considered itself very lucky to have the local bank manager as its treasurer. He did an outstanding job, always bringing very professional-looking documents to governing body meetings. The other trustees sometimes did not understand the documents, but they felt a bit reluctant to ask questions.

Before long, it had become the norm for the committee to 'rubber stamp' the treasurer's financial decisions.

When a new trustee came onto the governing body, she pointed out that this was not good practice and put the group at risk. What if the treasurer suddenly decided to step down? What if money went missing? The treasurer agreed with her and together they drafted a financial management policy that was then discussed fully by the governing body before being adopted.

APPROPRIATE FINANCIAL MANAGEMENT ARRANGEMENTS

Have a trustee discussion based on the financial management policy template and decide:

- Are you satisfied with your current financial management arrangements?
- Should you consider having a finance subcommittee?
- If so, how would this subcommittee work?
- Do you need a financial management policy?
- If so, who will be responsible for developing that policy?
- If not, how will you ensure that everyone understands what your procedures are?

YOUR FINANCIAL MANAGEMENT POLICY

- If you decide you need one, complete the financial management policy template
- The chairperson and treasurer should sign one copy of the agreed policy
- Keep the original signed version in the resource book folder
- Ensure every trustee has a copy

FINANCIAL MANAGEMENT POLICY TEMPLATE

Responsibilities

— We recognise that financial management is a collective responsibility of the trustees

— We authorise _____ (for example, a finance subcommittee) to undertake _____ tasks

Budgeting

— We prepare an annual budget as part of our annual work plan

— The budget is not valid until it has been approved by the governing body

Expenditure

— The chairperson and treasurer can approve expenditure up to €_____, provided that this is for items listed in the approved budget

— All expenditure approvals should be documented in writing to/by the treasurer (email is acceptable)

— Any expenditure that is not in the budget and any expenditure that is beyond €_____ is considered exceptional and must be pre-approved by the governing body

— All invoices must be matched with their expenditure approval confirmation

— All invoices must be linked to the appropriate budget item

— Invoices are approved and paid within 31 days

— Expenditure approvals are reviewed quarterly and any outstanding invoices are followed up

— This also applies to standing orders and direct debits

— All expenditure is recorded in a monthly spreadsheet

— All associated paperwork is filed

Petty cash

— The petty cash float is held by the treasurer who is responsible for keeping it safe

— The float may not exceed €_____

— Receipts must be obtained and retained for all petty cash expenditure

Out-of-pocket volunteer expenses, including trustee expenses

— The following are allowable expenses: _____

— Expense claims should be submitted as early as possible after being incurred

— Claims not submitted within six months are considered void

— Receipts are required for all expenses

— Expenses up to €_____ may be claimed from petty cash

— Expenses over €_____ must be formally pre-approved by the governing body

Income

— All income (cash, cheque or other) is receipted

— Monies must be given to the treasurer as soon as possible after receipt

— The treasurer must lodge money as soon as possible after receipt

— All income is recorded in a monthly spreadsheet

— All associated paperwork is filed

Bank accounts

— The governing body makes decisions about bank acounts and signatories

— We have _____ bank account(s), the details of which are: _____

_____

— Cheque books are held by the treasurer who is responsible for keeping them safe

— There are three authorised signatories who are:_____

_____

_____

— Signatories may never be related to each other

— Two signatories are required to sign cheques, withdraw or transfer any funds from the account(s)

— Passwords for internet banking are held by _____

— Passwords are changed regularly and this is done immediately on a relevant trustee's departure from the governing body

— All online banking transactions have a hard copy

Bank statements

— Bank statements are obtained on a quarterly basis at minimum

— All items are checked off against income and expenditure records

— Bank records are reconciled with the accounting records each quarter

— Any discrepancies are investigated

Financial reporting

— Quarterly income and expenditure accounts are prepared which are discussed at governing body meetings

— An annual financial statement is prepared that is approved by the governing body

Assets management

— The assets that we own that are worth over €200 are listed below

— Only the governing body can approve the disposal, sale, or transfer to another charity, of any assets that are no longer of use to us

Items	Date acquired	Replacement cost €	Date disposed of	Comments

Record keeping

— All financial records are retained for six years

Review

— This policy will be reviewed every three years or sooner if cirumstances change

Signed:

Chairperson

Date:

Signed:

Secretary

Date:

TYPE B ORGANISATIONS

All Type B organisations should have a written financial management policy. As the organisation has paid staff, a staff member may take on many of the day-to-day financial responsibilities, such as managing petty cash, receiving income, being a signatory on the bank account, etc. The policy will have to reflect these and other key matters: for instance, decisions will have to be made about the level of expenditure that the manager may approve. Cash flow should be monitored each quarter at minimum. Some Type B organisations may also need to have their accounts audited or examined independently and trustees must sign off on these.

2.3 Identifying major risks for our organisation and deciding ways of managing the risks

RISK CONTROL

Risk cannot be avoided, but most types of risk can be anticipated and planned for. Your group should spend some time thinking about the kinds of risks that are most likely to occur and that will have the most serious consequences if they came to pass. Plans then have to be made for minimising these risks. Examples might include Garda Vetting if working with children, suitable back-up systems for protecting the group's computer-based records, and monitoring that any loans taken out are being paid back.

If your organisation owns property or assets, make sure that legal ownership is in the name of the organisation and that the community interest is protected if the organisation ceases to exist. Take legal advice if necessary.

All groups will require public liability insurance. Other insurance cover – for example, for vehicles, buildings, directors or employees – may also be necessary, depending on the nature of your work.

TYPE B ORGANISATIONS

All Type B organisations should have a risk management policy and an annually updated risk management plan to deal with each risk identified.

BALLYDEMORE ENVIRONMENTAL ACTION

One of the volunteers had fallen during conservation work that the group was carrying out and had broken his arm. Luckily he was okay and he admitted that it had been his own fault for not following the instructions he had been given by the team leader. The trustees were very concerned about something similar happening again, however. At one of the governing body meetings, they systematically analysed all of the risks to which they were exposed. They decided that the most significant risks were personal injury, lack of funding, loss of records and reputational damage. They then came up with sensible plans for addressing each of these. Different trustees took on responsibility for delivering on different aspects of the risk plan, which made the whole process very manageable.

