

## Governance

### Section six Glossary of governance terms

<b>Aims</b>	One of the words used to describe what an organisation intends to do. Often used with 'objectives' in the phrase 'aims and objectives' – where aims describe 'what' a group intends to achieve, and the objectives describe 'how' the group will achieve them.
<b>Beneficiaries</b>	This is the name given to the people or community which the organisation aims to help.
<b>Chair</b>	The Chair takes a leadership role in ensuring that the management committee fulfils its responsibilities, and works closely with staff/volunteers to achieve the goals of the organisation. The Chair acts as a key channel of communication between staff/volunteers and the management committee.
<b>Community organisation</b>	Organisations that are not-for-profit and neither public nor government-run; they tend to have been set up by a community to benefit the community, or some part of it. Community organisations tend to be smaller and less formally structured than voluntary organisations. They can become voluntary organisations. Whether the organisation employs staff or not is often seen as a key 'dividing line' between the two.
<b>Company secretary</b>	An officer of a company with duties set out in company law to ensure compliance with the organisation's own governing document and various legal matters.
<b>Governing document</b>	A legal document setting out the charity's purposes and, usually, how it is to be administered. Common ones used include trust deed, constitution, memorandum and articles of association, or other formal document.

## **Incorporated charity**

A charity which is also a company or has a similar legal status as a corporate entity in law. Most of these are charitable companies registered with Companies House as well as the Charity Commission. The company is a legal entity in its own right, and the trustees are the directors of the company. You can get more information about the role and responsibilities of company directors from Companies House (see useful contacts, Section seven).

## **Management Committee (MC)**

The governing body of a charity/community organisation which is ultimately responsible for everything your organisation does.

## **Objects**

An organisation's aims (or purposes) are usually expressed in the 'objects clause' of your governing document. However, sometimes the objects clause does not adequately or fully express the organisation's aims. There is a distinction between an organisation's aims or mission and the words that appear in its objects clause. However, no activity to achieve the aims must be undertaken if it is not within the expressed object. So a charity set up with the object of relieving poverty among refugees living in Kensington could not run a project for residents of Hammersmith.

## **Quorum**

The minimum number of management committee (MC) members who must be present for the meeting of the MC to be properly constituted. The governing document may specify this.

## **Secretary**

This is the same role as the Company Secretary (see above), and is a more commonly used term in the voluntary sector. The secretary is normally responsible for arranging meeting times and venues, taking minutes and consulting with the Chair and other committee members in preparing agendas and handling correspondence.

## **Treasurer**

The Treasurer takes the lead in monitoring the finances of the organisation, including ensuring that proper financial records and procedures are maintained. The Treasurer advises the management committee on financial matters by interpreting and explaining accounting requirements, ensuring that the organisation maintains a good financial position. The Treasurer is **not** solely responsible for the organisation's financial management, ultimately all the MC has responsibility.

## **Unincorporated**

## **charities**

These may be 'trusts' or 'associations'. Their governing document will usually be a trust deed or a constitution. In an unincorporated charity, the property of the charity is usually held by the MC members or their nominees.

## **Voluntary organisation**

An organisation that is not-for-profit and neither public (for example, schools and hospitals) nor government-run; they tend to have been set up to benefit a specific community, or some part of society. Voluntary organisations tend to be larger and more formally structured than community organisations. Whether the organisation employs staff or not is often seen as a key 'dividing line' between the two. Many voluntary organisations are also registered charities.

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