

Charity Trustee Roles

Charities succeed or fail based on the determination and hard work of their volunteers and staff. This includes the board of trustees and the roles they are assigned. This document lays out the responsibilities of the trustees and the terms of reference for their roles (TORs)

What is the role of the board?

The Board, as stewards of the charity, are responsible for steering towards and overseeing its long-term goals and strategies, and ensures that the charity is run effectively and sustainably.

The Board:

- Provides entrepreneurial leadership;
- Manages risks;
- Gathers adequate resources to enable the charity to operate effectively and

responsibly in the short term and achieve its strategic mission in the long term. This includes making sure that the charity has sufficient funds to operate and strives towards financial sustainability;

- Ensures the charity's compliance with its governing instruments, relevant laws, and regulations;

- Maintains an ethical corporate culture and demonstrates transparency and accountability to key stakeholder groups. This lays the foundation for the charity's reputation, standing and long-term sustainability.

Guide the Charity's Management

Naturally, the Board works closely with the Executive Head and management, guiding, reviewing, encouraging and challenging their recommendations constructively as well as reviewing their performance. A good working relationship between the Board and management – built on mutual respect, commitment to the charity's cause and hard work – will foster a culture of excellence and professionalism in balance with passion and teamwork.

Grow the Value of the Charity

Unlike listed corporations whose value is defined by financial markets, a charity's value is defined by its services for and impact on the community, encapsulated under its vision and mission. Board Members need to understand and commit to achieving the

charity’s vision and mission, in order to increase the value of the charity over time. This understanding and commitment will sustain the active involvement of Board Members (who are likely to be volunteers) both for the immediate future and the longer term. This forms the basis of the role of charities in our community.

TERMS OF REFERENCE

BOARD MEMBER

1. Purpose

- The Board of Directors (“Board”) is collectively responsible for oversight of the Charity to meet its objectives while ensuring compliance to relevant governing instruments, laws and regulations.

- The Terms of Reference assists the Board and the management in identifying a clear division of responsibilities.

2. Mandate

- The Board may exercise all powers of the Charity, subject to its governing instruments and relevant laws and regulations.

- The Board’s Terms of Reference shall be subject to prevailing governing instruments, applicable laws and regulatory guidelines.

- The Board may delegate powers and authorities to any committee, task force or persons via a Board resolution but shall remain fully accountable for the Charity.

- The Board authorises the management to manage the day-to-day operations of the Charity in accordance to the directions set out by the Board.

- The Board shall appoint the internal and external auditors of the Charity, or any other professional advisers where appropriate and necessary.

3. Roles and Responsibilities

The Board's responsibilities include the following:

- **Strategy**

The Board shall set out the strategies for the achievement of the Charity's objectives. The strategies should be made in consultation with the management and shall be reviewed by the Board from time to time, or at least once a year. The strategies are implemented by the management and overseen by the Board.

- **Risk Management**

- The Board shall determine the Charity's risk appetite, risk tolerance and shall identify, monitor, review and address the Charity's key risks, at least once every year.

- The Board shall ensure that management has put in place strong internal controls with documented procedures over financial, operational, compliance, and information technological aspects.

- The Board shall conduct an annual assessment of the adequacy and effectiveness of these internal controls, through the help of in-house, co-sourced or outsourced internal audit functions, at the Charity's expense.

- The Board shall approve key policies to guide the operating activities of the Charity.

- The Board must establish an Audit Committee (AC) to assist the Board in facilitating the internal and external audit of the Charity, as well as other responsibilities defined by the Charity.

- **Finance**

- The Board shall establish a Finance Policy, with documented controls and procedures for financial matters in key areas, including procedures and controls in procurement, receipting, payment processes, as well as system for the delegation of authority and limits of approval in the Charity.

- The Board shall review and approve the capital and operating budgets and plans prepared by the management, and regularly monitor the expenditure and outcomes of these plans.

- The Board shall monitor the financial status of the Charity and ensure financial sustainability required to carry on the Charity's activities for the long term. Where neces sary, the Board shall review and approve financing options presented by the managem ent.

- The Board shall ensure the proper accountability of funds and immediately address any financial irregularities or concerns.

- The Board shall ensure that financial reports are true and fair and contain adequate and necessary information for stakeholders.

- The Board must establish a Finance Committee (FC) to assist the Board in leading the finance agenda and other agenda defined by the charity. The FC is usually chaired by the Board Treasurer. The FC Chair should not concurrently assume the role of an AC Chair.

