

ICSA Model Role Description for a Charity Treasurer (England & Wales)

This ICSA Guidance Note has been written so that a charity of any size can adapt best practice for their own organisation's needs. This document should provide sufficient detail to enable the reader to think about the governance arrangements within their own charity, and apply that aspect of best practice that is most appropriate. It is good practice for each charity to undertake a periodic review of their governance arrangements as the charity evolves and, where appropriate, amend policies, procedures, and its governing document¹ to ensure that they remain fit for purpose and are structured in the most effective way to meet the charity's objects.

The ICSA Guidance Notes expand upon and consolidate the principles highlighted in *The Code of Governance for the Voluntary and Community Sector*.² Throughout the series, the Institute believes that the Guidance Notes reflect current best practice in this area of charity governance, and provide assistance for those charities in a position to enhance their governance arrangements.

This Guidance Note covers charities registered in England and Wales. Whilst principles of good governance should transcend national borders, it is important to bear in mind the specific differences in charity legislation for those charities operating in Scotland, Northern Ireland, and elsewhere.³

For the purposes of these Guidance Notes, the ICSA assumes that the charity takes advantage of a paid charity secretary that is not the chief executive officer of the charity, where staff are employed.⁴

Overall Purpose

The treasurer will oversee the financial matters of the charity in line with good practice and in accordance with the governing document and legal requirements and report to the board of trustees at regular intervals about the financial health of the organisation. The treasurer will ensure that effective financial measures, controls and procedures are put in place, and are appropriate for the charity.

Despite the additional responsibility the treasurer⁵ will have in overseeing the financial matters of the charity, all trustees continue to be jointly and severally responsible, and therefore liable, for the administration of the charity. In addition to this Guidance Note, due consideration should also be given to the 'ICSA Model Role Description for Charity Trustees'.

Main Responsibilities

- To oversee, and present budgets, accounts, management accounts and financial statements to the board of trustees⁶ after discussion with the finance director, where applicable.
- To ensure that proper accounts and records are kept, ensuring financial resources are spent and invested in line with the charity's policies, good governance, legal and regulatory requirements.⁷
- To be instrumental in the development and implementation of financial, reserves and investment policies.⁸

1 There are specific actions that must be taken in order to change a charity's governing document depending on the corporate structure of the organisation; in all cases changes to the charity objects will require approval from the Charity Commission. See ICSA Guidance Note 070726 for further details on changing a charity's governing document.

2 *The Code of Governance for the Voluntary and Community Sector* can be downloaded from www.governancehub.org.uk.

3 Further Guidance Notes for charities registered and operating in Scotland and Northern Ireland will be available in due course from the ICSA website.

4 Further details on the role of the charity secretary can be found in ICSA Guidance Note 070602.

5 Assuming the treasurer is also a trustee.

6 See Charity Commission guidance *Internal Financial Controls for Charities* (CC8), December, 2003 for more detailed information.

7 Further information can be obtained from *Help with Preparing Charity Accounts and Reports*, Charity Commission website.

8 Refer to the Charity Commission's *Charities Reserves* (CC19) and *Investment of Charitable Funds: Basic Principle* (CC14) for further guidance.

Main Duties

- Liaising, where applicable, with the finance director or other appropriate member of staff responsible for the financial activities of the organisation.
- Chairing any finance committee in line with standing orders and terms of reference, and reporting back to the board of trustees.
- Liaising with the charity's auditors or independent examiner, where appropriate.
- Monitoring and advising on the financial viability of the charity⁹ after liaising with the charity's auditors.
- Creating, in liaison with the finance director (where there is one), sound financial instruments for the control of charity assets.
- Implementing and monitoring specific financial controls and systems are in place accordingly and adhered to.
- Advising on the financial implications of the charity's strategic plan.
- Liaising with the charity secretary and finance director, where applicable, to ensure that the charity's annual accounts are compliant with the current Charities SORP.
- Where the charity has an internal audit function, the treasurer will be required to work closely with the internal audit team and any sub-committee of the board of trustees.
- Acting as a counter-signatory on charity cheques (including any electronic transactions) and any applications for funds.
- Maintaining sound financial management of the charity's resources, ensuring expenditure is in line with the charity's objects.
- Contributing to the fundraising strategy of the organisation.

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⁹ Please refer to the Charity Commission's *Managing Financial Difficulties and Insolvency* (CC12), 2004 for more information. This can be downloaded from www.charity-commission.gov.uk/publications/cc12.asp.

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