YOUR STRATEGY FOR DEALING WITH RISK

- Complete the risk register template
- Keep the original version in the resource book folder
- Implement your plan for managing risks
- Review each year as part of your annual planning process

RISK REGISTER TEMPLATE

Risk identified	Plan for dealing with risk	Person responsible

PRINCIPLE 2: OTHER RESOURCES

CHARITABLE STATUS

Charities Regulatory Authority
https://www.charitiesregulatoryauthority.ie/en/CRA/Pages/WP16000037

Revenue Commissioners
http://www.revenue.ie/en/personal/charities.html

The Wheel-Charity Regulation Essentials
http://www.wheel.ie/charityregulation

The Wheel
http://www.wheel.ie/support/forming-your-charity

- Forming Your Charity Information Sheet
- Companies Act 2014 Information Sheet

The Wheel Solid Foundation Series: getting to grips with governance
http://www.wheel.ie/about/publications

The Carmichael Centre
http://knowledgenet.carmichaelcentre.ie/regulatory-compliance

What To consider when setting up a group
http://knowledgenet.carmichaelcentre.ie/articles/factors-consider-when-setting-community-or-voluntary-group

POLICIES + PROCEDURES

The Wheel
http://www.wheel.ie/content/internal-policies-and-procedures

FINANCIAL MANAGEMENT

The Wheel
http://www.wheel.ie/content/finance

RISK

The Wheel Solid Foundation Series: Reducing the Risk
http://www.wheel.ie/about/publications

PRINCIPLE 3:
BEING TRANSPARENT AND ACCOUNTABLE

WHAT DOES THIS INVOLVE?

Good governance includes being transparent: having a 'no secrets' culture in which as much information is made public as possible, without people having to ask. Accountability is about being honest, fair, respectful and open to public scrutiny and inspection. Trustees can ensure they are acting accountably and with transparency by:

3.1 Identifying those who have a legitimate interest in the work of our organisation (stakeholders), and making sure there is regular and effective communication with them about our organisation

3.2 Responding to stakeholders' questions or views about our organisation's work and how we run it

3.3 Encouraging and enabling the engagement of those who benefit from our organisation in the planning and decision-making of the organisation.

3.1 Identifying those who have a legitimate interest in the work of our organisation (stakeholders) and making sure there is regular and effective communication with them about our organisation

STAKEHOLDERS

Stakeholders are those individuals and organisations that have a legitimate interest (a 'stake') in what your group does and and how it is performing. Your stakeholders might include:

— Beneficiaries and/or service users

— Families and friends of beneficiaries/service users

— Other volunteers and/or members

— Donors

— Funders

— Regulators (such as the Charities Regulator)

— Partner organisations

— The local community.

STAKEHOLDER ENGAGEMENT

Trustees should actively engage with their stakeholders, because:

— It keeps you in touch with everyone in your group and the outside world

— It ensures you continue to meet their needs

— It allows you to address their concerns

— It increases the likelihood that they will support your group.

There are many different ways of communicating with your stakeholders, including: informal chats, public meetings, newsletters, funder reports, annual reports, letters, website, social media, traditional media, and so on. You have to choose the method that is most appropriate for the stakeholder, what you wish to achieve with your commmunication and what is realistic within the limits of your resources.

You should also appoint **an official spokesperson** for your group, plus a deputy in case s/he is not available. This is especially important when you are dealing with the media.

Stakeholder	Their expectation	Communication methods	Persons responsible
Service user	Information about changes to service Opportunity to have a say	Newsletter Evaluation forms	Manager
Funder	How grant was spent What impact the organisation is having	Funder report Annual report	Treasurer Chairperson

OUR STAKEHOLDERS

Have a trustee discussion that finds answers to these questions:

— Who are your stakeholders?

— What might they want/need to know about you?

— What would be the best way to communicate with them, bearing in mind your available time and other resources?

— What are your legal accountability obligations?

— Who will you appoint as your spokesperson(s)?

OUR STAKEHOLDER TABLE

— Complete a the stakeholder table for your group

— Keep the original in the resource book folder

— Ensure every trustee has a copy

— Update as necessary

STAKEHOLDER TABLE TEMPLATE

Stakeholder	What they expect from us (include timelines if applicable)	Communication methods	Person responsible

Each stakeholder should be informed about your group's commitment to the Governance Code!

TYPE B ORGANISATIONS

All Type B organisations that are CLGs must file an Annual Return with the Companies Registration Office using Form B1. Late filing penalties apply if this is not done by the specified Annual Return Date. The Annual Return must incude audited accounts, except for those companies that are eligible for an audit exemption.

ANNUAL REPORTS

An annual report is an excellent opportunity for your organisation to communicate to all of its stakeholders. For instance, you can provide key information about your organisation, highlight your accomplishments, demonstrate transparency and thank all your supporters.

There are various types of annual report:

— If you are a charity, you must provide an online Annual Activity Report to the Charities Regulator

— Funders, as part of their grant agreement, may also oblige you to provide them with an annual report and specify that the report must be in a particular format

— These reports can be rather limited and 'dry' in nature: you may decide to produce a more comprehensive and appealing annual overview report, perhaps including photographs or stories from the people your work has supported.

ANNUAL ACTIVITY REPORT

If you are a charity you **must** submit an Annual Activity Report to the Charities Regulator no later than ten months after your financial year end. This is a basic online report which includes:

Activities

— Select from a list

— Brief description of your activities

Beneficiaries

— Select from a list

Employees and volunteers

— Number of employees

— Number of volunteers

Codes/principles you have signed up to

— Select from a list

Financial report

— Basic financial information is necessary for the online financial report (gross income, income sources selected from a list, gross expenditure, donations selected from a list, expenditure on salaries)

— **If your gross annual income was less than €10,000** for the reporting period, you must complete the online financial report and you may submit a profit and loss account (or income and expenditure account and statement of assets and liabilities) if you so wish

— **If your gross annual income was €10,001 - €100,000** for the reporting period, you must complete the online financial report and a profit and loss account (or income and expenditure account and statement of assets and liabilities)

— **If your gross annual income was more than €100,001** for the reporting period, you must complete the online financial report and a full set of audited accounts for the reporting period (including Trustee and auditor reports)

This report, including the accounts, is made available on the public Register of Charities.

OUR ANNUAL ACTIVITY REPORT

— Appoint one trustee to complete the Annual Activity Report within the required timeline, for example, the Secretary

— Ensure the chairperson and one other trustee sign the Annual Activity Report

— Print out a copy of the Annual Activity Report and keep it in the resource book folder

— Ensure every trustee has a copy of the Annual Activity Report

— Communicate the fact that the report exists widely (for example, in your newsletter or make a link to it from your website)

BALLYDEMORE ENVIRONMENTAL ACTION

The group had being producing some sort of annual report for quite some time. In some years the report was better than in others. This year was the first time they had to submit an Annual Activity Report to the Charities Regulator. They were a bit worried about doing this at the start, but it was really quite simple.