- **Programmes and Services**

- The Board shall oversee new programmes being developed and monitor the efficiency and effectiveness of these programmes in meeting the Charity's objectives.

- The Board may establish a Programme and Services Committee to assist the Board in overseeing the operations of the Charity's programmes and services.

- **Fundraising**

- The Board shall approve fund-raising plans and targets prepared by the management and ensure that these efforts are legal, ethical, appropriate, cost-effective and transparent.

- The Board shall provide oversight over the Charity's fund-raising initiatives and

assess whether such initiatives are adequate to contribute to the financial sustainability of the Charity.

- Paid third-party fund-raisers shall be engaged with prudence. Such appointments should be reviewed and approved by the Board, considering in particular the rationale and fee arrangements (including commissions payable) involved.

- The Board shall account to donors what, how and when the funds would be used, ensuring timely disclosures.

- The Board shall ensure that all money raised is properly accounted and safeguarded. Where the money is received for a restricted or specific purpose, the Board shall ensure proper monitoring and limits set for the use of such money.

- The Board shall ensure that donors' confidentiality is protected, with no disclosure without their written permission.

- The Board may establish a Fund-raising Committee to assist the Board in overseeing overall fund-raising efforts.

- **Human Resources (HR)**

- The Board shall determine the Code of Conduct for Board Members, staff and
    - volunteers (where applicable).

- The Board shall ensure that there is an adequate process with documented procedures for Board Members and staff to declare potential or actual conflict of interest to the Board in a timely manner.

- The Board shall ensure that there is a fair process for determining the remuneration of staff, in order to assist the Charity in attracting, retaining and motivating staff.

- The Board shall approve documented HR policies, including recruitment, background checks, insurance coverage, rewards, training and development, performance appraisal, resignation and termination, staff claims, as well as disciplinary process.

- The Board shall approve documented volunteer management policies.

- The Board may establish a HR Committee to assist the Board in the review and
    - authorisation of HR matters.

- **Investments**

- The Board shall develop an investment policy, with clear and specific guidelines and procedures. This policy may be developed and drafted with counsel from qualified professional investment advisors where necessary.

- The Board shall determine the Charity's investment objective, risk tolerance, types of investment instruments and investment horizon.

- The Board shall consider the use of investments to contribute to the financial su stainability of the Charity.

- The Board shall review and approve investment proposals prepared by management, and/or investment consultants.

- The Board shall ensure periodic reporting, at least semi annually, of the investment performance of existing investments.

- The Board shall review all existing investments at least once a year, or as and when the investment losses reach the defined stop-loss threshold of the Board; to decide if the investment should be withdrawn, reallocated or maintained at status quo. The Board may establish an Investment Committee to assist the Board in directing and monitoring the Charity's investments in line with established objectives and risk parameters.

4. **Nomination and Appointment**

- The Board shall review the Board composition, at least once annually, or as necessary, to ensure that the Board has a majority of independent directors and the required expertise within the Board.

- The Board shall actively plan for the succession of key office bearers such as the Chair, the Treasurer, the Secretary and the Executive Head.

- The Board may establish a Nominating Committee to assist the Board in facilitating a formal and transparent process in the appointment and reappointment of Board Members.

5. **Composition**

- The Board shall be of an appropriate size and comprise directors with a collective mix of appropriate skillsets, independence and diversity, to allow the Board to discharge its duties effectively.

- The Board should be made up of at least three directors, as required under the Charities (Registration of Charities) Regulations. In addition, the Regulations require at least two directors to be Singapore citizens or permanent residents. Where the Charity is a “large charity” under the Charities (Large Charities)

Regulations, the Regulations require at least 10 directors to be on the Board.

- The number of non-executive Members on the Board should be the higher of three and such number that would allow the non-executive Members to make up the majority of the Board. This number enables the Board to form Board Committees such as the AC, where best practice calls for the AC to have at least three Members; all of whom are independent from staff.

- The Chair of the Board should be independent and not be the same person as t he Executive Head / Chief Executive Officer.

6. **Meetings**

- It is recommended that the Board should meet at least four times a year.

- Board Members should make every effort to attend all Board meetings (Code ID 1.3.2).

- Seven calendar days' notice, or such shorter notice as may be agreed by the Board, shall be given by the Secretary to the intended attendees of the meeting, specifying the agenda, time and venue of the Board meeting.

- The quorum for a Board meeting is at least half of the Board Members, with the majority of the quorum being Board Members independent from staff.

