



Guidelines for Best Practice

Introduction

Voluntary organizations play an important role in Guernsey society. The public expects charities to act in the best interests of their beneficiaries or users of their services (herein described as "Beneficiaries") and to comply with minimum legal requirements. The public also expects that charities use money donated to them effectively.

These Guidelines set out basic elements of best practice, which you may find of help in running your charity.

The charity's aims

A charity should be formally set up with clearly documented aims and rules by which it will be run. This should be set out in the charity's governing document (e.g. a constitution). A Charity may be constituted in a number of ways and these guidelines do not attempt to address specifically charities constituted as a company, by way of trust deed etc.

A charity should review its Constitution periodically to keep it up to date and to keep pace with the charity's development.

Governing committee

A charity should be run by a clearly identifiable body of people (which may be a governing committee, a board of trustees, a board of directors etc, described herein as the "Committee") who take responsibility, and are accountable, for controlling the charity so that it is effectively and economically run. The Constitution should clearly identify who within the charity has this role. The Committee should be of a manageable size and comprise members who together have the skills, knowledge and experience needed to run the charity effectively and economically given its complexity.

Unless the charity is constituted in a way which might limit their liability, the Committee, and if relevant the members, are effectively trustees and are jointly and severally liable for any debts and claims incurred by the charity.

The members of the Committee should submit themselves for re-election by the Beneficiaries periodically, and minimally every 3 years.

Management of the charity's activities

A charity which works effectively for its Beneficiaries takes steps to discover and understand their changing needs, and directs its charitable activity towards meeting those needs.

The Charity should hold regular meetings. Minutes of decisions at meetings should be kept. There should be periodic Committee Meetings in which the affairs of the charity are discussed and managed and General Meetings where members and Beneficiaries have the opportunity to ask questions of and provide feedback to the Committee. One General Meeting in each year should be the Annual General Meeting which should deal with the election of Committee members and the presentation, approval and adoption of the annual accounts.

Integrity

No charity should use its resources on any activities which do not contribute, directly or indirectly, to achieving its stated aims. Donations which are received in response to a public appeal should be used by the Committee in accordance with the terms of that appeal. Funds donated for the general purposes of the charity may be used more generally toward achieving the charity's aims.

The Committee should act without regard to their personal interests. They should act solely in the interests of their charity, regardless of how or by whom they were appointed.

No-one should be a member of the Committee who has been convicted of a criminal offence involving dishonesty or deception, is an undischarged bankrupt, is disqualified as a company director or has a criminal conviction inappropriate in the context of the charity's activities.

Any monies paid to members of the Committee other than refund of properly incurred expenses should be approved at the annual general meeting.

Competence and effective management

The Committee is responsible for the charity having procedures and internal controls that are adequate for the nature and scale of the charity's activities. The Committee should manage and account for the charity's resources well and deploy them to the best advantage of its present and future Beneficiaries.

The Committee should include a treasurer whose responsibility is to keep proper records of the charity's assets, liabilities, income and expenses and prepare accounts annually. These accounts should be approved by the Chairman of the Committee and the Treasurer, and presented to and approved by the Beneficiaries at an annual general meeting.

The Association recommends that Charities should appoint an independent accountant to review and provide an independent accountant's report, or audit report, on the annual accounts and in particular if annual income or assets exceed £5,000.

Risk management

The Governing Committee should consider the risks of any activity in which the charity engages and should ensure that the individuals organising and involved in such activity have sufficient skills and are fit and proper persons and that any risks, either physical or financial, are minimised and properly explained, if appropriate, to others involved.

Legal compliance

The Governing Committee should take steps to ensure it complies with the law in respect of any activities in which it engages.

Reputation

A charity should conduct its external relations, fund-raising and publicity in a way that enhances its own reputation and that of charities generally.

Self Assessment

The Association recommends that Charities assess their compliance with best practice annually.

This information is offered to assist charities in adopting best practice. They should not be regarded as comprehensive and charities should take appropriate advice to ensure they comply with their obligations. The Association of Guernsey Charities accepts no responsibility for any person or organisation using these guidelines.