



Trustee handbook

This handbook answers some of the most common queries we deal with from trustees. It's designed to help you if:

- you are a new trustee
- you have just become your charity's main administrative contact
- you are handing over administrative responsibility to another trustee

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Trustee checklist

As a new trustee, you should ask the trustee board for a copy of your charity's key documents. This will help you:

- understand how your charity works
- work out how your skills and experience can help with the charity's management and administration

| Received? | Document | Description |
|--------------------------|------------------------------|---|
| <input type="checkbox"/> | Governing document | The legal document which sets out your charity's aims ('purposes') and – usually – how it should be run. It might be called other things, eg: <ul style="list-style-type: none"> • trust deed • constitution • articles of association • will • conveyance • Royal Charter • Scheme of the Commission. |
| <input type="checkbox"/> | Charity accounts | Your charity's accounts for the last financial year explain how your charity's resources are obtained and used. They will also tell you what your charity's financial situation is. |
| <input type="checkbox"/> | Trustees' annual report | The trustees' annual report explains what your charity is trying to do, how it does it, whether it's met its aims and how it works for the public benefit |
| <input type="checkbox"/> | Minutes of trustee meetings | The minutes record what was discussed and agreed at any charity meetings. They can be used to record where a decision has been made, eg the adoption and approval of the audited accounts. Your charity should retain minutes of any meeting – particularly trustee meetings – held in its lifetime. |
| <input type="checkbox"/> | Conflicts of interest policy | A conflicts of interest policy explains how to deal with situations where a trustee's decision-making is – or could be seen to be – influenced by either: <ul style="list-style-type: none"> • their own interests • interests or loyalty they owe to another person or body |

| Received? | Document | Description |
|-----------|--------------|--|
| | Key guidance | <p>The following guidance is aimed at helping you understand your duties as a trustee and how to manage your charity effectively:</p> <ul style="list-style-type: none"> • The essential trustee: what you need to know (CC3) • Hallmarks of an effective charity (CC10) • Good governance: a Code for the voluntary and community sector |

Using Charity Commission online services

If you are your charity's main administrative contact, you will need to visit the [Charity Commission website](#) to complete your annual return every year. Depending on your charity's size you may also need to:

- upload your charity's accounts as a PDF file
- upload your trustees' annual report as a PDF file

You can get guidance on completing the annual return and uploading PDFs from the Charity Commission website:

- find out what information your charity needs to send – click on 'Charity requirements and guidance' from the top menu and choose 'What information must trustees send us this year?'
- view the video tutorials on our website which walk you through the annual return form
- find information on how to turn paper, scanned or Microsoft Word accounts into PDFs on [our website](#) – type 'help with PDFs' into the site search box

You can complete a variety of other key tasks online:



*You must have your charity's unique online services password to use these services. If you've forgotten your password, or don't have one, you can [order another password](#).

Other sources of help with computers

- [UK Online Centres](#) provide free and low-cost help with computers and the internet
- if your charity is affiliated to or a member of a national organisation or umbrella body, they may be able to provide help
- if you are unable to use computers, see if one of your charity's other trustees can complete its annual return

Guidance on charity accounting and reporting

Careful planning is the key to producing a timely, good quality trustees' report and set of accounts. Successful charities prepare a timetable well before the year end and make key decisions before the process of preparing the accounts starts.

You and the other trustees also need to be clear about who is taking responsibility for completing the annual return. The responsibility for completing the annual return rests with the trustees. If you expect your staff, auditors or independent examiners to complete it on your behalf then make sure this responsibility is communicated, recorded and clearly understood.

- [More guidance on charity reporting and accounting](#)

Your charity has **10 months** from its financial year end to complete its annual return and upload its annual report and accounts (if required). If your charity does not meet its legal obligation to provide this information, it will be shown as in default on the public register of charities. **This can damage your charity's reputation and ability to attract funding.**

What you need to send depends on your charity's gross income in the period you are reporting on:

| | | | | |
|----------------------------------|--|---|---|----------------------------------|
| Annual income £10,000 or less | Annual income over £10,000 and up to £25,000 | Annual income over £25,000 and up to £500,000 | Annual income over £500,000 and up to £1 Million | Annual income over £1 Million |
|----------------------------------|--|---|---|----------------------------------|