- Non-Board Members would not count towards the quorum.

- Where a Board Member has recused himself or herself from any part of the meeting, the Board Member shall not be counted in the quorum for that part of the meeting.

- The Chair of the meeting shall be the Board Chair. In the absence of the Board Chair, a non-executive and independent Board Member shall be the Chair of the meeting. Typically, the Vice-Board Chair would assume the role in the absence of the Board Chair.

- Only Board Members can vote in Board meetings.

- Every matter shall be determined based on the majority of votes. Voters shall al so comprise a majority of Board Members independent from staff. Every Board Member is only allowed one vote subject to the Charity's constitution.

- Minutes and resolutions of all proceedings of the Board meeting shall be record ed by the Secretary and circulated to the Board.

- Prior to circulation, the minutes are to be confirmed by the Chair of the meeting. Such confirmation may be evidenced in writing or by electronic means.

- The minutes and resolutions shall be kept by the Secretary and made accessibl e to all Board Members.

TERMS OF REFERENCE

BOARD CHAIR

1. Personal competencies

The Board Chair is responsible for leading the Board and ensuring that Board discussions are conducted in a constructive manner. He or she should therefore possess the following desired qualities:

- Be knowledgeable about the Charity's cause and the universe it serves,
- with sound knowledge of its services and operations. Industry experience is
- preferred.

- Be committed to the Charity and the Board.

- Be able to demonstrate integrity and strong leadership.

- Be a strategic thinker with a long-term horizon.

- Be a good team-builder - able to engage Board Members, encourage constructive discussions, foster open communication, listen attentively and provide impartial and objective feedback.

- Be willing to take responsibility and accountability for the Charity's matters.

- Be an advocate of strong and best governance practices.

- Be ethical and in compliance with legal and regulatory requirements.

1. Responsibilities

- The Board Chair is expected to be a steward and fiduciary to the Charity. He or she typically has the following responsibilities:

- Ensure that the Board fulfils its responsibilities in directing the Charity to achieve its objectives in compliance with ethical, legal and regulatory requirements.

- Ensure that every Board Member is a contributing, engaged, committed and va

lued Member of the Board.

- Preside at Board meetings and facilitate open communication and constructive discussions.

- Establish a strong tone at the top and advocate adoption of best governance practices.

- Participate in strategic planning and monitor the Charity's progress in achieving its objectives.

- Oversee financial sustainability and financial reporting of the Charity.

- Oversee the Board evaluation process.

- Represent the Charity at public events, interviews and publications, and cultivate a strong public image for the Charity.

- Build a strong working relationship with the Executive Head.

- Directorship duties are regulated by law. The Board Chair should stay abreast of the latest legal changes that may have implications for the structure and composition of the Board, and Board Members' accountabilities and responsibilities.

TERMS OF REFERENCE

TREASURER

1. Personal competencies

The Board Treasurer is responsible for assisting the Board in overseeing the financial governance of the Charity. He or she should therefore possess the following desired qualities:

- Be knowledgeable about the Charity's cause and the universe it serves, with sound knowledge of its services and operations.

- Be committed to the Charity and the Board.

- Be well-versed in accounting or financial management.

- Be able to demonstrate integrity and strong leadership.

- Be a strategic thinker with a long-term horizon.

- Be able to communicate technical financial concepts and terms in a clear and easily understandable way.

- Be able to foster open communication; listen attentively and provide impartial and objective feedback.

- Be willing to take responsibility and accountability of the Charity's financial matters.

- Be an advocate of strong and best governance practices.

- Be ethical and in compliance with legal and regulatory requirements.

1. Responsibilities

- The Board Treasurer is expected to be a steward and fiduciary to the Charity. He or she typically has the following responsibilities:

- Assist the Board in fulfilling its responsibilities in directing the Charity to achieve its objectives, in compliance with ethical, legal and regulatory requirements

- Chair the Finance Committee (FC) and lead the FC in the fulfilment of its duties.

- Maintain oversight of a finance and accounting system and procedures, including procurement, receipting and payment processes.

- Establish strong checks and balances in the finance and accounting system to mitigate potential risks.

- Oversee financial sustainability and financial reporting of the Charity.

- Ensure that financial reporting is true and fair, in accordance with the relevant accounting standards, and completed/filed within the legal deadlines.

- Build a strong working relationship with the Executive Head.

Directorship duties are regulated by law. The Board Treasurer should stay abreast of the latest legal changes that may have implications for his of her Board Member duties especially on financial matters.

