



## FACTSHEET 3

# Management Committees

### **What is a Management Committee?**

The Management Committee of a voluntary organisation are the people who are ultimately responsible for running the organisation. Committees may have different titles dependent on the legal structure of the organisation, for example, the Committee of a charity are known as Trustees, a Committee of a company Limited by Guarantee are known as Directors. Regardless of the title all Committees generally have the same responsibilities.

### **Why do you need a Management Committee?**

You need a Management Committee because:

- They set the vision for the organisation and ensures that the organisation achieves its aims
- They ensure that the organisation is effectively managed, operates efficiently and works within its policies and budgets
- They ensure that the organisation fulfils all of its legal obligations e.g. charitable law, company law, employment law etc.
- They share the responsibility for making sure that all the points in the governing document are met (see Fact sheet 2: Constitutions)
- They are elected to make sure everyone's voice is heard
- They provide support to other members of the Committee
- They ensure that the Committee is representative itself and functions effectively

### **How often should the Management Committee meet?**

The Committee should meet as often as is stated in the constitution. This would normally be often enough so that the Committee knows exactly what is going on with the organisation, but not so often that nothing happens except meetings! It is common for Committees to meet either monthly, bi-monthly or quarterly.

### **How are Management Committee members elected?**

Most voluntary organisations have a membership of some kind whether this is individual people or other voluntary or community organisations. Committee members are usually elected or re-elected from this membership each year at the Annual General Meeting (see factsheet 6: Annual General Meetings). The organisations governing document should state how Committee members are voted on to the Committee, and for how long they serve.

### **Attracting new Committee members**

Attracting the right Committee members for your organisation can be challenging. It is important to ensure that your Management Committee has a range of people from diverse backgrounds and with a range of different skills, abilities and knowledge. In order to attract the right people to a Committee the first step is to make the offer attractive to potential new members. You may need to think about why an individual may want to get involved in your

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Committee and promote these benefits to them. Some examples of how to attract new members include:

- Promoting vacancies on your Committee widely e.g. press releases, local community newsletters, holding public meetings, asking people personally
- Prepare Committee task descriptions so people are aware about what the role involves and skills and experiences your organisation is looking for
- Head hunt people that you feel would be great on your Committee e.g. heads of businesses, financial advisors etc.

Please note that there are a number of legal restrictions when attracting new Committee members. These include:

- They must not have been disqualified from acting as a company director, unless the court has given them permission.
- They must not be undischarged bankrupt, unless they have been given permission by the court
- They must not be under the age of 16.

### **Inducting new Committees members**

Having an induction process for new Management Committee members will ensure that the people will feel welcome and valued as well as helping them to get to know the organisation. It is good practice to develop an introduction pack which includes your constitution, all the organisations policies and procedures and the most recent accounts. Ensure that new members aren't bombarded with lots of jargon though.

### **Key roles of the Management Committee**

The key roles of the Management Committee include the following:

#### **The Chair**

The Chair is often the spokesperson for the organisation, particularly when an organisation has no paid staff.

#### **The Secretary**

The role of the Secretary is administrative in nature and involves arranging and administrating meetings of the Committee.

#### **The Treasurer**

The Treasurer is responsible for the finances of the organisation and involves monitoring and preparing the organisations budgets and accounts.

The above roles on a Committee are known as the Honorary Officers.

More detailed information about the roles and responsibilities of the above roles can be found on page the following pages.

### **Top tips for a successful Management Committee**

- Hold regular Management Committee meetings
- Record what happened at Management Committee meetings and what was agreed
- Ensure all Management Committee members are involved and kept up to date about the work of the organisation
- Ensure all Committee members are supported
- Ensure all new Committee members are fully inducted
- Set a clear vision for the organisation
- Involve the Chief Officer in the Committee's meetings, if you have one
- Review the role and structure of the organisation
- Ensure the organisation complies with any legal obligations e.g. charitable law, company law etc
- Review the Committee's performance regularly
- Ensure the skills and experience of Committee members are relevant to the organisations activities
- Pull in external expertise if ever needed

#### **FURTHER HELP**

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### Main duties of the Chair

The tasks of a Chair can be divided into four key areas, some of which could be delegated to a Vice Chair.

