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**A FREE RESOURCE TO SAVE YOU TIME AND IMPROVE EFFECTIVENESS**

WELCOME TO THE BOARD

**INDUCTION AND CHARTER**

[**<Insert**](http://www.housingallaustralians.org.au) **Website Address?**

INSERT CHARITY LOGO

***“Unless we set the standard we want, we’ll get what we deserve”***

**PART 1 – BACKGROUND**

1. **Purpose of this Board Charter**

The purpose of this charter is to document and clearly articulate the roles, responsibilities and expectations of the <CHARITY TITLE>) Board and its Directors. Further, the document provides some hints and ideas to help Director’s reflect on their personal contributions to <CHARITY TITLE> and general board effectiveness.

This Charter should be reviewed by the Board annually, an updated as required.

This Charter should be considered in line, with the legal Constitution of <CHARITY TITLE>. If you are an existing or prospective Director, please ensure you have a copy of the Constitution and understand it.

1. **Our VISION, MISSION, PURPOSE**

**Our Vision**

<insert vision>

**Our Mission**

<insert mission>

**Our Charitable Purpose**

<Insert your charitable purpose as legally granted.

**Our unique position**

<insert a short description of your unique position>

**Our founder**

<if relevant, insert short statement about your founder>

1. **LEGAL STRUCTURE**

< Charity title> is a Company Limited by Guarantee. It is also a registered Public Benevolent Institution (PBI) and has DGR 1 (Deductible Gift Recipient) charitable status. <Change as required>

A PBI is a charitable institution with a main purpose of providing benevolent relief to people in need. <CHARITY TITLE> is registered with the Australian Charities Commission (Hyper link to your listing)

1. **OUR TARGET AUDIENCE**
2. **Primary beneficiaries**

* XXXX

**2. Enablers to achieve our purpose:**

* Xxx
* Xxx
* Xxx
* xxx

1. **ACHIEVING OUR PURPOSE**

<Charity Title> provides xxxx in Australia through the following activities:

1. **The main activity of <CHARITY TITLE> is to XXXX**

**PART 2 - BOARD CHARTER**

|  |  |
| --- | --- |
| **Summary** | The following Charter provides guidance to the Directors in regards to their responsibilities to the Board, the Company and ultimately the members. |
| **Owner** | Company Secretary or specify |
| **Adopted** | <insert date> |
| **Reviewed** | <insert date> |

**Overview**

As a board Director, you have duties and responsibilities to your charity. There are legal responsibilities, individual duties and commitments and cultural or behavioural responsibilities.

Even though most board members of charities are volunteers, you still have legal duties that you must meet to ensure your charity is well-governed, as well as an important responsibility to put the interests of the charity ahead of your own personal interests.

Your charity can, in some situations, be liable if you don’t follow your duties. In particular, one of the Australian Charity Commission’s Governance Standards (Standard 5) requires that charities take reasonable steps to make sure that their board members know and understand their more significant legal duties and that they carry out these duties.

**As a Board member you should be fully across <CHARITY TITLE’s> legal Constitution**. Ensure you have been provided with a copy and understand your obligations.