Suggested timeline and actions for charities with incomes over £25,000

| Time | Actions | Responsible? | Complete? |
|----------------------------|---|--------------|-----------|
| Start of year | <ul style="list-style-type: none"> • Make sure the opening balances in your accounting records agree with the signed accounts for the previous year • Review your accounting records and see if analysis can be improved to better suit reporting and management information needs • Make sure any management letter recommendations from your auditor or examiner are considered and dealt with appropriately • Check you have a password to enable access to the Commissions Online service for filing and to inform us of any administration changes throughout the year. • If the person holding the password leaves the charity, make sure it is passed on to another trustee | | |
| Throughout the year | <ul style="list-style-type: none"> • Make sure you understand the nature of any restrictions placed on the income you receive and that restricted funds can be identified in your accounting records • Keep your accounting records up to date and ensure key reconciliations are prepared • Record key activities, events and achievements in your trustees' minutes - this will help you to prepare a quality annual report at the end of the year • Use our online services to record any administrative changes (eg new correspondent, new email addresses or trustees who enter or leave office) at the time the change occurs | | |

| Time | Actions | Responsible? | Complete? |
|---------------------------------|--|--------------|-----------|
| 2 months before year end | <ul style="list-style-type: none"> • Ensure independent examiner/auditor/reporting accountant appointed, fee (if any) agreed, timetable for external scrutiny agreed. Earlier planning may be necessary if competition for audit resources has caused delays in previous years • If your accounts are audited, ensure your auditor has details of new bank accounts or loan agreements that may require audit certification • Review accounting records to ensure they are up to date and that bank and other key reconciliations are up to date | | |
| 1 month to year end | <ul style="list-style-type: none"> • Decide who is coordinating the collection of information for the preparation of the trustees' annual report • Tell any internal branches/sections of the need for summaries of their work and give a deadline • Ensure any known queries are dealt with (eg unknown receipts or payments) • Let your auditor or examiner know if any of your accounting policies are likely to be changed • Ensure a trustee meeting to approve the report and accounts (or AGM if members' approval is needed) is arranged in good time to meet filing requirements | | |

| Time | Actions | Responsible? | Complete? |
|--|--|--------------|-----------|
| In the month following year end | <ul style="list-style-type: none"> • Reconcile bank accounts • Ensure all bank statements, paying-in-books and cheque stubs are available • Get deposit accounts updated for interest received • Close off cash books ensuring they add up and are fully analysed (and ledgers if used) • Reconcile any control accounts, for example, salaries, PAYE & NI, and VAT • Reconcile ledgers (if any) and prepare trial balance • Review analysis for consistency (eg all similar payments and receipts in same place) • Check all purchase invoices are present, obtaining replacements if any are missing • Ensure all receipts issued or invoices raised for services are available • Ensure terms and conditions for all material restricted funds are available • Prepare summaries from computer accounting packages (if used) | | |
| 1 month after year end | <ul style="list-style-type: none"> • Complete narrative for draft trustees' annual report • List any invoices paid after the year end relating to the previous financial year (needed if preparing accruals accounts) • Prepare draft accounts • Ensure all accounting records are available to your independent examiner or auditor • Arrange sign off dates with independent examiner or auditor | | |

| Time | Actions | Responsible? | Complete? |
|--------------------------------|--|--------------|-----------|
| 2 months after year end | <ul style="list-style-type: none"> • Meet with independent examiner or auditor to deal with any questions • Arrange for final accounts and trustees' annual report to be presented to trustees for approval • Trustees and independent examiner or auditors sign accounts • Trustees confirm who is taking responsibility for filing • Log in using your charity's password and complete your annual return online • Log in using your charity's password and upload your trustees' annual report and accounts • Arrange for final accounts to be sent to members where there is requirement to do so (or to present at an AGM) | | |

Guidance on finding new trustees

We are often asked to advise charities on how to recruit, select, appoint and induct trustees. Our online guidance answers the most common questions, and our detailed guidance sets out a framework for the recruitment process:

- ['I want to find new trustees'](#) – online guidance
- [Finding new trustees \(CC30\)](#) – detailed guidance

Some people are disqualified by law from acting as trustees under [sections 178 - 180](#) of the [Charities Act 2011](#). This includes anyone who:

- has been convicted of any offence involving dishonesty or deception
- is an undischarged bankrupt or is subject to bankruptcy restrictions or an interim order
- is disqualified from being a company director
- has previously been removed as a trustee by either the Charity Commission or the High Court due to misconduct or mismanagement

You and the other trustees **must** follow any specific provisions concerning the appointment of trustees in your charity's governing document. We recommend you ask potential trustees to sign a declaration form to confirm that all necessary checks have been made and the potential trustee can legally accept the appointment.

