

TRUSTEE'S PERSONAL LIABILITIES.

The law generally protects trustees who have acted honestly and reasonably.

Indemnity and insurance provisions in the Memorandum and Articles of Association also provide protection. However trustees can (extremely rarely) be held personally liable for financial losses and legal claims caused by them acting dishonestly, negligently or recklessly.

It is important, therefore, that trustees reduce the risk of becoming personally or corporately liable by ensuring they understand their role, duties and responsibilities and conduct their affairs accordingly.

Functions and roles may be delegated (eg professional advice) but the responsibility remains with the trustee.

The roles of members of the Executive Committee, may be shared, delegated in absence or illness, but the responsibility remains with the trustee who's away.

Any shared activity in a sub- committee, established to look into a specific purpose, any reporting will be for the attention of the Chairman.

The Chair will be responsible for any actions, including no action.

REF: CC3 Guidance. The essential trustee: what you need to know, what you need to do. Hard copy with the business secretary. 19th May 2021.
