

Fiduciary Duties (Legal Responsibilities)

Document Information	
Bi-annaul review required	
Date Created	2020 11 22
Date Modified	2021 03 05 - approved by IGeLU SC

IGeLU is a not-for-profit organisation incorporated in Siena, Italy. As a IGeLU Steering Committee (SC) member you are in fact obliged to understand your fiduciary responsibilities. This document is a 'help' sheet detailing your fiduciary responsibilities and should not be read as a complete legal document.

Fiduciary Responsibilities

Fiduciary responsibilities rest with the SC members. It is the responsibility of SC members to act honestly and in good faith and to the best of their ability in the best interests of IGeLU.

It is also a SC members' duty to ensure the IGeLU acts in accordance with the Italian Corporations Law and all other laws governing an organisation and acts honestly and credibly in all dealings with IGeLU and its stakeholders including members.

What are some examples of fiduciary responsibilities?

SC members hold a position of trust. We make decisions that affect the future of IGeLU. Large amounts of money can be involved with various appointments, grants and contracts, making it vital for SC members to act and make decisions that do not suit their own agendas, but are made in good faith and with the primary duty being to IGeLU. The IGeLU community should be confident that a SC Member will act in good faith and always in accordance with the law.

SC members should also

- not take advantage of their position to further their own needs;
- be honest and industrious;
- never use information gained through their privileged position to advantage a friend/associate outside of IGeLU;

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- provide adequate information to authorised persons or members when requested and not mislead them in any way;
- disclose any potential conflict of interest;
- act with due care and diligence;
- maintain confidentiality of information that is only made available to the decision makers;
- never knowingly place IGeLU in a potentially litigious position;
- ensure all decisions made are to the advantage of IGeLU, not the individual or any particular interest group.
- ensure they act according to the IGeLU statutes.

As a SC member am I liable for losses?

Please note: When it comes to being sued, or being held personally liable for some action or lack of action, legal counsel should always be sought. The information below is provided simply as a guide and should not be relied upon as legal advice.

Just like any organisation, IGeLU is subject to the law. These take various forms, but there are responsibilities for SC members. If there are breaches of law, financial and other penalties can be leveled against IGeLU and SC members may also be held personally liable.

IGeLU as a legal entity has certain legal advantages and legal responsibilities. One of the advantages is that IGeLU is recognised as a separate entity to its members. It therefore offers some protection for those in decision-making roles from any debts or liabilities sustained by IGeLU. Although to be protected IGeLU must not make a profit for its members – a surplus is allowable but that surplus should not be able to be disbursed to any individual instead this would be held as retained earnings and/or invested back into the IGeLU.

If an individual SC member acts illegally or negligently they can still be personally sued for losses and damages.

IGeLU must adhere to all relevant legislation, which include:

- occupational health and safety
- trade practices
- equal opportunity
- fair trading
- environment protection

What can I do to ensure that we meet our fiduciary responsibilities?

SC members should be open and accountable and put the needs of the organisation before their own.

To ensure fiduciary responsibilities are met the following needs to be undertaken:

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- implement guidelines detailing appropriate behaviour for SC members and outline penalties for any breaches;
- ensure SC members are aware of all relevant laws that govern IGeLU;
- review the IGeLU's performance to ensure the IGeLU sticks to its mission;
- make sure there is accurate and clear financial reporting - and that finances are audited each year in accordance with legislative requirements.
- ensure the SC has complete information on which to base financial and other decisions.
- set values and ethical guidelines;
- determine long-term goals, and make the SC account for changes in strategic direction;
- provide SC handovers and training for new SC members; and
- try to ensure that there is a broad range of skills at SC level.

Being a SC member does not simply mean abiding by the relevant laws. These days, people are also measured by their ethical standards. Some actions may fall within the law, but that does not necessarily mean they will be accepted as "good" decisions by an organisation or by society in general.

This is why it is important to clearly state the organisation's mission and decide very early on what actions the community group will take to achieve its goals. Is money from any source OK? Can any group/person hire your facility and promote their cause on site? There are numerous ethical issues that while not illegal are a major part of deciding if a SC member is working in the best interests of IGeLU.