They had hoped the Annual Activity Report to the Charities Regulator would replace the report they used to produce. However, whilst the information in that report was fine, the group did not feel it was very inspirational. They therefore decided to draw up an annual report containing:

- Chairperson's introduction
- Brief overview to the organisation
- Names of the trustees, including their roles
- Names of all other volunteers
- The work that was planned and what was achieved
- Summary of finances
- Plans for next year
- Details about the group's work to comply with the Governance Code
- Acknowledgements to all funders, partners and supporters
- Contact details
- Registered Charity and CHY Numbers.

A local graphic designer volunteered her services and produced a beautiful report using many photos. The hard copy version was an A3-sized sheet of environmentally-friendly paper folded in half. In order to protect limited resources, the print-run was limited. A digital version was also prepared which was distributed far and wide, including the group's website and using social media channels.

TYPE B ORGANISATIONS

It is likely that paid staff will be involved to some extent in planning and running the AGM. Additional agenda items may include agreeing the audited accounts and appointing the auditor. The Office of the Director of Corporate Enforcement has produced an **Annual General Meeting guide** on company AGMs.

THE AGM

The AGM is an important part of your yearly calendar. Your constitution outlines the formal process that you must follow for your AGM and it is vital that you adhere to these rules. The meeting is an occasion to inform members and other interested parties about the work that your group has been involved in throughout the year. It also provides a forum for feedback and a chance to draw in new members with fresh ideas and energy.

You can even use the opportunity of having gathered your community together to do other things. For example, you could have a guest speaker, show a video, hold a consultation exercise or enjoy a social event. This is additional business that will take place either before or after the official business of the AGM.

PLANNING YOUR AGM

— Schedule the AGM and associated tasks into your work plan

— Divide responsibility for the AGM tasks amongst trustees as required

— Hold the AGM

— Retain a copy of the agenda, meeting papers, attendance records and original signed minutes and keep them in the resource book folder

— Review the relative success of the AGM at the next meeting of your governing body

AGM KEY TASKS TEMPLATE

Task	To be done when	Person responsible
Book accessible venue		
Serve required notice of the meeting		
Receive nominations and motions for the meeting		
Prepare papers for the meeting: — Agenda — Previous year's minutes — Annual report — Financial report — Others as necessary (for example, next year's work plan, list of nominations, list of motions, etc)		
Bring all required materials to venue		
Set up venue		
Chair meeting		
Ensure every attendee is recorded and be clear which attendees have voting rights Count votes		
Record accurate but concise minutes (including proposers and seconders as necessary)		
File AGM papers		

SAMPLE AGM AGENDA TEMPLATE

Organisation name

Date of AGM

Apologies for absence

Minutes of previous AGM (including signing on aproval)

Chairperson's report

Treasurer's report

Election of trustees

Motions (for example, to amend the constitution)

Any other business

3.2 Responding to stakeholders' questions or views about the work of our organisation and how we run it

CORRESPONDENCE, FEEDBACK AND COMPLAINTS

The easier you make it for your stakeholders to provide feedback, the more likely it is that they will do so. If they have a problem with something that you have or have not done, it is better if they tell you than others. The AGM may be a good opportunity for this, but the AGM should not be the only time and place that people can provide feedback.

No group is perfect 100% of the time: it is inevitable that there will be complaints from time to time. Complaints provide a good opportunity to improve service quality. Most complaints can probably be solved informally, but if you think it would be useful, you could draw up a formal complaints policy.

Stakeholders should also have the opportunity to contact you if they wish to praise you for something that you have done!

At the very least there should be a postal and/or email address for your group. Additionally, having a telephone number at which a designated trustee person can be contacted and/or a place at which people can meet someone from your group face-to-face is even better.

All significant interactions with stakeholders, and your responses to these, should be logged (for example, as part of the minutes of your governing body meetings).

TYPE B ORGANISATIONS

A clear formal system must be put into place for dealing with correspondence, feedback and complaints to the organisation. Having a staff member will make it easier to have a dedicated point of contact.

3.3 Encouraging and enabling engagement with those who benefit from our organisation in the planning and decision-making of the organisation

BENEFICIARIES ARE THE REASON YOU EXIST

Most groups have beneficiaries who are *people* (exceptions are groups set up purely to conserve the environment or those solely engaged in animal welfare). A group that truly cares about its beneficiaries should find ways to enable those who wish to, to contribute to its decision-making and planning.

This can be done, for example, by encouraging them stand for election as a trustee at your AGM or by seeking their views through consultation exercises. You may also wish to consider using tools such as annual surveys, formal evaluations or suggestion boxes.

It is especially important that beneficiaries are consulted prior to any significant organisational changes and that any such consultation exercises are meaningful. People's views must be, and must be seen to be, taken on board when making decisions that will affect them.

PRINCIPLE 3: OTHER RESOURCES

ANNUAL REPORTS

Charities Regulatory Authority
https://www.charitiesregulatoryauthority.ie/en/CRA/Pages/WP16000036

The Wheel
http://www.wheel.ie/content/financial-reporting-charities

The Wheel
http://www.wheel.ie/content/annual-reports

COMMUNICATIONS

The Wheel
http://www.wheel.ie/content/communications-strategy

PRINCIPLE 4: WORKING EFFECTIVELY

WHAT DOES THIS INVOLVE?

The governing body must ensure that its own way of working enhances and does not undermine the organisation by:

4.1 Making sure that our governing body, trustees, committees, staff and volunteers understand their role, legal duties, and delegated responsibility for decision-making

4.2 Making sure that as a governing body we exercise our collective responsibility through meetings that are efficient and effective

4.3 Continually reviewing governing body recruitment, development and retirement processes to ensure relevant competencies are in place to realise the organisation's objectives.

4.1 Making sure that our governing body, individual trustees, members, committees, staff and volunteers understand their role, legal duties, and delegated responsibility for decision-making

UNDERSTANDING RESPONSIBILITIES AND BOUNDARIES

Trustees are all volunteers, so the governance workload should be fairly shared out. Individuals and/or subcommittees can be given specific responsibilities or tasks. Although the governing body may delegate some governance tasks, it always retains full overall responsibility. It is important that everyone truly understands their roles.

OFFICERS

Your constitution will almost certainly specify what officer roles there are on the governing body. It may also contain rules for elections to these roles and their terms of office. You must observe these rules. Those trustees who do not hold officer roles specified in the constitution, can nevertheless take on specific responsibilities. For instance, one person may be put in charge of public relations or fundraising or volunteering.

WHO SHOULD DO WHAT?

At a meeting in advance of your next AGM, trustees should discuss the following:

— Is the governance workload evenly spread out?

— Are the officer roles that you have sufficient to meet your needs?

