

TRUSTEES &
GOVERNANCE

Charities and Meetings

May 2003



The Charity Commission

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public trust and confidence. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 190,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with a gross annual income or expenditure over £10,000 must provide annual information and accounts to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about the Commission together with a range of guidance for charities can be found on our website www.charitycommission.gov.uk, or by contacting Charity Commission Direct:

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Acknowledgment

1. This guidance was produced jointly by the Institute of Chartered Secretaries and Administrators (ICSA) and the Charity Commission.

What is this guidance about?

2. This booklet contains guidance on the law and good practice of charity meetings. It will be particularly useful to the Chair and Secretary of the charity, but all trustees are advised to read it to ensure they know what is expected of them and what information should be provided at meetings of the charity.
3. There is no general rule of law which says that the business of charities **has** to be conducted at meetings. The governing document of a charity may authorise the trustees to conduct the business of the charity by telephone, fax or internet facilities or by the circulation of papers. The requirements for charitable companies to have meetings of their members, and to transact certain items of business at meetings of their members, can now be dispensed with in certain circumstances. However, the governing documents of many charities **do** require meetings to be held and will often state the number and types of meetings that must be held.
4. Where business **is** transacted at meetings, it is essential for the good governance of charities that the meetings should be effective. Meetings provide an environment for informed decision making, clarification of responsibilities and monitoring the implementation of decisions.
5. The courts have accepted that a valid meeting normally consists of at least two people who can both **see** and **hear** each other. This means that telephone conference facilities generally cannot be used to transact business where the governing document or the law requires a meeting. However, there may be circumstances (eg where one or more of the trustees has a disability) where special arrangements may be able to be made - see paragraphs 9-16 for more details.
6. The way in which meetings should be called, and conducted, is often set out in the charity's governing document, or in the rules or practices of the charity trustees, members or subscribers. The Charities Act 1993 also supplements constitutional provisions relating to charity meetings, while the Companies Act 1985 regulates meetings procedures in charitable companies.

Our advice on good practice is merely for guidance and cannot take precedence over what is actually stated in the charity's governing document **which must always be followed**. If the governing document contains provisions that are unworkable it is possible for these to be changed. Trustees are advised to contact the Charity Commission for further guidance.

7. We have divided this guidance into two parts:
 - Part I: Meetings Generally. This gives guidance on the law and best practice in the planning, running and recording of meetings and the role played by the Chair and Secretary.
 - Part II: Types of Meeting. This gives guidance on the different types of meeting a charity can have.

Meaning of words and expressions used

8. In this guidance:

The **1993 Act** means the Charities Act 1993.

An **AGM** is an Annual General Meeting, open to all members.

Chair means the trustee or other person who leads the charity's meetings through the business items on the agenda of the meeting. A governing document often gives the Chair a casting vote in the event of an equality of votes.

Charitable company means a company formed and registered under the Companies Act 1985 or one to which the provisions of that Act apply, and which is established for charitable purposes.

Charity trustees are the people having the general control and management of the administration of a charity, regardless of what they are called. For instance, in the case of an unincorporated association the executive or management committee are its charity trustees, and in the case of a charitable company it is the directors who are the charity trustees.

The Companies Act means the Companies Act 1985 as amended.

An **EGM** is an Extraordinary General Meeting (occasionally referred to as a Special General Meeting (SGM) by unincorporated charities) and is any general meeting of members other than an AGM.

Governing document means any document that sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, a constitution, memorandum and articles of association, rules, conveyance, will, Royal Charter, Scheme of the Commission or, in relation to an appeal, the published terms of the appeal inviting donations.

A **member** is a person, whether an individual, association, corporate body or other charity, who has agreed to belong to the charity. The governing document will set out the rights and duties of members and needs to be consulted on this point. Membership can usually only be proved by entry of the appropriate details in the register of members held by the charity. Where a charity has institutional membership, an individual will be appointed to exercise the rights of membership on behalf of the institution, in accordance with the instructions of its governing body.

A **quorum** is the minimum number of people entitled to attend and vote who must be present at a meeting to make valid decisions at that meeting. A quorum can be a fixed number or a percentage of those entitled to attend and vote. The number of people required to form a quorum is usually stated in the governing document.

Secretary means the company or charity Secretary or, if no such position exists, the person who calls, administers and minutes meetings.

Must or **need to** are used to refer to actions that trustees, or their agents or employees, have to take by law.

Where we use terms such as the trustees **should** or we **suggest, recommend** or **advise** we are referring to actions which the trustees, their agents or employees could take and which we consider to be good practice, but which are not legal requirements.

The definition and forms of a meeting

9. The courts have decided that a valid meeting normally consists of people who can both see and hear each other (*Byng v London Life Association* (1989) 1 All ER 560). This definition will apply where a charity's governing document gives no other definition of a meeting.
10. People with a disability which makes it difficult or impossible for them to take full part in the discussions and decisions at a 'meeting' (as defined in paragraph 9 above) can ask the organisers to make special arrangements to

enable them to do so. Where such special arrangements are impracticable, the usual requirements for a 'meeting' may, in our view, be modified so as to enable people to take part in the discussion and decision-making process, where a disability might otherwise make it difficult or impossible for them to do so. The over-riding objective is to enable those participating in the decision-making process to do so in a way in which they can properly discharge their legal duties, and thus to enable broader participation.