#### Planning and running the organisation's meetings

These include the AGM, any other members' meetings and Committee meetings. This is the only legal duty of a Chair.

Planning meetings involves:

- ensuring the organisation holds the meetings required by its constitution
- helping to plan the agendas for each meeting, checking the minutes of previous meetings and ensuring that these and any background papers are distributed beforehand
- being briefed about each item on the agenda
- ensuring outstanding matters are followed up
- ensuring compliance with the procedures for giving notice of meetings (although this is more likely to be a duty of the Secretary).

Running meetings involves:

- ensuring the meeting is quorate
- gaining agreement of the minutes of the previous meeting and then signing them
- making sure all relevant items on the agenda are discussed
- ensuring all participants who wish to do so have the opportunity to make a contribution, or in large meetings deciding who is chosen to speak
- making sure voting procedures are complied with
- clarifying key decisions that are made
- ensuring proper minutes are taken.

#### Dealing with matters relating to the membership, other officers and users

This involves:

- ensuring members' rights as stated in the constitution are met
- helping to deal with disciplinary action against members and other officers
- helping to deal with disputes between members, users and the organisation.

#### Supervising senior staff

The Chair is often responsible for supervising and supporting the work of the senior member of staff.

#### Helping with the management of the organisation

This involves:

- making decisions and taking action between Committee meetings (taking 'Chair's action') if this is allowed by the constitution or has been authorised by the Committee
- acting as a sounding board for senior staff
- signing cheques and liaising with the Treasurer
- helping to deal with any staff problems
- assisting with staff recruitment.

#### Other duties

The Chair may also act as a spokesperson, which could include:

- representing the organisation at external events
- liaising with the press on behalf of the organisation (this could be delegated to a press officer)
- taking an active role in fundraising campaigns.

### Main Duties Of A Secretary

The Secretary takes on responsibilities in relation to meetings, maintaining lists of members and Committee members' names and addresses, and ensuring annual reports and accounts are submitted to the relevant agencies.

#### Preparing for meetings

This involves:

- sending notices of all meetings to members, within the time required by the constitution
- making arrangements for meetings, for example organising refreshments, booking rooms, ensuring appropriate facilities for participants with disabilities or other special needs
- preparing the agenda, in consultation with the Chair, and distributing the agenda with any background papers
- checking that members have carried out tasks agreed at the previous meeting.

#### Helping in meetings

This involves:

- making sure the minutes of the previous meeting are agreed and that they are signed by the Chair
- taking and producing minutes of the meetings, recording names of those attending and apologies, major decisions, any votes taken and agreed further action.

#### Other administration

This involves:

- dealing with incoming correspondence
- keeping records of outgoing correspondence
- keeping records of membership subscriptions
- ensuring members are provided with the organisation's constitution, annual report and policies
- sending out publicity about the organisation.

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### Duties of the Treasurer

In a small group, the Treasurer may deal with all aspects of financial management including keeping records. In organisations with paid staff, the day-to-day management of the finances could be delegated to a paid finance worker or another staff member, who would report to the Treasurer.

However, in all cases final responsibility for financial matters always rests with the Committee as a whole.

The Treasurer's responsibilities may include the following:

- i general financial oversight
- i managing income – funding, contracts, fundraising and sales
- i financial planning and budgeting
- i financial reporting
- i banking, bookkeeping and record keeping
- i control of fixed assets and stock
- i investments
- i insurances
- i possibly premises, if there is not a premises sub-Committee.



Use the following checklist to decide which tasks should be carried out by the Treasurer or finance staff and which need the involvement of the finance sub-Committee or whole Committee.

