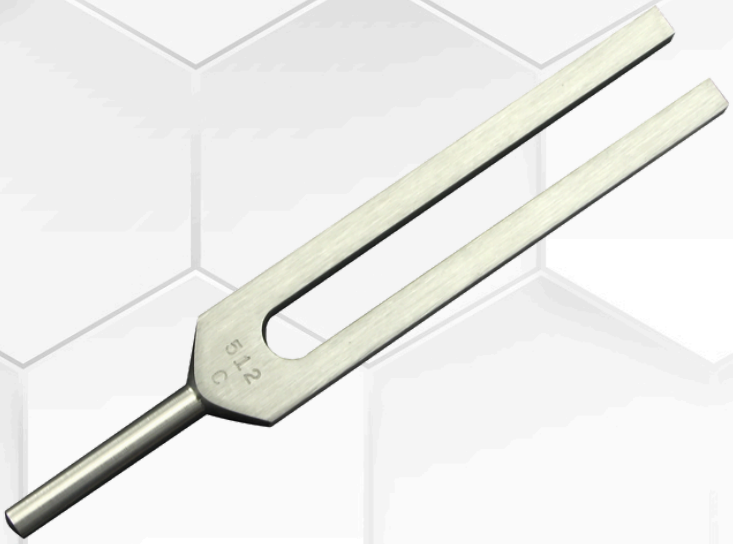
Knight Charity Governance

Chris Knight

10 THINGS



knightcharitygovernance.uk

10 Things

to make your charity sing

How can you make sure your charity is in good health and keeping up with changes in the sector? To help you in this, here are some essential areas of a charity which need this focus and some initial thoughts on each one. You can't review everything at once, but this should help you set some priorities.

1. **Decision making:** This is the heart of governance, so you need to do it well. From start up, through every day operations, to the end of your involvement, you make decisions. You should understand the context and all relevant information for each important decision, so you can make those in the charity's best interests. You need straightforward ways to discipline your preparation and decision making, to ensure you can do this.

2. **Risk management:** You must remain alert to the risks which will inevitably come your way as the charity operates and develops. Finance, fundraising, activities, property, contracts, staff, safeguarding, grant making – each has its own set of risks and although not each of these areas will continually be relevant to every charity, you need a risk management system so you can keep your charity on course to deliver benefits and thrive.

3. **Admin and data:** Not everyone's favourite topics, but their ubiquity means you must find ways to make them run like clockwork. Data, here, simply means the information which applies to any area of a charity's work. Admin simply means the way things need to work. So, this 'simply means' you need to get these in order. Managing people, fundraising, routine work, reporting and planning will all improve if you get on top of these two disciplines.

4. **Purpose and strategy:** From the time a charity is set up, it needs purpose and it's the trustees' job, as a group, to decide on this. This is the foundation of everything else. You'll also need to review this regularly: to inform your strategy and ensure the charity's activities and projects match this. The legal form of purposes are the objects but you can find everyday expression for this in the charity's mission, vision, objectives and strategy. This can then be reflected in your website, social media, newsletters and other communications.

5. **Teams:** Although many modest sized charities are operated entirely by their trustees, others have teams involving staff and volunteers. Charities usually also engage professionals for certain specialist tasks, annually or as needs arise. All of this needs documenting and managing, either to comply with legal requirements or for good sense, to clarify responsibilities.
   Unless the charity is very straightforward, it is also best to have a written scheme of delegation, to ensure responsibilities and lines of communication are clear.

6. **Projects:** a charity must undertake activities or make grants which directly fulfil its purpose. These must be legally appropriate for a charity, carefully devised and implemented; they are likely to be featured in the strategy. Oddly, fundraising itself is not a charitable purpose or activity: this must either be modest in scale (within HMRC limits) or undertaken through a trading company. Projects need careful design, implementation and management.

7. **Collaboration:** Charities can function alone, but very often collaborate with other charities, public bodies and commercial businesses. The requirements for doing so are complex and differ, depending on whether the other organisations are charities or not. This challenging way of working can pay off though, as far more can usually be achieved than by a charity acting in isolation. The governance applying to such arrangements is very involved and it is critically important to know the charity's role relative to the other bodies.

8. **Diversification:** life for charities does not stand still. What is needed and what works when a charity is set up is by no means guaranteed to remain the optimum way to operate subsequently. At some point, Trustees and senior teams are likely to need to review the charity's geographical reach, scope of services, staffing structure, characteristics of beneficiaries, risks and financial operating model. Then decisions will be required.

9. **Finance, assets, fundraising:** there are relatively few charities which have secure funding sources, such as a substantial investment portfolio, although even that requires careful stewardship. Most charities are at the mercy of the financial markets, the context in which they deliver contracts, the unpredictability of donations and fundraising challenges. Yet finances and assets are the foundation for viable grant making or services delivery, so governance of these is critical.

10. **Time management:** What is the aim for the charity in its first year? And what then? How often should you review your strategy? All the above major issues for a charity should have a timescale attached and many will need reviewing annually. Trustees and senior teams must govern the timing of each management strategy so they are poised to meet the challenges.

Copyright © Knight Charity Governance

https://knightcharitygovernance.uk