- 11.** Charity trustees may choose to conduct some trustee meetings by electronic means, unless the governing document specifically prohibits it, and provided that the means used allows them to both see and hear each other, for example, by using video conferencing or internet video facilities. Such meetings can be useful if an emergency decision needs to be made, if trustees live a long way from any central point or if electronic communication makes it easier for charity trustees with disabilities to participate. The charity's governing document may, if the trustees wish, specify the number (or a minimum number) of physical meetings to take place in a year, and the circumstances in which they may be called. We recommend that at least one physical meeting of all the charity trustees take place each year.
- 12.** In contrast, as telephone conferencing only permits the participant to hear but not see each other it does not constitute a 'meeting' within the meaning of the decision in the Byng case. However, it is still possible for meetings to be arranged in the form of a telephone conference if, and only if, there is a specific provision in the charity's governing document. Where the governing document has a power of amendment it should normally be possible for the trustees to make the necessary alteration. If not, trustees wishing to use telephone conferencing for trustee meetings will need to approach the Commission for an Order or Scheme conferring the relevant provision (or conferring a power of amendment).
- 13.** In the absence of a specific power to conduct business by telephone conferencing, such a method may only be used for preliminary discussions, etc, relating to business which has to be transacted at a 'meeting'. Any decisions taken in the course of a telephone conference where the business concerned has to be transacted at a 'meeting' in the strict sense could become the subject of a potentially successful legal challenge.
- 14.** It follows that a mixture of both physical presence and telephone conferencing will be acceptable in its entirety only if there is a specific power

in the governing document defining a meeting as including telephone conferencing where necessary or desirable. If there is no such provision, then the meeting (in the strict legal sense) will only consist of those trustees physically present at the meeting which has been summoned in accordance with the provisions of the governing document. Those included by telephone conferencing may of course contribute to any discussion, but they would not be able to validly vote on any proposal. However, as long as the trustees physically present form a quorum they will be able to validly discharge the business of the charity, so long as all of the trustees have had the opportunity to attend the 'meeting'.

15. Trustees may want to consider amending their charity's governing document to reflect specific requirements for the holding of meetings. Where they have a power to do so, we suggest that they should include a provision on the following lines, adapted as necessary:

"In this [constitution] the expression 'meeting' includes, except where inconsistent with any legal obligation:

- a physical meeting;
- [a video conference, an internet video facility or similar electronic method allowing simultaneous visual and audio participation]; and
- [telephone conferencing]."

16. However, even where the governing document allows the charity's business to be carried out by telephone conferencing there may still be circumstances where an audio-visual meeting (physical or electronic) of the trustees will be necessary to validate a decision. Such circumstances will include:

- where legislation requires a meeting in the strict legal sense (eg on some occasions in the case of charitable companies); or
- where a third party imposes a specific condition that the act be carried out at a meeting where the participants can both see and hear each other.

How legal status affects the rules governing meetings

17. A charity can be an incorporated body or an unincorporated body such as a trust or association. The way a charity is set up will affect the requirements it has for meetings. The table below lists some of the types of charity and governing documents likely to contain the procedure for calling and

managing meetings. People forming new charities, or managing existing ones, should think about the most cost-effective way of transacting the charity's business. In the past, meetings of the charity trustees, members or subscribers have usually been considered best practice, and in many circumstances will continue to be so. But, particularly in the light of recent technological advances, other methods of transacting a charity's business, or parts of it, may be more cost-effective than meetings.

Table 1

Legal status of charity	Usual types of governing	Other documents that may cover the running of meetings
Unincorporated Association	Constitution/Rules	Bye-laws/Standing Orders/ Funding Agreement
Charitable Trust	Trust Deed/Declaration of Trust/Deed of Settlement/Will	Standing Orders or Rules
Incorporated Bodies		
(1) Company limited by guarantee	Memorandum and Articles of Association	Companies Act 1985 Rules or bye-laws
(2) Royal Charter Body	Charter	Rules or Bye-laws
(3) Corporation established by Act of Parliament	The Act establishing the charity	Rules or Bye-laws
(4) Industrial and Provident Societies	Rules	Standing Orders

18. Many charities will have a power in their governing document to make rules and regulations for the conduct of meetings. Where this power exists we recommend that charity trustees establish appropriate procedures for meetings, taking into account the different types of meeting required by the charity and the needs of those entitled to participate. The following guidance will help you achieve this.

Part I: Meetings generally

19. There are a number of common factors in the running of any type of meeting (for example, the role of the Chair, planning the meeting and determining a quorum) which are dealt with in the following pages. Advice on the conduct of individual types of meeting (such as an AGM) can be found in Part II of this guidance.

Procedure for calling meetings

20. We recommend that all meetings are called using a notice and an agenda. It is important for the Secretary to be familiar with and understand the rules and regulations that apply to the type of meeting being called and in particular any limits on the power of the meeting to deal with a matter. Charity trustees must make sure that their decisions are properly reached and actions carried out. If a decision is called into question at a later date, any mistake made in calling or running the meeting concerned, may result in the meeting being declared null and void, invalidating any decisions reached by it. This can cause difficulties for the charity, particularly if decisions on expenditure were reached at that meeting.

Date and time of the meeting

21. The governing document should be consulted to check if there are any specified time limits within which meetings must be held. For example, a charitable company must not allow more than 15 months to elapse between AGMs (see Part II).
22. Once any requirements have been identified, the date and time of the meeting will need to be chosen. There are a number of factors which may affect when a meeting is held, for example:

- the type of meeting;
- the availability of charity trustees, key staff and/or members (you may need to avoid school holidays or local events);
- the date on which accounts that are to be approved or laid before a meeting will be available; and
- the availability of the desired venue.