### ***General Financial Oversight***

This covers broad responsibility for the organisation's financial decision making and may include:

- i ensuring workers and Committee members know enough about financial administration, bookkeeping and the accounts to make decision for which they are responsible
- i advising on financial policies, for example what expenses can be claimed and the procedures for claiming them, financial implications of new activities, or the organisation's policy on charging for its services
- i advising on employment and other contracts
- i making day to day financial decisions on behalf of the Committee, if given delegated authority, and reporting such decisions to the Committee
- i liaising with the bank or other financial institutions
- i preparing accounts for audit and liaising with the auditor
- i deciding on measures to ensure security of cash and cheques.

### ***Managing Income***

This involves ensuring the organisation has enough money to carry out its activities. The sources of income can be divided into funding (grant aid), contracts or service agreements (to provide activities or services), fundraising (for example membership drives, appeals, jumble sales or special events undertaken to raise money for the organisation) and sales of goods or services.

Responsibilities include:

- i developing and implementing an income-generating strategy
- i coordinating fundraising activities
- i running fundraising activities
- i collecting information on funding sources
- i completing, submitting and coordinating funding applications
- i liaising with funding agencies
- i ensuring money received for a special project is spent for that purpose and if necessary is separately accounted for
- i drawing up tenders or proposals for contracted services
- i ensuring appropriate pricing of goods or services

### ***Financial Planning and Budgeting***

This includes:

- i preparing budgets and cash flow forecasts in consultation with workers and funders
- i presenting budgets to the Committee for approval
- i keeping track of how actual income and expenditure compares with budgeted income and expenditure and adjusting financial forecasts as appropriate
- i in the case of cash flow problems, deciding priorities for paying, pursuing any money owed to the organisation and negotiating for late payment if necessary

### ***Financial Reporting***

The Treasurer is responsible for ensuring the Committee has enough information to make its decisions. This means:

- i reporting regularly, in writing, to the Committee on the organisation's financial position
- i preparing and presenting financial reports and accounts when required
- i presenting the end of year financial report (draft annual accounts) to the Committee
- i presenting the audited or examined accounts to the annual general meeting (AGM)
- i ensuring members at the AGM or other general meeting understand the annual accounts and the budget for the current year.

## ***Banking, Bookkeeping and Record Keeping***

The Treasurer is responsible for:

- i advising on which banks or other financial institutions the organisations should use and the type of bank accounts it should have (note that every decision to open, close or change bank or other accounts must be approved by the Committee)
- i serving as a signatory for the organisation's bank accounts (all changes of signatory must be approved by the Committee)
- i ensuring there are proper systems for receiving and paying out cash and cheques
- i setting up appropriate bookkeeping and petty cash systems, and ensuring related documentation is kept
- i ensuring membership records are kept and subscriptions collected
- i ensuring other money due to the organisation is collected, that there are procedures for non-payment and that such action is taken if required
- i ensuring all bills are paid and receipts are received for all payments
- i ensuring payment of wages, income tax, national insurance, statutory sick pay, pensions, statutory maternity pay, tax credits and student loan repayments and that records are kept of these payments
- i ensuring everyone handling money for the organisation keeps appropriate records and documentation.

## ***Control of Fixed Assets and Stock***

The Treasurer has broad responsibility for ensuring proper control of fixed assets (major equipment, vehicles, buildings and other property owned by the organisation), its materials or supplies (goods required for running the organisation) and its stock (goods such as publications waiting to be distributed or sold). This responsibility includes:

- i ensuring the organisation keeps records of material and supplies used
- i establishing systems for stock control and reorders
- i undertaking or overseeing regular stock checks
- i ensuring the organisation keeps records of its equipment and vehicles, including date of purchase, supplier, value, model and serial number (sometimes called an inventory)
- i ensuring the organisation has all necessary insurances and keeps them up to date.

## ***Investments***

The Treasurer will:

- i ensure the organisation takes proper financial advice in relation to any investments
- i ensure the organisation complies with its constitutions and charity law in relation to its investments
- i ensure all decisions about investments are properly made and minutes are taken
- i monitor the progress of investments.

Taken from '**Voluntary But Not Amateur**'

By Jacki Reason, Ruth Hayes & Duncan Forbes

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