— Would it be helpful to write down a role description for each?

— Is everyone familiar with, and do they understand, the Governance Code and the organisation's governing documents?

— Does everyone realise that they have an individual responsibility to promote the group's aims? (This holds true even if they have been nominated by another organisation.)

— Does everyone realise that they must respect the confidentiality of your governing body?

OUR TRUSTEE OFFICER ROLES

— If you decide written role descriptions would be useful, use the four templates provided as a starting point (you can amend these to suit your needs and adapt them for other roles too)

— Keep the original versions in the resource book folder

— Make sure every trustee has a copy of these role descriptions, including any new trustees that join the governing body

— Review occasionally

TYPE B ORGANISATIONS

You should clearly delineate which responsibilities belong to trustees and which belong to staff. For example, some of the duties that may be undertaken by the secretary or treasurer in a Type A group may now transfer to a staff member. Also, some management and operational decisions may now be delegated to staff. Trustees should not interfere in the duties that have been delegated to staff but should ensure they are held to account for these by their supervisor(s).

There are no hard and fast rules about the delegation of tasks: it depends on the culture of the organisation and the stage of its development. What is crucial, however, is that everyone is absolutely clear where the boundaries lie. You must therefore put in place written role descriptions for officers/other trustees and job descriptions for employees that are mutually exclusive. Please seek advice if you are unsure.

CHAIRPERSON ROLE DESCRIPTION TEMPLATE

The chairperson's role is a focal one, both for internal and external purposes.

Leading

— To provide leadership and ensure the effective operation of the governing body

— To bring impartiality and objectivity to meetings and decision-making

— To ensure matters are dealt with in an orderly, efficient manner

— To facilitate change and address conflict within the governing body

— To ensure the continuing development of the governing body

Managing

— To plan and run meetings in accordance with the governing document

— To effectively chair governing body meetings

— To develop the agenda in conjunction with the secretary

— To ensure that decisions made at meetings are implemented

— To provide a focus for the governing body of the organisation

Representing

— To communicate effectively the vision and purpose of the organisation

— To act as the organisation's formal spokesperson

— To be aware of current issues that might affect the organisation

Qualities and skills required

— Good leadership skills

— Good communication and interpersonal skills

— Impartiality, fairness and the ability to respect confidences

— Ability to ensure decisions are taken and followed-up

— Good time-keeping

— Tact and diplomacy

— Understanding of the roles/responsibilities of a governing body

Average monthly time commitment:

Term of office:

Date:

VICE-CHAIRPERSON ROLE DESCRIPTION TEMPLATE

The role of the vice-chairperson is to stand in for the chairperson if s/he is absent and assist her/him with matters between meetings. The vice-chairperson role is generally assumed to be a precursor to becoming chairperson.

Leading

— To provide leadership and ensure the effective operation of the governing body

— To bring impartiality and objectivity to meetings and decision-making

— To ensure matters are dealt with in an orderly, efficient manner

— To facilitate change and address conflict within the governing body

— To ensure the continuing development of the governing body

Managing

— To plan and run meetings in accordance to the governing document

— To effectively chair governing body meetings

— To develop the agenda in conjunction with the secretary

— To ensure that decisions made at meetings are implemented

— To provide a focus for the governing body of the organisation

Representing

— To communicate effectively the vision and purpose of the organisation

— To act as the organisation's formal spokesperson

— To be aware of current issues that might affect the organisation

Qualities and skills required

— Good leadership skills

— Good communication and interpersonal skills

— Impartiality, fairness and the ability to respect confidences

— Ability to ensure decisions are taken and followed-up

— Good time-keeping

— Tact and diplomacy

— Understanding of the roles/responsibilities of a governing body

Average monthly time commitment:

Term of office:

Date:

TREASURER ROLE DESCRIPTION TEMPLATE

The role of the treasurer is to assist the governing body in its duty to ensure sound financial management.

Overseeing

— To look after the finances: receipts, invoices, financial records

— To ensure that the financial resources of the organisation meet its needs

— To ensure that appropriate financial procedures and controls are in place

Reporting

— To lead in preparing and presenting budgets, accounts and financial statements

— To prepare and present understandable financial reports to the governing body

— To ensure accounts meet the conditions of contractual agreements

— To present the annual accounts at the AGM

Advising

— To advise on the financial implications of any new projects

— To advise on reserves

— To advise on potential fundraising strategy

Qualities and skills required

— Experience of financial control and budgeting

— Excellent record keeping skills

— Good communication and interpersonal skills

Average monthly time commitment:

Term of office:

Date:

SECRETARY ROLE DESCRIPTION TEMPLATE

The secretary plays a pivotal role in terms of the organsation's administrative affairs.

Organisational

— To maintain membership lists

— To look after other key organisational documents

— To lead AGM preparations

Governing body

— To receive agenda items from other trustees

— To prepare agendas in consultation with the chairperson

— To circulate agendas and any supporting papers in good time

— To organise the logistics of governing body meetings

— To take and distribute minutes

— To ensure chairperson signs approved minutes

— To deal with governing body correspondence

— To ensure all trustees receive and sign all relevant documentation for their role

Qualities and skills required

— Excellent organisational skills

— A good eye for detail

— Experience of committee work and procedures

— Ability to take accurate minutes of meetings

— Good communication and interpersonal skills

— Ability to work well with the chairperson

Average monthly time commitment:

Term of office:

Date:

TYPE B ORGANISATIONS

If your organisation is a CLG, you must have a Company Secretary (see 2.1). The Secretary role outlined here is not necessarily the same as the Company Secretary. Trustees must be clear if the same person is undertaking both roles.

SUBCOMMITTEES AND WORKING GROUPS

It is very easy for your trustees to get 'bogged down' with management and operational demands and to lose sight of the longer-term needs and strategy of your group. One possible way to deal with this is to delegate authority to a smaller group that focuses on a specific set of tasks. There are two types:

— A **subcommittee** is a permanent group that deals with ongoing issues, such as finance

— A **working group** is a time-limited structure that tackles a specific project, such as a fundraising effort.

Subcommittees and working groups offer an excellent opportunity for bringing additional expertise and resources into the organisation from individuals unable to commit to all the responsibilities and time commitments of the full governing body. They can also provide a two-way opportunity for the organisation and volunteer to learn if the volunteer may be a good fit for the governing body in due course.

Only the governing body can decide to set up subcommittees or working groups. Any work done by subcommittees or working groups needs the ultimate approval of the whole governing body. It is therefore essential that each subcommittee and working group has clear and up-to-date terms of reference that clearly describe:

— Remit (what its role is)

— Membership (who sits on it)

— Chairperson (it is highly recommended that this role is taken on by a trustee)

— Powers (what it can/cannot do or decide)

— Reporting procedures

— Relationship to the full governing body.

