

THE TRUSTEE'S ROLE IN FUNDRAISING

Once upon a time, trustees were appointed from amongst the great and the good and expecting their principal role in the charity to appear on the headed notepaper. They had little if any awareness of their duties and responsibilities let alone an interest in, or understanding of, fundraising.

A string of negative stories in the media in the 1970s and 1980s, followed by the finding of the Nathan report (1990) that many trustees were not fully aware of the responsibilities and burdens of trusteeship when they assumed office, led to a gradual change both in the legal position and in the awareness of trustees of their role and responsibilities – and of the potential risks they face.

There is nothing like awareness of personal risk to focus the mind. The trustees are at risk if the charity does not operate in accordance with its trust deed, the law and public expectations. They are also potentially personally liable in financial terms for breaches of trust and risk damage to their personal reputations if they are associated with embarrassing or controversial incidents involving their charity. Although they can be protected by trustee liability insurance against breaches of trust, there are circumstances in which they are still vulnerable.

Often, in embarrassing cases, which hit the headlines, trustees have had no involvement in the decisions, which created the controversy – and yet they are expected to take responsibility for them. It applies to small local charities as much as to big national or international ones and it means that it is crucial for trustees to establish working arrangements with the senior management team which ensure their early involvement in potentially controversial issues. They do not necessarily need to become expert fundraisers themselves but they do need to be sufficiently knowledgeable to be able to ask the right questions about fundraising.

However Trustees are responsible for the financial stability of their charity and that means thinking about longer term financial security probably over 5 years or, even in some cases 10 years. This may demand a mix of fee income, commercial profits and fundraising. Too many of us are all too vulnerable to changes in public sector funding

priorities. Just talk to organisations in Northern Ireland or Wales to see how vulnerable some of us have become the public sector

Trustee boards should be made aware of ACEVO's Model Induction Pack for trustees and its Model Job Descriptions and Codes of Conduct for chair, treasurer and trustee and encouraged to adapt them to their own use. You may also want to see the Codes of Fundraising Practice issued by the Institute of Fundraising <http://www.institute-of-fundraising.org.uk/> and should expect people fundraising on behalf of the charity to abide by them.

Strategically trustees need to assess where fundraising fits within the overall organisational strategy. This means more than assessing the advantages of one fundraising technique over another. It implies a cool, critical view of where it wishes to be in the future and how it is going to get there.

Active trustee involvement in fundraising has been, and will continue to be, hotly debated. On the whole in the UK (unlike the position in the United States, for example) trustees are not chosen principally for their fundraising skills. Some trustees make donations themselves, raise funds from their peers, attend fundraising events and ask for reciprocal favours from their friends. Others believe that they can be more objective if they take a more hands off part.

Most trustees, however, have a wide network of contacts and can open fundraising doors. If they are reluctant the Chair might need to gently ask why other people should give if they are not prepared to..

SORP regulations mean considering risk assessment at every fundraising stage. and this is particularly important for trustees when their organisation is considering a new or ambitious fundraising technique. Increasing competition for funds creates pressure on all charities to develop new methods of fundraising. Not only can the material benefits be minimal or even negative but the good name of the charity can suffer if it is associated in the minds of the public with a dubious fundraising practice.

The board of trustees needs to encourage an entrepreneurial fundraising culture not so reckless that unacceptable risks are taken but not every fundraising activity will perform brilliantly. Taking calculated risks is the price of growth. It is also important

that they have sufficient fundraising knowledge to ensure that fundraisers have a clear expectation of the likely cost benefit ratio of each planned type of fundraising.

The fact that a particular fundraising activity is legal does not necessarily mean that it is the right thing to do. It is important for trustees to have considered the ethical implication of their fundraising. There are two principal ethical dilemmas in fundraising terms. The first is that accepting funds from particular sources might compromise the work of the charity or upset supporters. The second is that although a particular activity may be legal it could be seen as careless or irresponsible.

The overriding watchword for trustees and fundraising staff alike is transparency and they should explain why a particular type of fundraising is taking place, what it involves, how much it costs and what the benefits are. This is not a new concept. According to Redmond Mullin, donors to the Milan Cathedral fabric fund were told in 1390 that they were buying fast track promotion in personal salvation (more motivating than any tax concession!). There is no record as to whether they succeeded.