# Our expectations of <CHARITY TITLE><CHARITY TITLE> Directors

**As a Board Director you commit annually to:**

1. Contributing up to 100 hours to <CHARITY TITLE>, as a Director and or, to further the mission and work of our charity.
2. Attending (either in person or virtually) our Board meetings, which in general are 4 times per year and two-three hours in duration, plus pre-reading and reporting requirements. (and may be hosted in different states of Australia)
3. Securing new investments in <CHARITY TITLE> projects or national operating strategy, either via in-kind support, financial, or new networks that help us achieve our mission.
4. Raising new awareness, profile or interest in the work of <CHARITY TITLE, and help build our credibility in Australia amongst our stakeholders.
5. Understanding and upholding your legal and regulatory responsibilities as a Director.
6. Making a concerted effort to connect with and form productive working relationships with our other Directors and staff, between board meetings.
7. Making a concerted effort to being informed about our projects and geographic presence – so that in the event that someone asked ‘what does your charity do’?, you can comfortably give tangible, real time examples of our impact.
8. Upholding ***The <CHARITY TITLE> Way*** *(behaviour and character)*:
9. **Don’t make excuses** for a myriad of things (missing meetings or being late, not being prepared, going over the board/management line, behaving badly, losing your temper, etc.) Instead - take personal responsibility for your actions and decisions,
10. **Do what you said you’d do –** when you commit to taking on a task, see it through in a timely manner, and do it to the best of your ability.Have a strong sense of self-esteem and confidence while remaining humble
11. **Be a good person, not a dick head -** interact with others and make decisions with integrity, respect and honesty, be in control of your emotions and personal habits, have attitudes that are helpful, productive and constructive, champion board decisions, whether originally in favour or not. Be more interested in others voices than your own.
12. **Don’t be afraid to challenge but be constructive -**, you will not fail to challenge management, but will do so in a way that is constructive and respectful.
13. **Unity of purpose – never lose sight of our reason for being** - consistently demonstrate discretion, confidentiality, unity and responsibility and do not act in any way that may negatively impact on or bring the reputation of <CHARITY TITLE> into question.
14. **Add value not issues –** Don’t tell us what’s not being done, or not working, come up with practical solutions and ideas rather than doom saying!
15. **Know and act when you’re not being effective** - step down as director if you cannot fulfil our requirements.

**2. Directors Metrics**

*Directors will be assessed annually, based on the following 10 Criteria:*

|  |  |
| --- | --- |
| ***Area*** | ***KPI*** |
| 1. Value Add – New investment | Be able to demonstrate how you’ve secured new investments in <CHARITY TITLE> either via in-kind support, financial, or new networks, each and every year you serve as a Director |
| 1. Committee Participation | Actively participate, contribute to and report on behalf of at least 1 Board approved sub-committee and 1 portfolio group or forum, if required. |
| 1. Value Add Skills | Be able to demonstrate how your skills have added value to achieving our mission. |
| 1. Public Relations | Present at a conference/forum/workshop or similar on behalf of the organisation, if required. |
| 1. Board Meetings | Attend at least 75 percent of all meetings. |
| 1. The <CHARITY TITLE> WAY | We haven’t had to call you out for not upholding the <CHARITY TITLE> Way in the past 12 months. |
| 1. National Events | Be present at one National event, if required. |
| 1. Legal Compliance | Can you recall your top 5 legal compliance requirements as a Director of this charity? |
| 1. Our Projects | Be able to articulate what we are actually doing and where, if you were asked. |
| 1. Feeedback from our team | 80% or above positive feedback from our team about your role as a Director of our Charity. |

# Responsibilities of the Board

The Board bears ultimate responsibility for the Company achieving the purposes for which it exists. In providing leadership and strategic governance, the Board must:

1. ensure it is itself comprised of persons who have the skills, qualities and time to effectively realise the Company’s Mission and strategy.
2. review and approve the Company’s Strategic Plans, Operational Plans, annual budgets, and major initiatives
3. monitor Company performance against policies and other criteria that have been set by the Board
4. ensure there are adequate resources to realise the Company’s Mission and strategy and that these are managed effectively through reliable financial systems
5. ensure the maintenance of the Company’s status as a not-for-profit entity and registered charity with deductible gift recipient endorsement
6. recruit and support the Chief Executive or other staff, as required, and constructively monitor and assess his or her performance
7. determine the terms of employment and remuneration of the CEO and or Senior Leadership Team
8. ensure that there are processes to identify, manage and monitor risks
9. ensure the Company’s compliance with applicable laws and regulations, including ensuring the Company’s ability to meet its debts as they fall due
10. ensure there are mechanisms for consultation with key stakeholders, and continuing accountability to them.
11. **Powers and Responsibilities – Detailed description**

Under the Constitution, the Board may exercise all the powers of the Company except any powers that the Corporate Law, or the Constitution, requires the Company to exercise through a General Meeting.

In addition to such powers, authority, responsibilities vested in the Board of Directors by the Constitution, the Board has the power and authority of the Company not otherwise delegated to other bodies or individual by law, the Constitution, or this Charter.

**4.1 Operational Management**

1. Establishing the company’s vision, mission, values;
2. Delegating an appropriate level of authority to management;
3. Demonstrating effective leadership;
4. Assuming responsibility for the relationship with the Chief Executive Officer or leadership team including the appointment, succession, performance, assessment, remuneration and dismissal;
5. Endorsing/approving the company’s auditor’s;
6. Ensuring effective communication to members and other stakeholders; and
7. Ensuring appropriate risk management practices/processes are in place.