You should explain to anyone on subcommittees or working groups that the reason these rules exist is because of your commitment to good governance.

DO WE NEED SUBCOMMITTEES AND WORKING GROUPS?

At a governing body meeting, discuss:

— Do you already have subcommittees or working groups and if so, are you clear about the distinction between them?

— How well are these structures functioning?

— Do you need to abolish or establish any subcommittees or working groups?

— If you decide that a subcommittee or working group is essential, what will its terms of reference be?

FINANCE SUBCOMMITTEE TERMS OF REFERENCE TEMPLATE

Adapt as necessary

Role

— To monitor and advise the governing body on the financial activities, controls and budgets of the organisation

— To monitor the progress of income-raising plans

— To recommend and monitor the annual budget

— To oversee the annual financial statements and any financial reports, including the production of audited accounts where applicable

— To ensure that there are arrangements in place by which trustees, other volunteers and other stakeholders can raise concerns about financial matters

Members

— Name: The Treasurer chairs the finance subcommittee

— Name: Another trustee who is not the organisation's Chairperson

— Name: For example, a non-trustee volunteer with finance skills

Powers

— The subcommittee acts in an advisory committee

— Full responsibility for the organisation's financial affairs lies with the governing body

Meetings

— The subcommittee aims to meet at least once between each meeting of the governing body

Reporting

— The chairperson of the finance subcommittee reports to each meeting of the governing body

Review

— The subcommittee and its terms of reference will be reviewed as part of the annual review and planning process

Signed:

Chairperson

Date:

Signed:

Secretary

Date:

OUR SUBCOMMITTEES AND WORKING GROUPS

— Draw up terms of reference as necessary

— Keep the original signed version in the resource book folder

— Ensure that each person who sits on the subcommittee or working group receives a copy

— Review annually

BALLYDEMORE ENVIRONMENTAL ACTION

Quite a lot of time was spent at committee meetings dealing with the money side of things. From time to time, there was mention of setting up a subcommittee for this. But nobody was keen to commit to going to even more meetings, least of all the chairperson, treasurer and secretary, who already had their plates full. The governing body members also thought that their group simply was not big enough to warrant having such a structure.

When they delved into the issue a bit more, they realised that they had confused financial management with fundraising, which are obviously linked, but which are not the same thing. They had been discussing practical matters to do with their fundraising drives at their governing body meetings. In other words, they had mixed up their governance role with their operational role.

It was agreed that the treasurer, together with the other trustees, would restrict his work to financial management, but that if necessary, time-limited working groups would be set up to deal with specific fundraisers. These would be chaired by a trustee who did not hold an officer post at the moment and would involving a number of other Ballydemore Environmental Action volunteers. In this way, time was freed up at committee meetings to deal with other governance tasks.

TYPE B ORGANISATIONS

Although it is good practice to do so for Type A organsiations, they are not obliged to write down as much as Type B organsiations. Type B organisation **must** write down: the roles of officers and other trustees; the terms of reference for any subcomittees; and the process for decision-making between meetings.

4.2 Making sure that as a governing body we exercise our collective responsibility through governing body meetings that are efficient and effective

THE IMPORTANCE OF EFFICIENT AND EFFECTIVE MEETINGS

Your governing body meetings are vital, because they are the means by which you exercise your collective responsibility for leading the organisation. They are necessary for information-sharing, reporting, review, discussion and decision-making. Not all meetings are as purposeful as they could be, however. Common problems include:

— Not meeting often enough

— Long discussions with no conclusion

— Decision-making on the basis of inadequate information

— Low attendance

— Uneven participation

— Unwillingness to ask questions.

Rules for meetings of the governing body (such as minimum frequency) are sometimes specified in the constitution: make sure you follow these rules.

PLANNING MEETINGS

Meetings are most productive if they are planned out properly beforehand. This responsibility usually lies with the chairperson and the secretary. It is recommended that you:

— Set dates well in advance (we recommend that you agree these annually and add the dates to your workplan, for example, every third Thursday of the month)

— Ask trustees in good time if they have any items they wish to add to the agenda

— Send a reminder notice (for example, by text or WhatsApp) a few days beforehand to ensure maximum attendance

— Agree the agenda in advance (have a specified focus for each meeting)

— Circulate the agenda and any papers in advance of the meeting so that people have time to read them beforehand.

An organisational calendar should be maintained that notes when certain things need to be discussed by your governing body (for example: funder reports, regulator reports, AGM preparation etc). These could be listed in your work plan.

THE AGENDA

A meeting agenda is essential. A good agenda provides a clear outline of what trustees can expect from the meeting. Do not try to squeeze too much into your agenda. When developing the agenda, try to identify how long each item should take, as this will enable you to decide what can realistically be achieved within whatever **time limit** you have set for the meeting (do not allow meetings to run on for hours as this is very demotivating). This does not mean that you are obliged to stop talking about an item if the length of time set aside passes. If the discussion is fruitful you may decide to continue it, but you need to be aware that this will have an impact on your ability to get through the other items.

You must also decide what the **purpose** of each item is. Matters that are merely for information should be listed as such and there should be no further discussion of these unless trustees have questions. As much time as possible should be given over to matters that require active discussion by the trustees, or their approval.

It is helpful to **review** the planned agenda at the very start of the meeting.

You are required to note who is and is not **present** and who has given their apologies for non-attendance.

You must firstly review the **minutes of the last meeting** for accuracy. If it is agreed that they are an accurate record, they should be approved and the original copy signed by the chairperson for the files. If there are any errors, they can be corrected by hand (and initialled by the chairperson) or the secretary can makes a note of them and amend the minutes for formal approval at the next meeting.

Matters arising is a part of meetings that is often used incorrectly. Make sure that only minor updates are given here on items that are not already on the agenda. Any substantive updates should not be discussed here. If they are not already on the agenda, they may have to be postponed to next meeting.

Reports will vary according to your structure. For instance, if you have a fundraising subcommittee, it should report here. Ideally, any reports should have been circulated beforehand, together with the agenda. **Non-regular agenda items** should be described clearly and any relevant papers should also be circulated beforehand.

Any other business (AOB) is also often misused. It should be reserved mainly for items that were not foreseen when the agenda was being drawn up and that cannot wait until the next meeting.

The date, time and venue for the **next meeting** should always be confirmed.