Quorum

- 23.** The charity's governing document will normally specify the quorum applicable to each type of meeting, but if it does not, then the quorum may be established by the practice of the charity. In these cases we advise charity trustees to record this in the rules or regulations they have established for the conduct of meetings. If the articles of association of a charitable company do not prescribe a quorum for general meetings of the company, the quorum is two members personally present at the meeting. We would advise the charity to think carefully about the number of people needed for a quorum. If the quorum is too high, any absences may make it difficult to have a valid meeting. If it is too low, a minority may be able to impose its views unreasonably.
- 24.** We recommend that the quorum for a trustees' meeting is a minimum of one-third of the total number of charity trustees plus one, eg 10 charity trustees will have a quorum of four. For general meetings we advise that careful thought is given to the quorum specified in the governing document. It needs to be appropriate to the size of the organisation and the number of members. For example, a charity with a membership of 20,000, and a quorum requirement of 20% of members entitled to attend and vote (ie 4,000 people), might find itself in difficulties.
- 25.** If a meeting does not have a quorum, it cannot make any decisions. The governing document may say whether the quorum must be maintained throughout the meeting for the effective transaction of business, or whether it is sufficient that a quorum be present at the start of the meeting. If it does not, the charity trustees will need to establish the position through the making of a suitable rule. We recommend that the quorum is maintained throughout the meeting so as to ensure that each item of business is considered by an adequately representative group of people.

- 26.** If a quorum cannot be achieved regularly, or that specified in the governing document is unworkable, the charity trustees should contact the Commission for advice.

The role of the Secretary

Establishing a timetable

- 27.** It is advisable to set up a timetable for organising the meeting. Working back from the date the meeting is to be held, the Secretary may need to identify:
- the date notices have to be sent out;
 - the date documents to be circulated with the notice have to be received;
 - the date and time of any pre or related meeting, for instance prior to laying the report and accounts before an AGM the charity trustees will need to meet and approve them; and
 - where the election of officers is to take place, the date by which nominations have to be received.

Venue

- 28.** The venue needs to be chosen with care. Wherever practicable, it needs to be accessible by all those entitled to attend and consideration must be given to the facilities that will be required. A checklist of issues to consider is set out in Appendix 3. Not all of the items listed in that appendix will be relevant to every type of meeting. We recommend that the checklist is referred to on a regular basis to make sure that the proposed venue continues to meet the needs of the charity.

Agenda

- 29.** Every meeting will benefit from a formal agenda which lists the items of business to be discussed at that particular meeting. Prior to calling the meeting the Secretary would normally discuss the proposed agenda with the Chair and any appropriate senior members of staff. It is useful to consider whether the matters being placed before the meeting are appropriate for that meeting. The Secretary is advised to check the governing document to see what issues must be covered for each type of meeting. For example, the approval of its financial statements, the re-election of officers (directors), and

the appointment or re-appointment of auditors may have to be conducted at an AGM.

- 30.** The order of proceedings needs to be planned, adequate time allowed for each item and the Chair made aware of the need to keep to the timetable in order to ensure that all matters are covered within the allotted time. It may be useful to indicate on the agenda how much time is expected to be allowed for each item. It is also useful to state clearly when the meeting will finish.
- 31.** It is helpful to indicate whether an item of business is for discussion or whether a decision needs to be taken.

Documentation

- 32.** The Secretary is advised to check that all relevant papers and/or other supporting material are made available to the charity trustees and/or members in good time. The papers placed before the meeting should:
 - comply with any applicable rules or regulations of the charity on the presentation of papers; and
 - be received by the Secretary and distributed in good time.
- 33.** It is recommended that all supporting documentation is clearly marked to show:
 - the nature and date of the meeting;
 - the agenda item to which it relates; and
 - page numbers on lengthy documents.
- 34.** It may also be useful to give each document an identifying number.

Notice

- 35.** The governing document of a charity may (subject to any statutory requirements) provide one or more ways of 'giving notice' for different types of meetings. If it does not, the charity trustees may by rules or their practice have established procedures for the giving of notice. But they may, in any case, rely on the powers in section 81(1) of the 1993 Act. This allows for the notice of any meeting to be posted (or delivered by hand) to the address given to the charity by the charity trustees or members. Notices sent by post are considered to have been delivered when the letter containing them would have been delivered in the ordinary course of post. Notices etc can

also be faxed or e-mailed if a fax number or email address has been supplied by a trustee or member, provided the recipient has indicated a willingness to receive notices by one or other of these methods. The day when notice is received or expected to be received (for example, in the ordinary course of post) is the date of service.

- 36.** Section 81(3) of the 1993 Act removes the need to send notice of meetings to charity trustees or members etc whose address is outside the UK. However, we recommend that the notice is sent to **all** members.
- 37.** It is important to note that where a period of notice refers to clear days, this excludes, as a minimum, the day of service and the day of the meeting itself. The period between the sending of the notice and the day of service needs to be calculated in accordance with the guidance in paragraph 27 above. Because the method of calculating the period of notice can appear complex, we recommend that trustees state clearly what their practice is. It may be helpful to include this information in the notice itself.

Preparing the venue for the meeting

- 38.** When planning the meeting the Secretary will need to consider how to set out the room and what equipment is needed for the meeting. For example, at a trustees' meeting each person will need space on a table for papers and it may be useful to record decisions on a flip-chart. At an AGM there may need to be a table on which copies of papers, accounts and publications for the members are set out. Other specific equipment such as a projector may be needed if there is also to be a slideshow or talk.

