

RECRUITING EMPLOYEES

Often for the development of an organisation there is a requirement to take on an employee. Organisations should always think carefully about what the roles are that they required filled, does this need to be an employed member of staff? Can the organisation sustain the wages of a staff member? How will the organisation generate income to pay wages?

Initial Considerations when taking on an employee

- **Writing a role description** – thinking about what exactly you wish the employee to carry out or deliver, making sure there is a strong role description will be invaluable when going through the recruitment process.
- **Writing a contract** – writing a contract of employment and it would be advised that the organisation takes advice from a solicitor.
- **Policies and Procedures** – making sure that the organisation is fully equipped to take on an employee, equal opportunities, health and safety, a staff handbook etc.
- **Recruitment process** – there must be a transparent and competitive recruitment process where the role is advertised.
- **Wages** – it must be ensured that the wage decided upon is commensurate to the role. The employee should be paid at least minimum if not the living wage. Equally, the role should not have a wage attached that the organisation cannot realistically sustain.

Add on costs – it's more than just a wage!

There is a lot more to taking on an employee than paying a monthly wage, there are add on costs that are associated with being an employer including:

- Managing and administering wages – who will do this, will the organisation be able to manage this or will a book keeper or HR service be required?
- National Insurance contributions and PAYE.
- Holiday entitlement, sick pay, maternity and paternity leave.
- Pensions - organisations must go through the auto enrolment process to provide a workplace pension.
- Travel costs and expenses if relevant to the role.
- Cost of having an employee – how much cost to house an employee? Desk space, IT equipment, telephone, stationery etc.

Employing a charity trustee

In some instances charities may decide to employ a charity trustee to fulfil a role such as CEO (Chief Executive Officer). However, as detailed above there must be a transparent process when recruiting a member of staff regardless if the candidate is currently serving as a charity trustee. Furthermore, the Charities and Trustee Investment (Scotland) Act 2005 specifies conditions for **trustee remuneration** that must be satisfied when employing a trustee. In accordance with the Act, in order to employ a trustee a charity must:

- ensure that its governing document does not prohibit the remuneration of charity trustees
- ensure that after entering into the agreement less than half of charity trustees are directly or indirectly remunerated (i.e. a relative's private business providing services to the charity)
- be satisfied that it is in the best interest of the charity to enter into the agreement with that person
- specify the maximum amount of remuneration in a written agreement such as a contract of employment
- be satisfied that the maximum amount of remuneration is reasonable in the circumstances

It should be noted that OSCR is particularly concerned when an application is received with a proposed charity trustee already appointed to a paid position. Any private benefit such as a salary to a trustee must be entirely incidental and not a reason for establishing a charity. For more information please see OSCR's [Managing Your Charity](#) guidance.