AGENDA FOR MEETINGS OF THE GOVERNING BODY TEMPLATE

Organisation:

Date: **Time:**

Venue:

Item		Time needed (in minutes)	For information? For discussion? For approval? For action?
1	Welcome and agenda review		
2	Present and apologies		
3	Minutes of previous meeting		For approval
4	Matters arising not covered elsewhere on the agenda		
5	Financial report		For discussion
6	Report from		
7			
8			
9	AOB		
10	Next meeting		For action
1.5 hours TOTAL			

EFFECTIVE CHAIRING

Good chairing is a key factor in the effectiveness of meetings. The role of your chairperson is to direct discussion in such a way that the goals of the meeting can be met. It is important that s/he has a good understanding of all agenda items and ensures:

— That meetings start and finish on time

— The agenda is followed

— All trustees participate

— Decisions are made

— Decisions are recorded

— Responsibilities and timelines for action are assigned, recorded and followed-through

— Your organisation's policies are applied in the decision-making processes.

MAKING DECISIONS

Your governing body makes many decisions. In order to make good decisions, trustees must firstly be clear about what they are hoping to achieve. They must inform themselves by reading or hearing all the relevant information. They must understand what choices are available and what the constraints are. They must also be clear of any resource implications, both in terms of time and money.

There are two common methods of making decisions: by **consensus** or by taking a **vote**. Some groups have a strong commitment to consensual decision-making and only take a vote in exceptional circumstances. Others routinely vote on all issues. Regardless of how decisions are taken, they must be clearly recorded.

If substantial decisions have to be taken between governing body meetings, for reasons of an emergency or other great urgency, they should be ratified by the next full meeting of the governing body. The governing body should have an agreed process for such situations (for example: the chairperson and two other trustees may make a decision on behalf of the governing body should XX situation emerge and others should be advised of the issue by email, ideally before the decision is made). However, this should never become common practice as it could undermine the authority of the governing body. Any such process should also be in line with the governing document.

MINUTES

Minutes are often seen as tiresome and bureaucratic, but they play a key role. The minutes of governing body meetings (and any of its subcommittees) are a legal record of its decisions and regulators and the courts can request them. It follows, therefore, that minutes and associated papers must be kept, and kept in a proper manner.

Minutes have several purposes:

— They provide a permanent record of decisions made

— They are a reminder of actions agreed at the meeting and therefore help to drive progress on these actions

— They are a source of information for those who were not at the meeting

— They can clarify misunderstandings about decisions made.

Minutes should:

— Be structured in line with the agenda

— Be accurate and unambiguous

— Be concise, yet complete (bullet points can work well)

— Written objectively without reference to the speaker (unless absolutely central to the meaning)

— Avoid unnecessary acronyms and abbreviations (write in full on first instance)

— Record any votes by the numbers in favour, against and abstaining – not by name

— Indicate if a meeting does not have a quorum (is or becomes inquorate) – decisions taken after this point are subject to approval by the next quorate meeting.

— Record if there were any conflicts of loyalty or conflicts of interest and how the trustees decided to deal with them (see 5.2)

MINUTES TEMPLATE FOR MEETINGS OF THE GOVERNING BODY

Organisation:

Date: **Time:**

Venue:

Present:

Apologies:

Statement of any conflicts of interest or loyalty

Minutes of previous meeting

Matters arising

Financial report

Report from

Report from

Item on

Item on

AOB

Next meeting

4.3 Continually reviewing governing body recruitment, development and retirement processes to ensure relevant competencies are in place to realise the organisation's objectives

DEVELOPING THE GOVERNING BODY

Take time at one of your meetings, once per year, to reflect on how well your governing body works,answering questions such as:

- How do your trustees feel they have performed individually?
- How do you feel that you have performed as a group?
- Does your governing body lack any essential skills or experience?
- If so, how can you address this? *(for instance, through: training, recruiting new trustees with these skills, inviting people who use your services to join, involving people of different ages or different backgrounds)*
- Could you do things differently as a governing body? *(for instance, meet at a different time or in a different place, have subcommittees, be more honest if there are concerns)*

RECRUITING NEW TRUSTEES

You should be ready, willing and able at all times to involve new people on your committees, as well as let go people who have done their time. People rotate off or resign from their roles. Sometimes, greater diversity, new skills, or just new energy, are needed.

Your constitution may have rules about the renewal of trustees – if so, you must follow these rules. New trustees are often drawn from your group's membership, but if specifically required skills are not easily found amongst your members, and your constitution allows this, then you can look further afield. You can advertise (for instance at your local volunteer centre) or simply ask someone who you think has the right experience and attitude if they would be willing to come on board. Boardmatch Ireland also provides a free recruitment service that you can avail of.

SUPPORTING NEW TRUSTEES

It can be very daunting to join a new group of any kind. New trustees should be warmly welcomed and should receive a proper introduction to the organisation, to its structures and to their role in it. This holds as true for people who have already been involved as non-trustee volunteers as it does for entirely new trustees. It is helpful to appoint someone to take new trustees under their wing, mentoring them until they are settled in. All trustees should receive a pack that contains essential information for their governance role. If they need any training to fulfil their trustee obligations this should be agreed and a suitable opportunity identified.

TRUSTEE PACK CHECKLIST

Document	Sign if received
Constitution	
Copy of the Governance Code	
_____ policy	
_____ policy	
Current annual work plan	
Most recent annual report	
Most recent AGM minutes	
Trustee code of conduct	
Conflict of loyalty and interest policy	
Minutes of last two governing body meetings	
Governing body meeting schedule	
Additional information	

— The trustee has been advised of the organisation's legal structure and key regulatory and compliance frameworks

— The trustee has been advised of the organisation's key stakeholders, donors and funders

— The trustee has been advised of the current officers and members of subcommittees

Received by: (Trustee name)

Date:

PRINCIPLE 4: OTHER RESOURCES

THE GOVERNING BODY

The Wheel
http://www.wheel.ie/content/how-govern

The Wheel Solid Foundation Series: getting to grips with governance
http://www.wheel.ie/about/publications

The Carmichael Centre

http://knowledgenet.carmichaelcentre.ie/articles/complying-governance-code-working-effectively-type-c-organisations

MEETINGS

The Wheel
http://www.wheel.ie/content/holding-effective-meetings

The Carmichael Centre
http://knowledgenet.carmichaelcentre.ie/articles/tips-running-effective-board-meetings

DEVELOPING THE GOVERNING BODY

The Wheel
http://www.wheel.ie/content/renewal

The Carmichael Centre
http://knowledgenet.carmichaelcentre.ie/articles/evaluating-bord-performance

BoardMatch Ireland
http://www.boardmatchireland.ie/

PRINCIPLE 5:
BEHAVING WITH INTEGRITY

WHAT DOES THIS INVOLVE?

