



**Worcestershire  
Health and Care**  
NHS Trust

# **Charitable Funds Policy & Procedures**

**Sponsor:** Director of Finance  
**Author:** Head of Finance (Systems & Reporting)  
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Trust Fund Managers  
Finance Department  
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## **Introduction**

The Health Services Act 1977 gives NHS bodies the authority to hold charitable funds. Charitable funds are non-exchequer funds and relate to 'all monies, other than exchequer funds, which are held on trust for any purposes relating to the Health Service.

The management of charitable funds must also comply with the requirements of the Charities Act 2006, the Charities Act 2011 and other subsequent legislation.

This document sets out the procedure for the receipt, and disbursement of Charitable Funds within the Worcestershire Health and Care NHS Trust Charity (the "Charity").

### **1. Responsibilities**

Where an NHS body has exercised its powers to accept, hold or administer trust property or funds for exclusively charitable purposes, they will be acting as charity trustees in respect of that property or funds.

Worcestershire Health and Care NHS Trust (the "Trustee") holds and administers charitable funds and does so as a corporate body (known as the *corporate trustee*).

The Trustee's Board, on behalf of the Trustee, is responsible for the overall management of Charitable Funds. The responsibilities of other officers of the Trustee are as outlined in remainder of this policy document.

All members of staff who deal with charitable funds are responsible for following this policy and must ensure that they adhere to it.

In addition, the Charity has adopted the Trust's Standing Financial Instructions so as to be applied to its own policies and procedures where appropriate and relevant, subject to any specific amendments to those instructions or limits as specified in this document.

### **2. Charitable Funds Committee**

Worcestershire Health and Care NHS Trust Charitable Funds Committee is responsible for overseeing the management and investment of funds donated by patients/service users, relatives, companies and other organisations for the benefit of patients/service users. People and organisations making donations expect that the money they have given will be spent rather than left in funds.

### **3. Gifts and Donations**

It is the policy of the Charity that all gifts, donations, or proceeds from any fund-raising activities which are intended for the Charity's use, must be paid into the Charitable Fund's bank account. Monies must not be retained on wards/departments, nor be deposited into unauthorised Bank/Building Society accounts or paid temporarily into a member of staff's personal account.

Charitable Funds received at the Trust are administered by the, Financial Controller on behalf of the Trustee. The Financial Controller will be significantly supported in this role by the Finance Officer for Charitable Funds (the “Finance Officer”).

Donations will be deposited into the Charitable Fund bank account in accordance with the Trust’s Standing Orders and Standing Financial Instructions. All donations, unless otherwise specified, will be deposited into ‘General’ Charitable Funds.

The Cashier is the designated receiver of donations.

All receipts should be banked in a timely manner. Preferably within 3 working days of receipt.

The Director of Finance, as an officer acting on behalf of the Trustee, is responsible for ensuring that there is an appropriate system to maintain the accounts and records as may be necessary to record and protect all transactions and funds of the Charity.

The Finance Department will be responsible for the payment of goods, investment of funds, control of financing, auditing and printing of financial statements.

#### **4. Non-Cash Gifts**

Small gifts of a personal nature e.g. boxes of chocolates, bouquet of flowers, where the whole ward or department is to benefit need not necessarily be refused. However, gifts given specifically to an individual for their sole use should be politely declined. Where possible, staff should encourage donors to stipulate that such gifts be given to a whole ward or department. Gift Vouchers should always be politely declined.

Gifts may be offered to a ward to be used for instance, in a raffle. Where gifts exceeding £25 in value are received, the members of staff should inform the Finance Officer in order to record the gift.

The Financial Controller should be contacted for advice regarding the running of any raffles in accordance with the Lotteries and Amusements Act 1976 and the Gambling Act 2005, as amended by the National Lotteries Acts of 1993 and 2006.

All staff should ensure they follow the Trust’s policy relating to ‘Standards of Business Conduct’ which are available on the intranet and can be found in paragraph 7.4 on pages 29 and 30 of the Trust’s Standing Orders.

#### **5. Legacies and Bequests**

A significant level of income to the Charitable Funds arises from legacies or bequests, where a hospital or department is specified as a beneficiary in a Will.

If any member of staff is approached by, or receives correspondence from, a solicitor/the Executors of a Will concerning a legacy they must refer the information to the Director of Finance/Deputy Director of Finance who will ensure the legacy/bequest is passed to the Financial Controller to administer and reclaim tax

where applicable. Only the Director of Finance/Deputy Director of Finance acting on behalf of the Trustee can extinguish liability and discharge a legacy.

Appropriate records of all legacies received, together with information on potential legacies must be kept by the Financial Controller.

## **6. Investment Income**

The aim is to maximise the level of income, bearing in mind, risk factors and the level of balances held.

The principal source of dividends and interest are those derived from the Charitable Funds investment portfolio held with the Charity's investment brokers.

The Director of Finance is responsible for the recovery of tax from the HM Revenue and Customs Charities Division in appropriate cases where such interest is received net of tax.

Interest is also received from funds held in the Charity's bank accounts.

Distribution of investment Income to individual Charitable Funds is made quarterly, based on the balance of funds at the end of that same quarter.