**4.2 Organisational Performance**

1. Ensuring the company’s long term viability and enhancing its financial position;
2. Formulating the implementation of strategy plan;
3. Approving the business plan, budget and corporate policies;
4. Monitoring/assessing performance of the company, the board itself, management and major projects;
5. Overseeing risk management and monitoring business risks; and
6. Monitoring developments in our sector and the operating environment in which the company is an active participant.

**4.3 Compliance/legal conformance**

1. Understand and ensure the company’s financial position remains viable;
2. Require and monitor the legal and regulatory compliance including accounting standards, corporation law, trade practices legislation, occupational health and safety and other similar laws and regulations;
3. Approve the annual accounts, audit report and annual reports for publication at the AGM;
4. Approve all public policy statements, documents and sensitive reports;
5. Approve, revise, and authorise use of the Company corporate seal, copyrights, trademarks, logos and other intellectual property protected by law;
6. Ensure an effective system of internal controls exists and are operating as expected;
7. Enact policies and procedures for the good governance of the Company

**5. Duties of individual board members are:**

**5.1 To act with reasonable care and diligence**

As a board member, you must show a standard of care and diligence that a reasonable person would use if they were in your place.

In practice, do your best to participate:

* Before meetings, read and try to understand any materials you have been given about topics the board will be considering.
* Turn up to meetings on time. If you are unable to attend a meeting, give reasonable notice and try to catch up afterwards.
* If you have any questions about any of your board’s business, always ask the other board members or staff and make sure to leave time for thinking about your decision. You should feel confident to independently make decisions and not just follow the crowd. Sometimes you should request that your separate view be recorded in the minutes.

**5.2 To act in the best interest of our charity and for a proper charitable purpose**

* When acting as a board member you must make decisions that are in the best interest of your charity and to further its charitable purpose.
* **Ask yourself** – is this decision in the best interest of my charity and does it further its charitable purpose?

**5.3 Not to improperly use information or your position**

* Any special knowledge that you gain as a board member must only be used for the benefit of the charity and never to further personal or other interests.
* For example, you might learn about the details of a tendering process or the private details of staff or clients. Keeping this information private is one of your responsibilities as a board member and this information must not be used except in the interests of your charity.
* **Ask yourself** – am I using information I have obtained as a board member for the benefit of my charity?
* In your role as a board member you may also come across times where you could use your position for personal gain or to benefit someone else such as a family member or friend. For example, using your position as a board member to get services for a friend or family member who otherwise isn’t eligible.
* **Ask yourself** – *am I using my position as a board member for the benefit of my own interests or the interests of my family or others I have a relationship with?*

**5.4 To manage financial affairs responsibly**

* + Many charities receive donations from the public, government and taxation concessions or exemptions, and must have financial management practices to ensure that their resources are used effectively and protected from misuse.
  + ***Ask yourself****– are there systems and processes to ensure that my charity’s resources are being effectively put towards its charitable purpose and are protected from misuse?*

**5.5 To disclose and manage conflicts of interest**

* + Conflicts of interest occur when your duty to act in the best interests of your charity is or may be in conflict with the opportunity or potential to get a personal benefit (or a benefit for a person or organisation you have a relationship with).
  + If you have a conflict of interest (or even a perceived conflict), inform the charity board as soon as possible. Generally, it is best (and often required by your rules or any legislation that applies to your charity) not to take part in discussion or decision-making where you have a conflict of interest.
  + Conflicts of interest are common and do not have to be a serious problem. However, if a conflict of interest is not managed properly, it may damage your charity’s reputation and, in serious cases, even break the law. Even simply the perception that a conflict exists requires you to take steps to ensure you do not breach your obligations.
  + ***Ask yourself****– would an independent observer be sure that I was only acting in the best interests of my charity? Or might they think I was acting in some way for my own interest?*

**5.6 Not to allow a charity to operate while insolvent**

* + You must ensure that your charity can pay its debts when they are due. This is called being solvent. If your charity is unable to do this then it will be insolvent. As a board member, you must not allow your charity to continue to take on new debts (for example, wages, rent, equipment lease payments) if you know it will not be able to pay the bills when they are due.
  + ***Ask yourself****– will my charity be able to pay its debts when they fall due?*