An organisation that behaves with integrity is one that has a strong ethical culture. Trustees have a significant role to play in establishing and maintaining a culture of acceptable behaviour and practice by:

5.1 Being honest, fair and independent

5.2 Understanding, declaring and managing conflicts of interest and conflicts of loyalties

5.3 Protecting and promoting our organisation's reputation.

5.1 Being honest, fair and independent

INDIVIDUAL RESPONSIBILITY

This resource book has guided you through a process of ensuring that you meet your collective responsibility for good governance.

Your trustees must also demonstrate **personal integrity**. Their involvement should be about serving the best interests of your group. It should never be for the interests of another group, nor should it ever be for personal gain. You may very much enjoy being a trustee and get a lot out of it, but your primary purpose is the success of the group.

The voluntary nature of governance in the nonprofit sector is an important distinction between it and the private sector. Voluntary trustees are committed to the best interests of the organisation and its beneficiaries, with no other incentive for doing what they do. This safeguards the independence of the organisation and promotes its reputation.

It is very important to be clear on these matters. The chairperson plays a particularly strong role in developing an ethical culture and keeping everyone on track.

TRUSTEES CODE OF CONDUCT

A code of conduct for trustees can provide a clear and shared understanding of the responsibilities and expectations of trustees. It can show potential new trustees what the role involves and it ensures that each trustee is treated equally. It can help to avoid problems and provide a framework to address difficulties should they emerge. Such a code must ensure it meets the standards set by the organisation's own governing document and by any regulatory frameworks it is bound by.

Trustees must not benefit from their position beyond what is allowed by their governing document and the law and only when it is in the best interests of the organisation. **There must be no financial compensation for the governance role**, other than the reimbursement of reasonable, vouched, out-of-pocket expenses incurred whilst volunteering for the organisation. The Charities Act 2009 does allow for charities to make an agreement with a trustee for the provision of services in return for payment. Any such agreement must be in writing and must not be prohibited by the constitution of the charity. This is a challenging area, because of the potential for conflicts of interest. It is expected that the Charities Regulator will issue guidelines about such agreements in the future.

WHAT ARE YOUR EXPECTATIONS OF YOUR TRUSTEES?

Before beginning to develop a code of conduct, devote one part of a governing body meeting to asking these sorts of questions:

— What kind of personal behaviour do you expect from your trustees?

— What are your expectations about meeting attendance and punctuality?

— What are your expectations around confidentiality (who can share what information under what circumstances)?

— Who is allowed to speak to the media and other external representatives?

— What will you do if the rules are broken?

OUR CODE OF CONDUCT

— Review the code of conduct for trustees template and agree/ amend with the decisions reached during your discussion on this topic

— Ensure each trustee signs the code of conduct and receives a copy

— Keep the originals in the resource book folder

— Review the code of conduct at least once every three years

CODE OF CONDUCT FOR TRUSTEES TEMPLATE

As a trustee of _____, I will live up to the trust placed in me by the organisation. I acknowledge that I have the following responsibilities:

Law, mission, values, policies

— In my role as trustee, I will not break the law or act against any regulation in force

— I will abide by and support the organisation's mission and values

— I will abide by organisational policy and procedure

— If any of these commitments cause me to come in conflict with my legal obligations then the latter will take precedence

Conflicts of interest

— I will always act in the best interests of the organisation

— I will do my work in accordance with our conflict of interest and loyalty policy

— I will accept the judgement of the governing body and do as it requires regarding potential conflicts of interest and loyalty

Personal conduct

— I will act honestly, fairly and respectfully to my fellow trustees, other volunteers, (staff), beneficiaries and anyone I come into contact with in my role as trustee

— I will strive to promote a culture of openness and transparency so that members of the public, beneficiaries and regulators can have confidence in the organisation

Guardian of the organisation's reputation

— All I do on behalf of the organisation will be able to stand the test of public scrutiny

— I will not speak as a trustee in any public forum without the prior knowledge and approval of the chairperson (or vice-chairperson)

— When I am asked to represent the organisation, any comments I make will reflect current policy even if I do not agree with them

— When speaking as a private citizen I will strive to uphold the reputation of the organisation

— I will take an active interest in the organisation's public profile and seek to promote a positive image of it

Personal gain

— I will not personally gain from my role as a trustee nor will I permit others to do so as a result of my actions or negligence

— I will document expenses and seek reimbursement according to agreed procedure

— I will not accept gifts or hospitality without the consent of the chairperson

— I will use organisational resources responsibly and only in accordance with authorised procedure

Governing body

— I will abide by the organisation's governance procedures and practice

— I will commit to attending all governing body meetings, and in the event of unavoidable inability to attend, I will give advance apologies to the chairperson or secretary

— I accept that if I am absent without apologies for three meetings in a row, I will be deemed to have relinquished my role as trustee

— I will strive to be familiar with all agenda items sent to me in good time and be prepared to contribute my opinions during meetings

— I will honour the authority of the chairperson

— I will accept and support decisions made by majority vote even if I did not vote in favour of the decision

— I will maintain confidentiality on all business conducted by the governing body unless I have been expressly authorised to speak on matters outside of meetings

Leaving the governing body

— I understand that any substantial breach of this code may result in my removal from the governing body

— Should I wish to resign I will inform the chairperson in writing, stating my reasons

Name:

Signed: Date:

5.2 Understanding, declaring and managing conflicts of interest and conflicts of loyalties

COMPETING INTERESTS

Your trustees have a responsibility to act in the best interests of your group. A potential conflict of interest or loyalty may arise where these interests coincide with any interests that they may have outside of their role as trustees. This is because being a trustee with your group is only one aspect of their life. Although this can occur in any setting, the chances of it happening in a small community are particularly high. Common examples include:

— A family member of the trustee using the services that are being provided by the organisation

— The organisation availing of a service that is being supplied by a family member of the trustee

— The trustee owning a business that stocks supplies that the group needs to purchase.

Having a conflict of interest or loyalty does not mean the trustee has done anything wrong. It simply means that processes have to be put in place to deal with such situations.

CONFLICT OF INTEREST

A conflict of interest arises when your private interests compete directly with your duties as a trustee. A conflict of interest would arise, for instance, if a trustee influenced the awarding of a contract to a company owned by a family member, who would benefit financially as a result. It is legal to award a contract to the best qualified company, even if that company is owned by a relative, but the trustee could not be part of the process that made that decision. A conflict of interest does not necessarily have to involve family connections. It can also happen in relation to any business or other close connections the trustee might have.