On the day of the meeting

- 39.** The Secretary will need to make sure that:
- there are spare copies of all documents needed for the meeting;
 - arrangements for any vote or poll which may be needed are in place;
 - the meeting is properly convened;
 - there is a quorum (and if required, that it is present throughout the meeting);
 - apologies for absence are noted; and
 - all decisions made at the meeting are minuted (if the result of a discussion is unclear, clarify decisions with the Chair during the meeting to ensure the minutes are accurate).

40. If it appears that a matter has been overlooked, the Secretary should draw this to the attention of the Chair.
41. It should be remembered that decisions reached at a trustee or members' meeting are collective decisions and the decision is binding upon all charity trustees and members. It is for this reason that all charity trustees/members are encouraged to participate in all debates. Advice on minutes of meetings is given in paragraphs 57-69.

The role of the Chair

42. The Chair usually checks that the Secretary has sent out the notice, an agenda and supporting papers in good time and in accordance with any agreed timetable.

During the meeting

43. The Chair needs to see that the items on the agenda are covered within the timescale set for the meeting. The minutes of the previous meeting is usually the first item on the agenda. The Chair signs the minutes after checking with those present that the minutes are a true and accurate record. The Chair should offer all those attending and voting at the meeting an equal opportunity to speak on each item and encourage them to participate fully in the meeting. At trustees' meetings in particular, all charity trustees need to be active in the meeting and take part fully in the decision-making process.

Potential problems

44. The Chair is strongly advised not to allow any one person to dominate the meeting. It may be harder to prevent a dominant group of people from controlling the organisation's business. Possible solutions include:
 - ensuring participation by all charity trustees (or a wider proportion of members);
 - enforcing any procedural rules;
 - ensuring that charity trustees acknowledge the role of the Chair in exercising control over the meeting;
 - increasing the quorum of the meeting using the procedures in the governing document so that a wider group of charity trustees or members has to attend meetings for business transacted to be valid.

45. If the meeting needs to come to a decision, the Chair should make sure that all charity trustees (and members in a general meeting) understand what the decision means to the charity, eg agreeing to a grant of money or establishing an investment policy. If the governing document does not give details about the number of votes required to pass resolutions at trustees' meetings, the legal position is that decisions are made by a simple majority of charity trustees or members voting, providing there is a quorum present.
46. At a general meeting the Chair should make it clear to members which decisions (if any) voted upon by the members are binding on the charity trustees. It may be that the voting is merely a recommendation to the charity trustees.

Adjournment of the meeting

47. This may happen when either the meeting itself or part of the business of that meeting is postponed until another time or indefinitely. The length of time and notice of adjournment and reconvening of the meeting may be included in the governing document.
48. In any of the following circumstances the Chair (usually with the consent of those present) may adjourn the meeting.

- Where a quorum is required throughout the meeting and the meeting becomes inquorate.

This may occur if the meeting over runs and a number of members leave because of travel arrangements or, more controversially, a number of members may withdraw from the meeting in order to invalidate the proceedings. Decisions reached whilst the meeting was quorate remain valid.

- There is an event beyond the control of the organisation.

For example, the fire alarm may go off requiring evacuation from the building or area in which the meeting is being held.

- The meeting becomes so unruly either as to make the situation dangerous to those attending or so that to continue the business of the meeting becomes impossible.
- If the meeting resolves to adjourn.

This usually only occurs if there is insufficient information to make a decision.

- 49.** Depending on the circumstances, and the provisions of the governing document, an adjournment may be:
- to a later time in the same day;
 - for an indefinite period;
 - to a later date and the same place; or
 - to a later date and another place.
- 50.** An adjournment is only a continuation of the meeting and the notice that was given for the first meeting holds good for it (unless the governing document of the charity provides otherwise). However, we recommend that, whenever possible, a fresh notice is sent to all those entitled to attend an adjourned meeting, particularly where the meeting is adjourned without a new date, time and venue for the adjourned meeting having been fixed before the adjournment.
- 51.** We recommend that no new business should be introduced at an adjourned meeting unless notice of such new business is properly given.
- 52.** We recommend that at the beginning of any re-convened meeting the minutes of the earlier meeting are recapped by the Chair to avoid any confusion or unnecessary duplication of debate.

Conflicts of interest

- 53.** It is good practice at the beginning of a meeting for every charity trustee to declare any private interest which he or she has in an item to be discussed, and certainly before any debate of the item itself. For example, one of the charity trustees may:
- own a building firm and the charity may be considering undertaking building work; or
 - also be a trustee of another charity to whom a grant was being proposed.
- 54.** The directors of charitable companies have, under the Companies Act, certain duties to disclose to their fellow directors conflicts between their private interests and their duties as directors.
- 55.** However, it should be noted that, unless the governing document of a charity provides to the contrary (see next paragraph), the disclosure by a

charity trustee to his fellow charity trustees of a private interest in a matter coming up for decision, will not by itself remove the possibility that the decision will subsequently be declared void, because of the conflict of interest. If the charity trustees are concerned about the risks of making decisions in circumstances where one or more of them has a conflict of interest and duty they should contact the Commission for further advice.