## **7. Acknowledgement of Donations**

The point at which the Charity is responsible for any income received (known as "the boundary" for income) is the ward/department where the income is first received. Therefore, any donation of cash/cheque handed to ward/department staff must be receipted correctly at the time the donation is made and an acknowledgment letter will be sent where appropriate.

Ward/department staff need to ensure the donor completes a Donation Form, together with Gift Aid declaration if appropriate (see Appendix E for forms) and ask that the donor takes these forms to the nearest cashier, where the donor will receive an official receipt.

For postal donations, the Finance Department will send out an acknowledgement letter promptly to the donor together with an official receipt.

Copies of all acknowledgements must be recorded and filed for easy reference and be available for audit purposes.

The Charity will not be responsible for donations unless or until an official receipt has been issued as per Charity Commission's guidelines on setting the boundaries.

## **8. Cash Management**

There should not be a mix between Charitable Funds and Exchequer funds. Separate bank accounts exist for both funds.

Where the Exchequer account makes payments on behalf of Charitable Funds a reimbursement must be made by the Director of Finance from Charitable Funds as soon as practicable. This should normally be on a monthly basis.

Ideally fund managers should indicate any known timing of expenditure so that cash forecasts for Charitable Funds can be carried out by the Financial Controller to ensure appropriate levels of cash are available to the Charity. This will identify any cash balance that could be safely added to the Charitable Funds investment portfolio or alternatively identify assets within the portfolio that need to be converted to cash. The forecasts must include all outstanding reimbursements due to Exchequer funds and any grants, donations, fund-raising receipts or legacies which have not been received but which are certain.

## **9. Income and Financing**

All donations received will be allocated across the individual Charitable Funds to ensure they are best used in supporting the Trust's activities.

The redistribution of donations received will be carried out every 6 months, with the income apportionment between the Funds being determined by the Committee following consideration to remaining fund balances and upcoming projects.

The Trust will seek a balance in its reserves, ensuring these remain liquid enough that they can service short term cash requirements whilst ensuring that it maximises the earnings possible from longer term investment opportunities.

## **10. Expenditure**

Expenditure for all funds must be in accordance with the charitable purpose agreed for the fund and in the spirit of the donor's wishes. It is inappropriate for Charitable Funds to be used for personal gain or benefit. This does not preclude the use of funds in support of individuals in the field of education. This is a charitable purpose, particularly as the benefit of such education should be experienced by the public in terms of improved health care.

All expenditure must be agreed with the appropriate level of authority specified on the expenditure request form in advance of committing to any costs. Failure to obtain advance authority may result in staff being personally responsible for costs incurred.

The Charity has a duty to spend Charitable Funds in a timely manner unless the fund's governing document gives it power to accumulate income or there is an agreed specific application in mind. Simply to allow the funds to accumulate without good reason is a breach of Trust. Trust fund managers are responsible for ensuring that funds are spent in a timely manner.

Expenditure from any Charitable Fund can only be authorised by designated officers up to financial limits specified by the Trustee (see Appendix A).

Expenditure of any Charitable Fund will be conditional upon the item being within the terms of the appropriate fund and the procedures approved by the Trustee.

Only authorised forms may be used for committing Charitable Fund expenditure. This includes requests for catering and work schemes (Appendix B). Only fully completed expenditure request forms will be accepted. Incomplete forms will not be processed and returned to the fund manager.

Receipts are required for all expenditure and must be forwarded to the Finance Officer for Charitable Funds in the Finance Department at Kings Court 2.

Trust fund Managers will aim to spend in each financial year at least one third of the value of a fund on 1 April in the financial year. There will be exceptions on some funds where the fund is being deliberately accumulated to cover known future commitments, such as an identified piece of equipment or to fund an approved scheme or project.

Under no circumstances may any Charitable Fund become **overdrawn**.

## **11. Staff Training**

Staff can apply to charitable funds for support for education and training where it is above the core training provided by the Trust.

To apply, staff must complete the application form dedicated to staff training (appendix C).

However, for it to be considered by charitable funds, it is expected that this training will be directly applicable to the individual's post and will provide clear patient benefit or enhance their clinical skillset to deliver additional interventions in a broader role.

Staff are expected to complete a brief statement outlining how they feel this course will meet the criteria for charitable funding along with a brief statement from the SDU lead confirming both their support for the training and approval at SMT.

Also, please note that all training will be completed in accordance with the Trust's Education, Training and Staff Development Policy.

## **12. Ordering and Receipt of Items (Using authorised forms set out in Appendix B and the iProcurement system)**

All ordering of non-stock items will be raised through the iProcurement System. The Procurement Team will process all requisitions once the relevant authorised form is received in the Finance Department. Requests will only be processed if the appropriate designated Trust Fund Managers written authorisation is on the approved form. On receipt of the non-stock items, the Trust Fund Manager must receipt them on the iProcurement System.

The Finance Officer will be responsible for initiating payment on any pre-purchase item. Using the authorised form, a receipt must be included with the formal documentation.

Unless specified otherwise within the bid, orders should be placed within 3 months of approval. Failure to do so will result in the approved bid being void and a new bid will need to be submitted for approval.

