

# get it right on... **Trustee Agreements**

## Introduction

A trustee agreement is the promise made when accepting a position with a non-profit service. It is not a legal document but an internal agreement, asserting the trustee's commitment and their understanding of general board responsibilities. These documents are useful tools for recruitment purposes in that they clearly state what board service is all about; sometimes, they supplement more holistic board job descriptions.

## Key Elements

- A trustee agreement may list specific expectations for board service. Commonly found items include fundraising support, activity in committees, attendance at meetings, and promises to keep confidential issues confidential.
- If the organisation has a separate role description for the trustees, this agreement often focuses on individual pledges to serve as an active and committed member.
- It should be clear that regardless of whether board members sign any type of "contract" with a non-profit organisation, charity law imposes certain duties on trustees which they should be made aware of.

## Practical Tips

- ✓ The tone of the document should reflect the organisation's values and the organisation's culture. What this document is called — contract, agreement, statement of understanding — will shape its style and presentation.
- ✓ Individual trustees are often asked to sign the document to stress the importance of their commitment. They may do this once, when they join, or it may be an annual reaffirmation.
- ✓ To avoid the sense of one-sided expectations, it is useful to include in the agreement what the organisation provides for trustees: protection from liability through insurance coverage, accurate and timely reports to facilitate decision making, and gratitude and appreciation for their volunteer service.

## Sample Board Member Agreements

The samples provide options for stressing the importance of board member expectations, in addition to the basic roles and responsibilities of the board. As suggested above, some also include the organisation's commitment back.

1. This brief trustee role description translates general trustee duties into trustee expectations.

2. This short agreement begins with the organisation's commitment and then outlines expectations of service.
3. This brief statement of understanding uses a series of "I will" statements.
4. This lengthier sample covers general responsibilities, but also establishes minimum financial contributions and an expectation to resign if a board member is no longer able to adhere to this contract.
5. This document stresses the moral, fiscal, and legal role of trustees. Besides listing expectations of individuals, it also states what the organisation will provide in return.



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## Sample #1

*This brief board member job description translates general board duties into individual board member expectations.*

### RESPONSIBILITIES OF A BOARD MEMBER

- Know and effectively articulate the mission, purpose, goals, policies, and programs of ...
- Attend trustee meetings .... times per year and committee meetings .... times per year.
- Attend all ..... events.
- Chair and/or participate in at least one sub-committee.
- Commit time, thought, and effort to .....
- Participate in establishing and enforcing organisational policies.
- Accept responsibility for financial accountability.
- Make an annual financial contribution according to personal means.
- Participate in fundraising activities as requested.
- Participate in hiring and periodic evaluation of the Manager/Chief Executive.
- Support and advise the Manager/Chief Executive as appropriate.
- Participate actively in assessing performance and setting strategic goals and objectives.
- Represent the organisation to the community.
- Invite staff to speak at group meetings you attend e.g. religious, professional associations, service groups.
- Avoid conflicts of interest.
- Maintain confidentiality of all trustee meetings.

## Sample #2

*This short contract begins with the organisation's commitment to the board and then outlines expectations of board service.*

### BOARD AGREEMENT

The organisation agrees to provide each trustee with the following:

1. Access to management time as needed for proper operation of the board
2. Ample notice of all meetings
3. Minutes of all meetings
4. Relevant information to conduct the role of trustee
5. To the extent allowed by law, indemnification from liability for a trustee's reasonable and necessary actions
6. Reimbursement for reasonable expenses in conducting and attending board business
7. Insurance liability coverage
8. Respect for your time
9. The use of your talent effectively

The trustee agrees to do the following as a trustee:

1. Learn about the organisation, read financial reports and other documents, and keep up-to-date on programmes, finances, and management.
2. Attend as many meetings as practicable, and participate in all such meetings, using fair, independent judgment and due care in conducting the business of the organisation
3. Avoid all direct or indirect political activity in the name of the organisation and when using the organisation's assets.
4. Contribute to the financial well-being of the organisation and seek financial support from others where appropriate.
5. Avoid all conflicts of interest
6. Be loyal to the organisation always exercising board powers in the interest of the organisation, and not for the interest of yourself or others.
7. Keep all matters confidential.

Signed: \_\_\_\_\_  
Manager/Chief Executive
Trustee

Dated: \_\_\_\_\_

### Sample #3

*This brief statement of understanding uses a series of "I will" statements.*

## BOARD STATEMENT OF UNDERSTANDING

As a trustee of the organisation, I am fully committed and dedicated to the mission and have pledged to carry out this mission. I understand that my duties and responsibilities include the following:

1. I am financially responsible, with other trustees, for this organisation. I will know what our budget is and take an active part in reviewing, approving, and monitoring the budget and fundraising to meet it.
2. I am legally responsible, along with other trustees, for this organisation. I am responsible to know and oversee the implementation of policies and programs.
3. I accept the policies and procedures in place and understand that I am morally responsible for the health and well-being of this organisation.
4. I will actively engage in fundraising for this organisation in whatever ways are best suited for me. These may include individual solicitation, undertaking special events, writing mail appeals, and the like. I am making a good-faith agreement to do my best and to raise as much money as I can.
5. I will actively promote the organisation, encourage and support its staff, and work in concert with the trustee board.
6. I will attend trustee meetings, be available for phone consultation, and serve on at least one sub- committee. If I am not able to meet my obligations as a trustee, I will offer my resignation.
7. In signing this document, I understand that no quotas are being set, and that no rigid standards of measurement and achievement are being formed. Every trustee is making a statement of faith about every other trustee. We trust each other to carry out the above agreements to the best of our ability.