- 56.** The governing documents of some charities validate transactions in which one or more of the charity trustees has a conflict of interest and duty, often subject to conditions about declaring the private interest, not taking part in the discussion of, or voting upon, the matter in question and so on. But there are certain provisions of company law which, regardless of the terms of the company's constitution, have the effect of requiring a resolution of the members, and the consent of the Commission, to validate the transactions of a charitable company in which the directors have private interests.

Minutes

- 57.** The taking and keeping of minutes of some types of meeting can be required by either company law or the governing document of the charity. It is important to check whether any requirements about minute taking apply to your charity. Whatever may be the legal requirements, we recommend that accurate minutes are kept of all meetings. The minutes do not need to be a word-for-word record, but need to record information that is important to the charity. We recommend that each set of minutes gives:
- the name of the charity;
 - the type of meeting;
 - the date and time the meeting was held;
 - apologies for absence; and
 - the names of those present, including:
 - in what capacity they attended eg trustee, adviser, etc; and
 - for what items on the agenda.
- 58.** Ideally, the minutes of any meeting should be taken by someone not directly involved in the meeting, for example the secretary to the trustees rather than one of the trustees themselves. This is because it is usually difficult to take adequate notes and actively participate at the same time. However, sometimes the secretary will not be able to take the minutes, due to

absence or some other reason. Equally, many smaller charities do not have staff or willing volunteers to take on this task. Where one of the trustees is to take the minutes, this person should be clearly nominated before the meeting starts (in some cases one of the trustees will also have the role of honorary secretary, in which case the task should fall naturally to them). Where a trustee is taking the minutes that person should ensure that they are able also to contribute actively to any discussion.

- 59.** It should be noted that the formal minutes, once approved and signed as an accurate record by the chairman, form the only legal record of the business of the meeting. Clearly trustees can take notes of meeting for their own purposes; these should not however be used as an afterthought to the official minutes. It is important that, if a trustee is unable to agree that the draft minutes are an accurate record of the meeting, then he or she should draw the matter to the attention of the chairman before they are approved and signed. It is for this reason that copies of the draft minutes should be sent to every trustee that attended the meeting to ensure they have the opportunity to comment. If after discussion the trustee is still unable to agree then his or her dissension should be formally noted and recorded as a postscript to the minutes before they are signed.
- 60.** It is normal practice to record the name of the Chair.
- 61.** The approval of, and any changes made to, minutes of a previous meeting must be recorded, together with matters arising from the previous minutes which are not dealt with as a separate item of business.
- 62.** The minutes usually record:
 - the precise wording of any resolution together with the name of the proposer and (optionally) the seconder of the motion;
 - a summary of the discussion on each item of business;
 - information upon which the decision was based;
 - details of the decision, ie who voted and how and, in the event of an equality of votes, if the Chair used a casting vote;
 - the action required;
 - the names of the people who are responsible for implementing the decision; and
 - the date, time and venue of the next meeting.

- 63.** It is usual for the names of people attending a general meeting to be recorded by their signing a register at the door which is then attached to the minutes as a record of those present.
- 64.** We advise that minutes are drafted as soon as possible after the meeting and circulated promptly. This is particularly important for the minutes of trustees' meetings in order to avoid delays in implementing decisions.
- 65.** As the minutes are the charity's record of decisions it is important that they are accurate and stored properly. They may need to be used to support decisions approved at meetings and to show approval and adoption of the audited accounts. The minutes of all meetings, particularly trustees' meetings, need to be kept during the existence of the charity.
- 66.** Retention of documents after dissolution will depend upon differing circumstances. There is no central body which keeps the records of dissolved charities. A local library or the County or other local Records Office may be willing to store them. The last Secretary to the charity trustees may keep them. The charity's solicitor or accountant might keep the records after dissolution, or another charity working in a similar field may agree to the safekeeping of the remaining documents. The accounting records of the charity must be retained for a minimum of six years unless we consent to their disposal (s. 41 of the 1993 Act); we recommend that other important records of the charity are retained for a similar period. Charitable companies will also have to comply with the relevant requirements of the Companies Acts.
- 67.** A minute book needs to be used to keep a copy of all the original minutes as signed by the Chair of the meeting. Minute books are usually bound volumes, or loose leaf, as established by the charity's tradition. The minutes and any supporting documentation should be numbered to ensure that any lost or missing pages can be identified. The Secretary or person responsible for minute taking is advised to keep the minute book in a safe and secure place. We recommend that if a loose-leaf format is used, the pages are consecutively numbered and individually signed by the Chair to aid in the identification of missing pages. The final copy of the minutes is the signed set of minutes held in the charity's minute book.
- 68.** A charitable company is permitted to retain its statutory books on computer. Copies of minutes can be stored on a computer.

69. The minutes of trustees' meetings must be made available to **all** charity trustees and where necessary, to appropriate professional advisers (eg auditors). Minutes of trustees' meetings are not open documents and do not have to be made available for public inspection, unless the charity's governing document requires this. The minutes of a general meeting are usually made available to members (in the case of a charitable company they have to be) but do not have to be made available for public inspection unless the charity's governing document requires this.