TERMS OF REFERENCE

SECRETARY

1. Personal competencies

Board Secretary is responsible for ensuring the proper conduct of Board meetings. He or she should therefore possess the following desired qualities:

- Be knowledgeable about the Charity's cause and the universe it serves, with sound knowledge of its services and operations.

- Be committed to the Charity and the Board.

- Be able to demonstrate integrity and leadership.

- Be a strategic thinker with a long-term horizon.

- Be a team-builder - able to foster open communication and provide impartial and objective feedback.

- Be willing to take responsibility and accountability for the Charity's matters.

- Be ethical and in compliance with legal and regulatory requirements.

2. Responsibilities

- The Board Secretary is expected to be a steward and fiduciary to the Charity. He or she typically has the following responsibilities:

- Assist the Board in fulfilling its responsibilities of directing the Charity to achieve its objectives, in compliance with ethical, legal and regulatory requirements.

- Organise Board meetings and ensure due process in the conduct of the meeting, in accordance with the Charity's governing instruments.

- Advise the Board on procedural matters.

- Review meeting minutes for completeness and accuracy prior to circulation of the meeting minutes to the Board.

- Ensure all Board records are well-archived.

- Facilitate open communication and constructive discussions.

- Participate in strategic planning and monitor the Charity's progress in achieving its objectives.

- Directorship duties are regulated by law. The Board Secretary should stay abre ast of the latest legal changes that may have implications for his or her Board Member duties. The Board Secretary must update the Board of any changes to the regulations and legal requirements.

TERMS OF REFERENCE

NOMINATING COMMITTEE

(For Boards of 10+)

1. General scope and authority

The Nominating Committee (NC) is a Board Committee established by a resolution of the Board.

1. Roles and Responsibilities

The NC's responsibilities include the following:

- Propose terms of reference for Board approval;

- Review the size, structure and composition of the Board and Board Committees;

- Structure and lead the Board renewal and succession planning strategy;

- Initiate search, identify potential candidates and explore their interest and avail ability for Board service;

- Nominate individuals to be elected as new directors, existing directors for reapp ointment and Board Members for election as Board officers;

- Design and oversee Board orientation and cessation processes;

- Perform skills gap assessment and identify training needs;

- Review process and tools for evaluating Board, Committee and individual direct or performance;

- Review results of Board self-evaluation.

3. Composition

- The NC should comprise the NC Chair and at least two other Members. All appointments shall be approved by the Board and the Chair of the Committee should be a Member of the Board.

- The appointment for Committee Members shall be for a term of three years.

- Reappointment for subsequent terms of three years is permitted.

- In the event that the Chair ceases to be a Member of the Board, the Chair also ceases to be Chair of the Committee.

4. **Meetings**

- It is recommended that the NC should meet at least once a year and additional meetings may be convened by the Chair as needed.

- The quorum for a Committee meeting is at least half of the Committee Members, among whom one must be the Chair of the Committee.

- The Chair of the meeting shall be the Chair of the Committee.

- Minutes of all proceedings of the NC meeting shall be recorded by the Secretary and circulated to all Committee Members.

- Prior to circulation, the minutes are to be confirmed by the Secretary or Chair of the meeting.

TRUSTEE TERM LIMITS

1. Board Member (Non-Treasurer)

- All Board Members are required to submit themselves for re-nomination and at least once every 3 years. The Board should make arrangements for the succession of Board Members who may be resigning or finishing their terms of office, especially for the positions of the Chair, General Secretary, and Treasurer.

- Trustees should be regularly rotated in order to preserve the corporate memory of the Board and avoid a scenario where the charity sees a large number of Board Members leaving at one time. Rotating Board Members and introducing new Members also brings new ideas and energy to board deliberations. Hence, there may be Board Members who offer themselves for re-nomination once every three years. If necessary, each Board Member should be assessed within the larger context of succession planning and board renewal.

- In normal circumstances, a trustee will serve no more than three terms. However, they may return, if the board allows, after one year. In exceptional circumstances, it may be justified that a trustee stays on for longer than the three term limit. In this case, justification must be submitted within the CIO's annual report.

1. Treasurer

The Treasurer (or equivalent position like a Finance Committee Chair or person on the Board responsible for overseeing the finances of the charity) must not serve, as Treasurer, beyond four consecutive years. However, can be considered for reappointment after a lapse of at least two years. Should the charity not have an appointed Board Member, it will be taken that the Chair oversees its finances.