

Board Charter

A Board Charter outlines the roles, responsibilities, and conduct expected of your board members, providing a clear framework for governance and decision-making.

It includes obligations and guidelines to ensure effective board operations, keeping your not-for-profit aligned with its goals, your stakeholders' interests, and legal requirements.

What your Board Charter should achieve:

- 1 Defines the roles and responsibilities of your board members
- 2 Clarifies your decision-making processes and conduct expectations
- 3 Ensures transparency, accountability, and alignment with your legal obligations
- 4 Guides your strategic planning and operational oversight

Key elements to consider:

- Defining your board and members' roles and duties
- Establishing meeting procedures and quorum numbers
- Managing conflicts of interest
- Conducting annual reviews (strategy, financials, CEO performance)
- Engaging with your stakeholders
- Overseeing trustee conduct and appointment process
- Ensuring appropriate indemnity and insurance policies

GOOD PRACTICE TIP

Invest in your board members by offering training on good governance practice.



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[Not-for-Profit Name] Board Charter

Purpose of this Charter

The purpose of this Charter is to set out the role of the Board and its Trustees and the conduct expected of them, this supplements the binding legal obligations set out in the Trust Deed. To the extent that any Trustee holds a role in any future subsidiary or related entity, this Charter also applies to the Trustee's conduct in that role.

Definitions

Board means the Trustees who number the required quorum

Trustee means an individual appointed or elected to the Board

Role and Operation of the Board

1. The role of the Board is to represent the interests of all stakeholders to achieve the purpose set out in the Trust Deed
2. The powers of the Board are as set out in the Trust Deed
3. The Board may constitute Committees and direct them to perform certain tasks on behalf of the Board but they have no decision-making power, referring final decisions to the Board.
4. Trustees must declare any actual or potential conflict of interest which will be managed by the Board and recorded in the Interests Register
5. The Board will normally hold meetings every second month and additional meetings as needed. Meetings will be held by electronically or occasionally in person.
6. The Board must ensure that detailed and accurate minutes of all its meetings are kept, consensus decision-making is the usual practice at **[Not-for-Profit Name]**.
7. Trustees will use their best endeavours to attend Board meetings and if unable to attend, shall advise the Chair or CEO as soon as possible.

8. The quorum for any Board meeting is the majority of Trustees, or as set out in the Trust Deed
9. At least once every year at a meeting the Board shall review and agree:
 - a. Vision, mission, and purpose and the strategy for achieving these
 - b. The annual budget
 - c. The annual financial statement and report to members
 - d. The annual workplan
 - e. The terms of reference for Board committees including designation of the chair and membership of each committee
 - f. CEO performance and remuneration
 - g. Risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements
 - h. Levels of honorarium for trustees
 - i. The Board charter
10. At each meeting the Board should normally receive, consider and/or decide on:
 - a. The minutes of the previous meeting
 - b. Minutes of Board committee meetings and any relevant reports
 - c. An operational report including a financial report from the CEO.
 - d. Major issues and opportunities for **[Not-for-Profit Name]**
 - e. Any items involving significant expenditure over the approved annual budget
11. The Board has sole authority over the Board agenda and delegates responsibility for preparing the agenda to the chair in consultation with the CEO. Any Trustee may request the addition of an item to the agenda.

The Board's Relationship with Stakeholders

1. Trustees will use their best endeavours to familiarise themselves with views and opinions of the **[Not-for-Profit Name]** stakeholders.
2. The Board will regularly evaluate economic, technological, political, social, and legal issues and any other relevant external matters that may impact the interests of the **[Not-for-Profit Name]** community.

The Conduct of Board Trustees

1. Trustee must act in good faith in what they believe to be the best interests of **[Not-for-Profit Name]** and of **[Not-for-Profit Name]** as a whole, and in the manner which will best attain the purpose of **[Not-for-**

Profit Name].

2. Trustees will use their best endeavours to attend Board meetings and to prepare thoroughly. Trustees are expected to participate fully, frankly, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board environment.
3. Board discussions will be open and constructive, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
4. Trustees are entitled to have access, at reasonable times, to management and to all relevant information subject to the provision that confidential and private information will not be disclosed. Board papers are intended for Board Trustees only.
5. Unless specifically authorised, a Trustee other than the Chair will not make any statement on behalf of **[Not-for-Profit Name]**.

Board Appointed Trustees

1. Trustees are appointed to the Board, and hold office, in the manner set down in the Trust Deed.
2. The Board shall appoint a Chair at its first meeting after the AGM or any time should a vacancy occur.
3. The Chair is responsible for:
 - a. representing the Board
 - b. ensuring the integrity of the Board's decision-making process
 - c. maintaining regular dialogue with the CEO over all operational matters
 - d. consulting with the Board promptly over any matter of major concern
 - e. completing the annual performance review of the CEO in conjunction with one other Trustee appointed by the Board
 - f. facilitating discussion at Board meetings to ensure that all Trustees have equal opportunity to participate, that differing points-of-view are expressed, that thorough discussion takes place and that outcomes are logical, understandable and collaborative
4. The Trustees shall support the Chair in all the responsibilities of the Chair, and in absence of the Chair shall appoint a Trustee to act in that capacity.

Indemnity and Insurance

1. **[Not-for-Profit Name]** will indemnify, and provide and pay the premiums for insurance cover, in respect of their acts and omissions in their capacities as Trustees at the time it is financially tenable

Breach of this Charter

1. This Charter aims to guide the conduct of the Board of **[Not-for-Profit Name]** and its Trustees in serving the interests the **[Not-for-Profit Name]** community.
2. Where there is an allegation of a breach of the Charter, the concerned Trustee making the allegation, or any other person, should raise the matter with the Chair. The Chair shall decide whether or not to act on the concern raised. If the allegation is about the Chair then another Trustee will investigate.
3. If the Chair considers the matter worthy of investigation, the Chair shall in the first instance raise the matter with the Trustee about whom the issue has been raised. If after consideration the Chair is still sufficiently concerned about the matter, the Chair shall raise the matter with the Board with a recommendation as to the manner with which it is to be determined. The Board may then decide on the matter and any response to it and/or conduct any further investigation it believes is required, including engaging any independent person for this purpose.
4. In following the above procedure the Board must have due regard to the principles of procedural fairness and the rules of natural justice. In particular if a matter is to be considered by the Board the Trustee concerned shall be advised in advance (if this is possible) in writing and shall be given the opportunity to be present during the Board consideration of the matter.
5. Within 10 working days of a decision being made by the Board that the conduct of a Trustee or the Chair is in breach of the Charter, the affected member may request in writing an independent review of the Board's decision.

Consequences for Breach of Charter

- The Board may take any one or more of the following actions with regard to a Trustee/Chair whose conduct has been upheld as breaching this

Charter; subsequent to the completion of any review the individual may have their appointment cancelled.

Important: This policy has been designed by governance experts, however you will need to tailor it to your board's specific needs and context, please reference your Trust Deed or Constitution.