CONFLICT OF LOYALTY

A conflict of loyalty arises where a trustee is involved in committee decisions that may be (or are perceived to be) influenced by considerations other than the best interests of the group. This is particularly likely to occur if a trustee is on the committee as a nominee of another group (for example, a funding body). This situation could cause the trustee to think that they should act in the interests of the organisation that nominated them. Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

MANAGING CONFLICTS OF INTEREST AND LOYALTY

Potential conflicts should be managed in such a way that they do not interfere with the ability of your committee to make decisions in the best interests of the group. This will be particularly important in communities where organisations would have no reasonable option except to purchase services or goods from a trustee or someone connected to them. With a conflict of interest/loyalty policy the organisation can show clearly that it has considered the potential conflicts arising from such a situation and has a strong process in place to manage them effectively.

CONSIDERING POTENTIAL CONFLICTS OF INTEREST AND LOYALTY IN YOUR ORGANISATION

Discuss these questions with all trustees:

— Do you understand the definitions of conflict of interest and loyalty, including the difference between the two?

— How do you want to manage potential conflicts that may arise from time to time?

— Who will draw up a policy for this and by when?

CONFLICTS OF INTEREST AND LOYALTY POLICY

— Review the conflict of interest and loyalty policy template and amend as necessary as a result of your discussion

— Ensure the chairperson signs the policy

— Keep the original signed version in the resource book folder

— Ensure every trustee has a copy of the policy

CONFLICT OF INTEREST AND LOYALTY POLICY TEMPLATE

Organisation:

Scope

— This policy supports our code of conduct for trustees and applies to all trustees

— It also applies to all subgroups of the governing body, whose membership may also include non-trustees

Definitions

— We understand a conflict of interest as one that arises arises when private interests compete with a trustee's duties to act always in the best interests of the organisation

— We understand a conflict of loyalty as one where a trustee is, or is perceived to be, influenced by considerations other than the best interests of the organisation

— Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest

Process

— Each trustee must tell the governing body if they believe they have a conflict of interest or loyalty on a matter to be decided on at a meeting

— Any trustee who feels there is a potential conflict of interest or loyalty that is not being declared should raise this for discussion

— If the governing body decides that there is no conflict of interest or loyalty, the meeting proceeds as normal

— If the governing body decides that there is a conflict of loyalty, this will be minuted and the meeting proceeds as normal

— If the governing body decides that there is a conflict of loyalty that is serious enough to warrant being a conflict of interest, it will be treated as such

— If the governing body decides that there is a conflict of interest, the trustee(s) in question must temporarily leave the meeting at which the matter is being decided upon

— On return, the trustee(s) should be told what decision was reached

— Conflicts of interest are recorded in the minutes of the meeting

Review

— This policy will be reviewed in three years or sooner if circumstances change.

Signed: **Date:**

Chairperson

BALLYDEMORE ENVIRONMENTAL ACTION

There had been an incident last year that had left the committee feeling rather uncomfortable. The group had received a grant for producing and installing interpretative signs. The committee awarded the contract to a local business which was owned by the brother of one of the trustees, because they knew him to be dependable and he was giving them a good price.

The funder found out about this arrangement: it was very clear that the two were related as they shared an unusual surname. The funder was rather unhappy that they had not followed the rules of the grant agreement which had specified that they needed to get three quotes, but decided not to take further action in this instance.

The committee did not want this kind of thing to happen again. They sought advice from someone in their community who worked with groups like theirs. She agreed to facilitate a session with the committee on a reduced-fee basis. She helped them to work through various scenarios to see what constituted a conflict of interest and loyalty, and what didn't, and how these situations should be best handled. The committee was far clearer at the end and drew up a one page policy to use for all of its future meetings.

TYPE B ORGANISATIONS

The Governance Code requires Type B organisations to maintain a register of trustees'/directors' interests, which must be updated each year. This systematically lists all the potential and actual conflicts of interest and loyalty that have been disclosed at meetings of the governing body or elsewhere.

For example, typical entries might read:

Board meeting date_____ – Trustee _____ noted that his employer was engaged in activities that may represent a conflict of loyalty in relation to agenda item 'b'. It was agreed that this did not represent a conflict of loyalty.

Board meeting date _____ – Trustee _____noted that she had a conflict of interest in relation to agenda item 'd' and volunteered to leave the room during the discussion of this item. This was agreed and the decision to proceed was made in her absence.

5.3 Protecting and promoting our organisation's reputation

YOUR REPUTATION IS YOUR MOST PRECIOUS ASSET

By following good governance practice as described in this resource book, your trustees will protect the reputation of your group. The trustee code of conduct is especially useful in this regard.

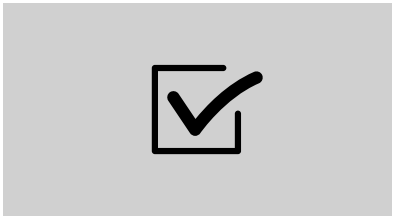
Trustees also have a responsibility to act as champions for your organisation, by actively promoting it, which can be done in two ways:

— **Informally:** for instance, by talking about the organisation to their own networks of family, friends and acquaintances

— **Formally:** offically representing the organisation at meetings, forums and in the media, all of which will require the prior approval of your committee.

Trustees should be able speak readily and clearly about your vision and achievements. It can be helpful to have an agreed 'elevator pitch', which is a brief, persuasive speech ready to spark interest in what the group does.

Trustees should always be on the look-out for ways to grow the impact of your group. This requires relationships to be built within the community and beyond. Inspiring and connecting with those who are equally passionate about your cause can help you to do this.



PUBLICISING YOUR COMMITMENT TO THE GOVERNANCE CODE

Well done – you have worked your way through this resource book and you are ready to state that you comply with the five principles of the Governance Code! If you cannot comply with one or two of the requirments, you need to be able to explain why not. Once your governing body has agreed that you are ready to publicly announce that you are compliant with the Governance Code:

- Download Form 2: the Governance Code Public Statement of Compliance
- If necessary, download Form 3 (the form that explains why your organisation is unable to comply with any of the recommended practices in the Governance Code)
- Ensure the chairperson and secretary complete and sign the sheet(s) and email a copy to info@governancecode.ie
- Publicly display this message wherever you can: We confirm that our organisation complies with the Governance Code for the Community, Voluntary and Charitable Sector in Ireland – this includes your website, reception area, annual report, etc
- Review your compliance every year (add it to your work plan)

TYPE B ORGANISATIONS

Insert this statement into your Directors' Report (or other relevant place) in your audited accounts:

"We comply with the Governance Code for the Community, Voluntary and Charitable Sector in Ireland. We reviewed our organisation's compliance with the principles in the Code on (XX DATE). We based this review on an assessment of our organisational practice against the recommended actions for each principle. Our review sets out actions and completion dates for any issues that the assessment identifies need to be addressed."