

Charity Mergers (England & Wales) – Sample Terms of Reference: Joint Feasibility Working Party

The purpose of this Guidance Note is to provide those charities undertaking a feasibility study, or merger talks, with specimen terms of reference for the business of the working party. The document can therefore be amended by charities' as they deem appropriate for their individual needs.

It is assumed, for the purposes of this guidance, that the charity secretary role is undertaken by a paid member of staff, who is not the chief executive officer.

Membership

1. The working party shall be comprised of an equal number of representatives from each charity.
2. The total number of participants will be no less than [6] and no more than [12].
3. Membership of the party shall be restricted to the [trustees], [the chief executive officers] and [charity secretaries] of each charity.
4. Members of the working party shall appoint one of their number to chair¹ the working party, unless an independent consultant has been appointed/or volunteered to facilitate and chair discussions.
5. One of the [charity secretaries] will be nominated as the person responsible for drafting the agenda, recording minutes, compiling papers and storing documents arising from working party consultations within their charity. The [charity secretaries] of other parties will be responsible for monitoring those duties and feeding information between the nominated person and their respective boards.

Meetings

1. The working party shall meet as necessary, and at least every month for six months commencing DD/MM/YY. Should the working party require an extension beyond six months, permission must be granted from the respective trustee board.²
2. All participants for the working party are expected to attend every meeting, however, the quorum required for the transaction of business will be [X].
3. The nominated charity secretary outlined above will be responsible for ensuring that participants receive meeting agendas and appropriate papers at least five working days before the meeting date.

Objectives

1. To facilitate discussion and research on the possibility of a merger between charities X and Y, and report to the boards of X and Y on the relative merits and practicalities of a merger.
2. The objectives of the working party will be met when it has reached a conclusion to put an agreed recommendation to the respective charity boards as to whether or not a merger is an appropriate course of action.

¹ Or it may be decided that the chair is alternated between the charities involved.

² It might be appropriate for meetings to be set for a fixed day each month in order to reduce confusion and avoid any double bookings, e.g. the first Monday of each month.

Authority

The working party is obliged to refer back to the trustee boards any decision that falls outside the working party's terms of reference.

Decision making powers will be limited to those of seeking further research and information in order to provide as comprehensive picture of the relative positions of each charity in order for both sets of trustees to be able to make the material decision as to whether or not to proceed with the proposed merger or to adopt such other course of action as may be recommended by the working party.

The working party is delegated the authority to spend up to [*£1000*] on any research deemed necessary to fulfil the objects of the group. Any sums above that level are subject to the prior approval of the respective boards of trustees.

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