Signed \_\_\_\_\_

Date \_\_\_\_\_

## Sample #4

*This lengthier sample covers general responsibilities, but also establishes minimum financial contributions and an expectation to resign if a board member is no longer able to adhere to this contract.*

### BOARD MEMBER AGREEMENT

As a trustee, I understand and agree that I am responsible, collectively with my fellow trustees, for ensuring effective governance of financially sound programmes and services as well as strategic direction of the organisation. To that end, I understand my responsibilities require me to:

1. Understand and ensure that the organisation reaches its mission and vision.
2. Understand the values of the organisation and use them in my decision making.
3. Attend all regular and special meetings and actively participate in proceedings.
4. Serve on at least one sub-committee. Attend all regular committee meetings and actively participate in the proceedings.
5. Be accessible, at least by phone or e-mail, to staff and other trustees as needed.
6. Participate in trustee orientation.
7. Solicit the financial, in-kind, and practical support of others, each financial year, in addition to making a personal contribution where possible.
8. Attend as many organisation events and fundraisers as possible.
9. Share resources and talents with the organisation, including expertise and contacts
10. Serve as an advocate for the organisation within my circles of influence — personal, business, faith, civic, etc.
11. Fulfil commitments within agreed-upon deadlines.
12. Maintain and promote high ethical standards including good-faith decision making and avoiding an actual or perceived conflict of interest with other activities, interests, and/or organizations with which I may be involved.
13. Maintain the confidentiality of the private information of the organisation, staff, clients, and other board members.
14. Understand and approve organisational policies.
15. Be fiscally responsible for the organisation by being familiar with and approving the annual budget
16. Communicate effectively and respect the diverse opinions of others.
17. Agree that in the event, for whatever reason, I can no longer fulfil my duties and responsibilities as a trustee, I will immediately notify the Chair and make arrangements to transfer any outstanding responsibilities to trustees.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

## Sample #5

*This document stresses the moral, fiscal, and legal role of board members. Besides listing expectations of individuals, it also states what the organization will provide in return.*

### STATEMENT OF COVENANT FOR TRUSTEES

**Adopted by the board [month, day, year]; updated [month, day, year]**

As a trustee of the organisation I, \_\_\_\_\_, understand that my duties and responsibilities include the following:

1. **I am morally responsible** for the health and well-being of this organisation. As a trustee, I have pledged myself to help realize the mission, which is: [Insert mission statement here.]
2. **I am fiscally responsible**, with the other board members, for this organisation. It is my duty to know what our budget is, to be active in planning that budget, and planning the fundraising to meet that budget.
3. **I am legally responsible**, along with other board members, for this organisation.
  - a. I am responsible to know and approve all policies and programs, and to oversee the implementation of policies and programs.
  - b. I will attend all board meetings unless circumstances beyond my control prevent my attendance, and I will be available for home consultation.
  - c. I will read materials sent to me in advance of the board meetings.
  - d. I understand that if I am absent without excuse from regularly scheduled board meetings more than 2 times in a year that I will be asked to resign.
  - e. I know that if I neglect my duties or if I act in bad faith, it may be possible for me to be held personally liable. However, I understand that I am not responsible for the day-to-day operations of the organisation as these are the responsibility of the Manager/Chief Executive.
  - f. My one direct management responsibility, along with other trustees, is the selection and supervision of the Manager/Chief Executive.
4. **I will work to raise money** for the organisation, in whatever ways are best suited for me. There is no set amount of money that I must raise because I am making a good-faith agreement to do my best, and bring in as much money as I can.
5. **I will act with the care and loyalty** required of trustees, and put the interests of the organisation first. I will observe the conflict-of-interest policy in letter and spirit, taking care to disclose publicly any conflicts that arise in the course of business and to excuse myself from decisions that appear to create a conflict of interest for me.
6. **I promise to preserve the investment of time and money** made over years by all the donors and volunteers who created this organisation and brought it to this point. Every trustee is making a statement of faith to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval, and support of all.

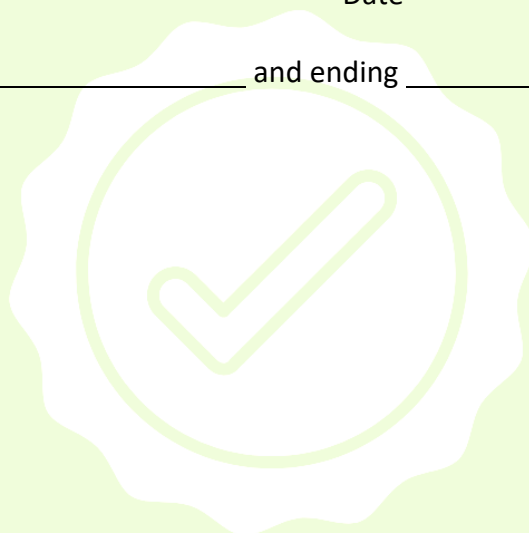
In its turn, the organisation is responsible to me in a number of ways:

1. **I will be sent**, without request, regular financial reports that allow me to review the organisation's financial position.
2. **I can call** on the paid staff, with the prior agreement of the Manager/Chief Executive to discuss programme and policy, goals, and objectives
3. **Trustees and staff will respond** in a straightforward and thorough fashion to any questions I have that I feel are necessary to carry out my responsibilities.
4. **Insurance** will be provided.

\_\_\_\_\_  
Signature of Trustee

\_\_\_\_\_  
Date

For term beginning \_\_\_\_\_ and ending \_\_\_\_\_



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