**6. Board Provisions**

**6.1 Chair - *Like an orchestra conductor, a great chairperson hears the entire symphony, and finds a way to bring harmony***

* + The individual elected as Chair pursuant to the Constitution is currently for a term of 2 years with the opportunity to extend for up to a further two years.
  + The strong, competent and mature chair is central to a functional board. Without the wise guiding hand of a capable chair, boards can quickly slide into dysfunction, engage in power struggles, and lose their focus on the oversight of the organization.
  + **When appointing the board chair, boards should ask themselves if the recommended individual has:**
  + a productive relationship with the CEO and or leadership team,
  + the competencies to lead the board, e.g. a deep understanding of the charity and its projects, can influence without dominating, shows strong communication skills, sticks to Agenda and time frames, holds members accountable, manages conflict appropriately, focusses on charity mission and strategy, delegates appropriately, demonstrated superior listening skills and self awareness, puts others ahead of themselves, can run an effective meeting, and has great rapport with the CEO, and has exceptional problem solving skills.
  + the respect of the board and management, and is inclusive and respectful.
  + The time available to contribute to the role and ongoing operational matters,
  + and a personal sense of calling to the role

**6.2 Board Probation**

No person shall be formally elected to the role of Director until completion of a six month probationary period (from date of attendance at first board meeting), at which time the Chair will advise the person of a formal board role or not.

**6.3 Tenure**

Directors shall be elected to three-year terms and are eligible for re-election at the end of their tenure. A director may serve no more than a maximum of three terms.

Removal of Directors; refer to the Constitution, Directors KPI’s and <CHARITY TITLE> Way.

**6.4 Review of the Board**

The performance of the Board will be reviewed annually by appropriate facilitator(s). This will include assessment against Directors performance metrics.

**6.5 Board of Directors’ Meetings**

The Board shall meet at least four times annually, and at such other times as the Board may from time to time determine. Meetings of the Board shall be conducted in accordance with the provisions which allows for face to face and teleconferences.

The specific dates of the meetings will be advised to Board members not later than 15 December in each year for the following 12 months program. Additional meetings shall be determined by the Leadership Team in consultation with the Chairman.

Meetings are generally to be face-to-face however meetings via teleconference can be held when considered appropriate.

**6.6 Attendance at Meetings**

If any member of the Board of Directors fails to attend two consecutive meetings without satisfactory notice, the Chair, after communication with such member, may declare the position vacant, subject to the Director’s right to appeal the Chair’s determination to the full Board.

**6.7 Quorum**

A quorum shall consist of three (3) Directors provided at least one (1) person constituting the quorum shall be a member of the Executive Committee.

**7. Financial Provisions**

**7.1 Remuneration**

No member of the Board shall receive any remuneration for their services in their capacity as a member of the Board.

**7.2 Travel Expenses**

In the case of travel organised by the National Office, this will be booked in line with the current travel policy.

**7.3 Accommodation Expenses**

Where accommodation is required it will be booked by National Office in accordance with the Accommodation policy.

**7.4 Additional Business**

Where a Director is undertaking personal business other than that of the Association, reimbursements will not be available for those specific trips.

**8. Public Relations & digital communications**

**Spokesperson**

The Chair and/or the founding Director will act as primary spokespersons for the Board. The Board may delegate authority to designated staff and members to comment on particular matters from time to time as may be required in accordance with such policies as the Board may determine. This includes the capacity to designate a representative to present positions on behalf of the Board/Company.

**Reporting**

* Minutes of the Board shall be made available in accordance with the provisions of Corporations Law.
* The Board shall report to members annually through the provision of annual accounts, an annual report and at an Annual General Meeting called in accordance with the Constitution.

**9. Committees and Subcommittees**

In accordance with the Constitution the Board may appoint committees with such powers (not exceeding its own) as it may determine. Currently the Board authorises members to the committees and groups set out below.

The Board Committees whose delegated powers are set out and authorised in the respective terms of reference.

Committees are:

* XXXXX

Other groups/committees the Board has approved are:

* XXXXXX

**10. Attachments:**

**10.1 <CHARITY TITLE>Constitution**

**10.2 Policies**

* **Conflict of Interest**