- [Trustee eligibility declaration form \(PDF\)](#)

Your charity should retain a copy of this form but you do not need to send it to the Charity Commission.

Guide to Charity Commission online services

Use our online forms to save time and money. Please provide feedback where possible – this will help us improve our online services.

Obtaining a password

You will need a password to:

- complete your annual return
- upload your accounts and trustees' annual report (where required)
- change your charity's contact details
- change email addresses (for both Commission use and public display)
- change your charity's financial year end date
- change trustee details
- change your charity's website address
- change where your charity operates
- change your charity's classifications (eg grant maker etc)
- change the description of your charity's activities
- change your charity's bank or building society account details

[Request a new or replacement password](#)

**Important:* you can only request a password if you are already listed as a trustee of your charity

Apply to register a charity

You will be asked to provide the information we need to consider your request for recognition as a registered charity. Your application will be speeded up if you are a member of a national body and can use an approved governing document that they issue (without major modification).

[Apply to register a charity online](#)

Notify us of a change to your charity's name or governing document

Use this form to tell us about any change that you make to your governing document. This includes telling us about changes that do not require our authority. The form has built-in guidance to lead you through the process.

Change charity name or governing document

The form caters for:

- Working and main name change
- Object change
- Change to conflict of interest or trustee benefit provisions
- Change to dissolution clause
- All company and non-company charities
- Filing a document that needs no approval or for which approval has already been given
- Changes that require written authority
- Changes that are regulated (companies)
- Section 275 (Charities Act 2011) change of objects for small charities
- Section 280 (Charities Act 2011) administrative changes
- Scheme applications.

Please be aware that if you are using a model governing document produced by an umbrella group and you choose to make changes, this can lead to delays in the Commission considering the request.

Register a merger between two or more charities

The Commission maintains a register of charity mergers. Its primary purpose is to ensure that legacies left to charities which have merged with other charities can be transferred to the new, merged charity without the need for complicated legal action.

Register a charity merger

You can use the form to tell us about up to five mergers.

Apply to spend permanent endowment

A number of charities have 'permanent endowment'; capital money which they are not allowed to spend. The law permits trustees to release this capital and spend the money in certain circumstances either by a simple resolution of the trustees or by making an application to the Commission. Both options are set out in the form which has built-in guidance to lead you through the process.

Spending permanent endowment

Transfer the assets of one or more charities to another

If you do not want to spend the permanent endowment of a charity you can opt to transfer it to another charity. The form's built-in guidance leads you through the process:

[Transfer permanent endowment](#)

Up to twenty charities can be transferred using the one form.

Vest charity land in the Official Custodian for Charities

Many charities that own land have holding trustees as well as managing trustees. The holding trustees hold the legal title to the charity's property on behalf of the charity. Effort and cost is needed when holding trustees are replaced or leave as new deeds of appointment have to be drawn up.

The Official Custodian for Charities operates a landholding service for charities; it doesn't cost anything and removes the need for you to have separate holding trustees. The Official Custodian does not interfere or have any right in the management of the charity or its land.

[Vest land in the Official Custodian](#)

Up to twenty properties can be vested in the Official Custodian using the one form.

Notify us of a charity's closure

If you use this form, you do not need to send us any other documents such as final accounts or minutes of the final meeting of the charity (however we may subsequently request these)

[Notification of closure](#)

Trustee payments and expenses

This interactive form asks you a series of questions. Depending on your answers you may get a definitive message telling you that you do not need any authority from the Commission, you then have the ability to download and retain a PDF document as evidence. The form covers the following situations:

- Trustee expenses
- Payments to trustees not exceeding £1,000 a year
- Payments to a connected party
- Employee wishing to be a trustee
- A trustee wishing to be an employee
- Paying a trustee compensation for loss of earnings whilst acting as a trustee
- Paying a trustee for services delivered to the charity
- Trustee payments for acting as a trustee

[Trustee payments and expenses](#)

Linked charities

The form's built-in guidance tells you if our authority is not needed or cannot be given.

[Linking charities on the Register](#)

Frequently asked questions

[Read frequently asked questions by topic](#)

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