Voting at meetings

- 70.** Governing documents rarely have details of voting procedures. More usually the charity trustees will have made supplementary rules and regulations to indicate the types of decisions that need to be decided by a vote.
- 71.** Votes are often first taken on a show of hands, but, particularly in a large meeting, it may not be clear what the outcome actually is. Furthermore, this method gives no recognition to plural voting rights (which may be allowed under the governing document, eg corporate members may have 5 votes; individual members 1 vote). There is a common law right for anyone entitled to vote to demand a poll, and it can be expected that someone will exercise this right where it may be that the outcome of the vote on the show of hands is unrepresentative. A poll is a formal count of votes on a resolution, and would give recognition to plural voting rights where available. The right to demand a poll can normally be limited or excluded by provisions in the governing document of a charity, but not always in the case of a charitable company.
- 72.** Care should be taken to ensure that the voting methods are appropriate to the meeting. The governing document will often state whether the Chair has a second/casting vote. At trustees' meetings only validly appointed charity trustees have a vote.
- 73.** The number of votes needed for different types of decisions may vary but is usually a simple majority. The governing document or legislation may provide alternative arrangements: for example, a resolution being made under the provisions of section 74 or 75 of the 1993 Act must be passed by "a majority of not less than two-thirds of such charity trustees as vote on the resolution" (s.74(3) and s.75(3)).

Part II: Types of meetings

74. Charities will usually have a number of different types of meetings: trustees' meetings, Annual General Meeting, EGMs/SGMs. Each of these will be dealt with in turn. Common factors relating to any type of meeting held by a charity are outlined in Part I 'Meetings generally'.

Trustees' meetings

75. The main strategic decisions of charities are made at full trustees' meetings.

76. The governing document of the charity may specify the frequency of meetings and will usually detail the procedure for calling and running trustees' meetings. The frequency of trustees' meetings should reflect the needs of the individual organisation. For example a small grant-making trust may not have a complex administration and the charity trustees may need to meet less regularly than a service providing charity, such as a playgroup, where matters for discussion will arise on a regular and sometimes unexpected basis.

77. For effective management we recommend that:

- a minimum of 2 full trustees' meetings are held in any 12 month period, where the business of the charity has to be transacted at meetings; and
- a copy of the governing document is available at all meetings for reference purposes.

Inviting non-trustees to trustees' meetings

78. The charity trustees (deciding as a group) may wish to invite non-trustees to some of their meetings. No-one, apart from the charity trustees, can vote at trustees' meetings. Charity trustees cannot delegate their responsibilities in this area and cannot ask someone else to vote on their behalf. Examples of when a non-trustee may be invited to a trustees' meeting include:

- a trustee with a disability may need to be accompanied by a carer;
- professional advisers may be invited to meetings to assist in the understanding of technical matters such as:
 - accounts;
 - surveys or valuations of property; or

- investment policy;
- representatives from a funding body or partnership agency may wish to attend; or
- staff members may be required to report on activities to the charity trustees.

79. We would expect non-trustees to be present only for relevant agenda items.

Annual General Meetings (AGMs)

Do all charities need to have an AGM?

80. No, not all charities have members or need to have an AGM. The governing document should be checked to see if an AGM is required. Charitable companies can dispense with the need to hold an AGM in certain circumstances. If the governing document **does not require** an AGM, the charity trustees may wish to call one (perhaps calling it a users' meeting to avoid any confusion with a formal AGM).
81. Whether the charity is required to have an AGM or simply organises a users' meeting, the charity trustees are only bound to act on decisions taken by the members where the governing document directs that those matters **have** to be decided at such a meeting. It is important that charity trustees are clear about the status and purpose of the AGM and that this is clearly communicated to those attending.

What is the purpose of an AGM?

82. The aim of the AGM is to provide the charity trustees and/or officers the opportunity to explain their management of the charity to the members. It also provides the members of the charity with an opportunity to ask questions before voting on business items on the agenda. A sample agenda may be found as part of the notice of AGM at appendix 2.
83. A charity's AGM is held once a year and members of the charity can attend and vote. The governing document will state when it must be held. This may be in a particular month or within a certain period after the end of the financial year.
84. The business that must be considered by the AGM will usually be specified in the governing document or by underlying legislation. However, the charity

trustees can include any other additional items of business they feel appropriate.

Potential problems

- 85.** Although the majority of AGMs run smoothly, we recommend that, prior to the AGM, the charity trustees consider whether they need to establish procedures for dealing with disputes at the meeting. This could include:
- details of the point at which the meeting should be adjourned;
 - guidance to members on conduct required in relation to contentious issues; and
 - how to fill vacant posts (for example, the circumstances in which it will be appropriate to accept nominations for officers or other committee members from the floor either in addition to, or in place of, nominations made in advance of the meeting).

Calling an AGM

- 86.** Unless the governing document states otherwise, the notice of the AGM will need to be sent to all the members of a charity and to any other people entitled to receive them. Some charities may be required to have an AGM or users' meeting but not have a membership (for example, a village hall charity). In these cases, the instructions in the governing document about advertising the meeting must be followed. The governing document may state the number of days notice that must be given for calling an AGM. If it does not, reasonable notice should be given (see paragraph 93 below). For charitable companies, minimum periods of notice are set out in the Companies Acts.
- 87.** We recommend that copies of the charity's Annual Report and accounts are either sent to each member, or made available at the venue prior to the start of the meeting (companies must send copies to all members prior to the meeting). Anyone can by law request a copy of the accounts from the charity at any time. The charity is entitled to charge a reasonable fee for this.
- 88.** The governing document may specify the information to be contained in the notice calling an AGM and company law imposes certain requirements in this respect. In all cases we recommend, as a minimum, that the notice calling the AGM sets out:

- the date and time of the meeting;
 - the venue;
 - the details of the business to be considered (which will probably be mandatory items at this stage as members resolutions may not have been received);
 - an invitation to propose resolutions; and
 - if appropriate, requests for nominations (or the names of proposed nominees) for officers to be elected.
- 89.** An example of the notice for an AGM for an unincorporated association is set out as Appendix 2. Charitable companies are advised to refer to SI 1985 No 805 The Companies (Tables A to F) Regulations 1985.
- 90.** The charity trustees may wish to include additional information such as how to vote, how to get to the venue, how to make resolutions and when these should be sent to the charity. It is important that the charity makes it clear to members how to get an item onto the agenda for a general meeting.
- 91.** In order to make sure that all members receive the information, we advise charities to maintain an accurate and up to date list of members. In a charitable company, members must be listed in a register kept for the purpose.
- 92.** Charities with a website may, in addition, wish to put a copy of the notice on their site.
- 93.** When arranging the AGM we recommend that charity trustees:
- Send out the notice of the AGM together with the relevant documents at least 21 clear days in advance of the meeting. In order to achieve this the notice should be sent out at least 20 working days beforehand.
 - Satisfy themselves that the place where the AGM is held is easily accessible for all members.
 - Establish what facilities should be provided to allow for full participation by all those attending (eg a creche or special facilities for people with disabilities).

- Check that the notice and any proposed resolutions are drafted in plain language. This will ensure that there are no misunderstandings over any matters being proposed. If you have a multi-lingual membership, you may need to draft the notices and proposed resolutions in the appropriate language(s).
- Give the full names (whenever possible) of the officers or charity trustees that are standing for election (or re-election), in the notice of the AGM. A brief description of the person seeking election should also be enclosed. This may cover their relevant expertise, the dates they were first appointed to the trustee body and so on. We recommend that, to create a clearer record and promote the independence of each trustee, the election/re-election of each trustee is the subject of a separate resolution.

Who can attend an AGM?

- 94.** The governing document will usually state who can attend and vote at an AGM. For a charity with a membership there may be different voting rights for different types of members. We advise charities to maintain an accurate and up to date list of members. It can lead to criticism from the membership or challenges to decisions taken if any current members are not invited to the AGM due to incompetent record keeping. It may even lead to the organisation having to call an EGM or SGM (see paragraph 99) to rectify the situation.
- 95.** Even if members have been contacted individually, we recommend that the charity trustees consider if wider publicity is appropriate. For example, placing an advertisement in a local or national newspaper, or displaying a copy of the notice on a local notice board or in the local library or shop. Extra publicity not only helps to ensure that members are aware of the meeting, but may encourage interest from the public or potential donors. Where there is no formal membership, general publicity is very important if the charity wishes to maximise attendance at the meeting.
- 96.** The charity trustees may wish to invite professional advisers such as the company's accountants or solicitors to the AGM. Unless they are also members they will not be able to vote at meetings. Some members may have carers who need to attend with them: again, if the carer is not a member, they cannot vote.

During the AGM

- 97.** To help the AGM run smoothly we recommend that charity trustees adopt the following points of good practice:
- all charity trustees and members of senior management attend the AGM;
 - charity trustees are seated facing the members;
 - the Chair does not propose his or her own (re)election;
 - any individual charity trustee does not propose, second or advocate a resolution in which she or he has an interest;
 - the Chair allows sufficient time for members' questions during the meeting;
 - the Chair explains the effect and purpose of each proposed resolution before putting it to a vote and whether the decision of the AGM is binding on the charity trustees;
 - members who have put forward proposed resolutions are entitled to draft and have circulated with the notice of the meeting an explanation of their resolution (subject to it being a reasonable length) and any other supporting documents; and
 - the Chair allows an opportunity for the proposer of any resolution to address the meeting.

Minutes

- 98.** We recommend that charities make the minutes of the AGM available to the public on request: they may charge a reasonable fee to cover the cost of making them available.

Extraordinary and Special General Meetings (EGMs and SGMs)

- 99.** EGMs and SGMs are held for the consideration of non-recurring business that requires approval by the members between AGMs. Whilst these will often be called by the charity trustees to transact business such as alterations to its governing document they may also be requested by members. SGM is an equivalent term sometimes used by unincorporated associations.
- 100.** Members can ask the charity trustees to call an EGM if they feel that the charity trustees are not fulfilling the charity's aims and objectives, or where they feel the charity is not being administered effectively. The members can

use an EGM to seek explanations from the charity trustees for a course of action, or encourage fuller discussion on an issue. The governing document will usually set out the number of full members required to request an EGM, and how this should be done. If the request is properly made, the charity trustees cannot refuse (if they do, the members can usually call the meeting themselves).

- 101.** For **charitable companies** company law provides that an EGM can be requested by 10% of those entitled to vote at such a meeting. This provision may be overridden by a lower figure (but itself overrides any higher figure) specified in the articles of association. If the directors fail to call a properly requested meeting, the members have a statutory right to call the meeting themselves.
- 102.** If the governing document allows for an EGM, but does not state how this can be called or requested and there are no standing orders or other rules which contain this information, the charity trustees are advised to contact the Commission for further guidance.

Who can attend an EGM?

- 103.** The same people who are allowed to attend an AGM are usually entitled to attend an EGM. The governing document should be checked for any differences.
- 104.** The ability to call EGMs underlines the importance of keeping up-to-date membership records as a meeting can be called at any time.

During the EGM

- 105.** The business of the EGM will be detailed in the notice. Examples of items to be dealt with at an EGM include:
- alteration of the governing document;
 - winding up the charity;
 - merging the charity with another or others; and
 - discussion of an issue brought by members.
- 106.** During the meeting, similar issues of good practice apply as they do to AGMs (see paragraph 92).

