

EMPLOYEE OWNERSHIP IRELAND

**Employee Trustee Toolkit
Supporting Employee-Owned
Businesses in Northern Ireland**

Visit:

www.employeeownershipireland.com

Introduction to Employee Trusteeship

Employee trustees play a vital role in ensuring that an Employee Ownership Trust (EOT) operates effectively and in the best interests of employees. This toolkit provides practical guidance, key responsibilities, and useful resources. It is designed to support trustees in understanding their role and developing the necessary skills to succeed.

1. Understanding Your Role as an Employee Trustee

Employee trustees have a unique and critical role in an employee-owned business. Unlike traditional trustees, they must balance the needs of the employees with the long-term success of the company while ensuring compliance with legal and governance requirements.

Key Responsibilities:

- **Representation:** Act as a voice for employee beneficiaries, ensuring their interests are heard at the board level.
- **Governance:** Work within the established governance framework of the trust to maintain transparency and accountability.
- **Sustainability:** Ensure the business remains sustainable and follows best practices in financial management and strategic decision-making.
- **Engagement:** Foster a strong sense of ownership and collaboration among employees.
- **Oversight:** Monitor the performance of the trust and the business, making recommendations where necessary.

Core Skills for Trustees:

- **Financial Literacy:** Understanding key financial statements, budgets, and cash flow reports.
 - **Communication & Engagement:** Ability to explain decisions clearly to employees and listen to their concerns.
 - **Strategic Thinking:** Understanding the broader goals of the company and ensuring they align with employee interests.
 - **Legal & Regulatory Awareness:** Familiarity with employment law, trust law, and corporate governance.
 - **Teamwork & Collaboration:** Working effectively with fellow trustees, management, and employees.
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2. Governance & Legal Responsibilities

Governance is a fundamental pillar of employee ownership. Trustees are expected to act responsibly and ensure the trust is managed effectively.

Legal Duties:

- **Fiduciary Responsibility:** Act in the best interests of the trust's beneficiaries (employees).
- **Compliance:** Ensure the trust operates within the requirements of UK Trust Law & Tax Regulations.
- **Impartiality:** Act fairly and objectively, avoiding conflicts of interest.

Key Governance Documents:

- **Trust Deed & Employee Ownership Agreement:** Outlines the purpose and structure of the trust.
- **Articles of Association:** The company's constitution and governance framework.
- **Trustee Board Meeting Minutes:** Records of trustee decisions and actions.
- **Employee Engagement Reports:** Feedback from employees on trust operations.

Useful Resources:

- [UK Government EOT Guidance](#)
 - [Employee Ownership Association](#)
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3. Financial Oversight & Reporting

Trustees should be familiar with financial principles to effectively oversee the EOT's financial health.

Key Areas of Focus:

- **Business Performance & Sustainability:** Regularly review company financial reports and key performance indicators.
- **Annual Financial Statements:** Understanding profit and loss statements, balance sheets, and cash flow statements.
- **Profit-Sharing & Dividends:** Ensuring fair distribution of profits to employees where applicable.
- **Salary Structures:** Monitoring pay equity and ensuring fair employee compensation.

Training & Resources:

- **Online Finance Courses:** Available via [Invest NI](#).

4. Employee Engagement & Communication

Strong communication and engagement strategies help foster a positive employee ownership culture.

Best Practices for Engaging Employees:

- **Regular Q&A Sessions:** Address employee concerns and explain trust decisions.
- **Employee Ownership Newsletter:** Keep employees informed on company performance and ownership developments.
- **Annual Employee Surveys:** Gather insights into employee satisfaction and engagement.
- **Internal Events & Celebrations:** Recognise EO milestones and company achievements.

Communication Tools:

- **Member Meetups:** Opportunities to discuss challenges and share experiences.
 - **Mentorship Programme:** Pairing new trustees with experienced trustees for guidance.
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5. Trustee Board Meetings & Decision-Making

Trustee meetings should be structured, productive, and transparent.

Trustee Meeting Checklist:

- **Pre-Meeting Preparation:** Review the agenda and relevant documents in advance.
- **Meeting Minutes:** Ensure accurate records are kept for accountability.
- **Financial & Governance Updates:** Regularly assess company performance and compliance.
- **Employee Engagement Strategies:** Discuss ways to enhance communication and participation.
- **Compliance & Risk Management:** Identify potential risks and mitigation strategies.

Tip: Rotate meeting chairs among trustees to encourage diverse participation.

6. Training & Development for Trustees

Ongoing training is essential for trustees to stay informed and effective in their role.

Upcoming Training Programmes (Available at [EOA](#))

- **Trustee Training:** For trustees to understand their role.
 - **Advanced Governance & Finance:** A deep dive into financial and governance best practices.
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7. Key Support & Resources

Essential Contacts

- **Employee Ownership Ireland (EOI):** www.employeeownershipireland.com
- **Invest NI Business Support:** www.investni.com
- **Employee Ownership Association (UK):** employeeownership.co.uk

Need Help? Contact EOI at catherine.muldoon@employeeownershipireland.com

Final Thoughts

Being an employee trustee is a rewarding but challenging role. By staying informed, engaging employees, and ensuring strong governance, you help secure the long-term success of your business.

Download this toolkit & share with fellow trustees!

Visit: www.employeeownershipireland.com