Appendix 1: Further information

Publications from ICSA

The Institute of Chartered Secretaries and Administrators (ICSA) is the professional body for chartered secretaries. The Institute offers professional examinations and certificate courses, including charity management.

ICSA

16 Park Crescent
London
W1B 1AH

Tel: 020 7580 4741

Fax: 020 7323 1132

Email: info@icsa.co.uk

Website: www.icsa.org.uk

There are many good books offering advice on the running of meetings and the administration of charities. The following list refers only to those issued by ICSA. Please refer to your local library for a wider selection.

A detailed description of the role of the Secretary to a charity can be found in the book 'How to Run Your Charity: the Role of the Charity Secretary', published by ICSA Publishing Ltd.

ICSA Publishing Ltd also produce a loose-leaf Charities Manual.

ICSA publishes a range of relevant Best Practice Guides including:

- A Guide to Best Practice for Annual General Meetings.
- A Short Guide to the Retention of Documents.
- The Appointment and Induction of Charity Trustees.

Publications from the Charity Commission

For a complete list of all of the Commission's publications please ask for:

Charity Commission Publications (CC1)

To obtain copies of our publications you can either:

- view and print from our website: www.charitycommission.gov.uk
- order by telephoning Charity Commission Direct (08:00 – 20:00 weekdays and 09:00 – 13:00 Saturdays) on **0845 300 0218**; or
- write to Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG.

Using virtual and electronic technology

Community Network (a registered charity) provides telephone conferencing services to voluntary organisations. No special equipment is needed, just access to a normal telephone. This is not a premium rate service. The facility can be used for exchanging information; links with regional offices and a range of self-help and educational purposes.

Community Network can be contacted at:

Community Network

Ground Floor
12-20 Baron Street
London
N1 9LL

Tel: 020 7923 5250

Fax: 020 7713 8163

Internet sites

Details about the organisation and running of companies can be found on the Companies House website:

www.companies-house.gov.uk

Information about charities and how we can help can be found on our site:

www.charitycommission.gov.uk

ICSA have a site at: **www.icsa.org.uk**

Appendix 2: Specimen notice for an Annual General Meeting for an unincorporated association

Note: If you use this example, please remember to insert details about your charity and meeting in the square brackets [].

[Name of Charity]

Notice of Meeting

NOTICE IS HEREBY GIVEN that the [15th] Annual General Meeting of [Name of Charity] will be held at [insert full address details] at [insert time and date] to transact the following business.

AGENDA [delete as required]

1. Minutes of the previous meeting

To be agreed and matters arising.

2. Reports and accounts

To receive and consider the accounts for the year ended [date] and the reports of the charity trustees and auditors.

3. Auditors

To appoint Messrs Search and Checkit as the auditors.

4. Auditors' remuneration

To authorise the charity trustees to set the level of the auditors' fees.

5. Appointment of charity trustees

Please see the attached election addresses for further information about each candidate.

To re-appoint Mr I Dogood for a second period of [insert number] years.

To re-appoint Miss I Could Dobetter for a second period of [insert number] years.

To appoint Mr I M Knowitall as a replacement for Mrs I Mustgo who retires after [insert number] years service.

To confirm the appointment of Mrs G Benevolent who joined the Board on the [insert date] to replace Mr I Movedon.

[Nominations are required for the following officers [insert details] and must be received by [date].]

[Nominations for the position of Trustee must be received by [date].]

[NB details of how to make a nomination are available from the Secretary.]

6. Alteration to the Constitution

To consider and vote upon the following resolution.

That clause [insert details] of the [details of governing document] be amended to read [insert text of resolution].

7. Members proposed resolutions

Details will be given once proposed resolutions are received. Proposed resolutions should be sent to the Secretary by [noon] [14 days prior to the date of the meeting]. A revised agenda will be issued by [7 days prior to the meeting].

8. Any other business

To deal with any matters raised at the meeting.

By order of the Board of charity trustees

[insert name]

Secretary

[insert date of notice]

Appendix 3: Venue checklist

1. Is the proposed venue large enough to accommodate the number of people who are **entitled** or **expected** to attend?
2. Is the venue accessible by road and public transport?
3. Is adequate car parking available (at a reasonable cost)?
4. Is the venue suitable for people with disabilities? For example, does it have wheelchair access, large print signs, induction loops etc.
5. Will you need additional facilities such as a creche, translation services or a signer for people with hearing difficulties? If so can these be provided at the proposed venue?
6. If catering facilities are required, are those at the venue adequate?
7. Are there enough toilets?
8. Does the venue have appropriate support equipment available, eg flip chart and paper, overhead projector, slide projectors, microphones?
9. Does the venue provide enough chairs and tables?
10. Are facilities for secret ballots available?
11. Is additional capacity available to cater for exceptional attendance (overflow facilities)?

Significant changes from the previous version of this guidance

The main addition to the current version is a new section on the definition and forms of a meeting (paragraphs 9-16). This clarifies the position relating to the use of video and telephone conferencing, particularly in light of new responsibilities for trustees under the Disability Discrimination Act 1995. It replaces paragraphs 3 and 65-66 of the previous (October 2000) version.

Other minor and consequential amendments have been made to keep the text as up to date as possible.

This publication can also be accessed at the Charity Commission's website: www.charitycommission.gov.uk

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L69 3UG

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