Reimbursement of Charitable Funds expenditure through petty cash is permitted on production of an appropriately authorised voucher/receipt. The limit for any one payment shall be £60 (as per the Trust's SFIs). The permission of the Deputy Director of Finance must be sought if petty cash is to be used above this limit.

Petty cash is not permitted to be used as a means of by-passing the official requisitioning and ordering system.

Cheques may be issued in advance for specific items, subject to the appropriate authorised form being received by the Finance Officer. At least 5 working days is required to raise a cheque. Receipts must be forwarded to the Finance Officer in the Finance Department once these items have been purchased and received.

Orders for IT equipment using Charitable Funds should be placed on-line using the Computacenter portal. Prior approval by means of a completed and signed Charitable Funds request form must accompany the IT request form.

**VAT Exemption** – all medical/scientific/research equipment purchased from Charitable Funds are zero rated. The equipment must be purchased wholly from charitable funds in order to obtain the relief. The Finance Officer is responsible for completing and forwarding exemption forms with orders for this type of equipment.

**Retirement gifts, lunches and buffets** –it is an inappropriate use of Charitable funds to purchase any gifts, vouchers or meals to mark the retirement, long service or personal achievement of members of staff.

**Expenditure at key festivals and celebrations (e.g. Christmas, Eid, Ramadan)** – at certain key festivals some wards/departments provide parties, gifts for patients, decorations etc. from trust funds. To facilitate this, it is possible to obtain Trust Fund money prior to expenditure being incurred as follows:

- Complete and authorise the relevant form (Appendix A) for each Fund requesting funds.
- Send the completed form to the Financial Controller clearly stating that a cash advance for festival expenditure is required.

A cheque is made payable to the Trust Fund Manager/Cashier and they will be authorised to cash it at a stated branch of Lloyds TSB bank.

Once the Fund Manager is in receipt of the cash, they are able to use it within the 'purpose' of the fund.

All receipts for items purchased with the cash must be retained and any unspent money should be re-banked into the Trust Fund. The receipts must be sent to the Finance Department at the earliest possible opportunity.

### **13. Fund Balances**

Where any funds have not been utilised for a certain period, an offer to spend will be requested from fund managers and if these are not forthcoming the fund will be consolidated into a general purpose fund.

Any funds regardless of size, showing no use for over a year may also be considered for consolidation.

### **14. Financial Procedures**

Financial Limits – these will be agreed by the Trustee in accordance with the Trust's Standing Financial Instructions and may vary from time to time. The current authorisation limits are set out in Appendix A.

Purchases over £2,000 must be approved by the Director of Finance in conjunction with the Charitable Funds Chairman.

Any purchases over £7,500 will be presented by the appropriate Fund Manager / applicant to the Charitable Funds Committee in the form of a bid for approval. For these high value purchases, where they will usually require a more detailed bid with supporting documentation, it is recommended that a draft bid is presented to the Committee for review and approval in principle. Firstly to brief the Committee of upcoming spend but also to avoid unnecessary time being spent on paperwork unapproved bids.

Depending upon timing and where deemed necessary, the Committee members reserve the right to circulate and approve bids outside of scheduled meetings, although this should be done only as the exception.

### **15. Record Keeping**

The Finance Officer for Charitable Funds will maintain records of all donations received including the date of receipt, receipt number, amount, purpose of donation and the individual fund.

It will be the responsibility of the individual Trust Fund Managers to keep records of the acknowledgements sent, together with copies of acknowledgement letters, which must be available for audit purposes.

The Finance Officer will keep records of all transactions for General funds on behalf of the Trustee.

### **16. Creating new accounts, merging and deleting existing accounts**

Each Charitable Fund must be allocated a separate accounting cost centre.

New Charitable Funds may be created only with the written approval of the Director of Finance/Deputy Director of Finance and subsequently notified to the Charitable

Funds Committee. Care should be taken to ensure the charitable purpose of the proposed new fund is not already covered by an existing fund.

Charitable Fund names may only be changed if the proposed name does not alter the objective of the fund.

The amalgamation of funds can only occur with the prior approval of the Director of Finance/Deputy Director of Finance acting on behalf of the Trustee, noting that it may also be necessary to obtain approval from the Charity Commission.

## **17. Gift Aid**

From 6 April 2000 substantial changes regarding donations given under the Gift Aid scheme came into effect. If a donor is a tax payer it is now easier to reclaim tax on their donation and the Charity needs to obtain a Gift Aid Declaration from the donor. The information needed on the form is the Charity's name, amount donated, the donor's name, the donor's full postal address, the date of the donation and the number of the receipt for the Charitable Donation.

The Gift Aid Declaration can relate to a specific donation or to all donations made after the date of the declaration, provided the donor clearly informs the Trust that further donations have been made. It is however vital that the donor signs the form otherwise the Trust will not be able to reclaim tax. If a donation is from a couple it is important that both parties sign the declaration.

If anyone wishes to donate to Charitable Funds by Gift Aid (Appendix E), forms are available from the Finance Officer. Trust Fund Managers are encouraged to keep a sufficient supply of Gift Aid Forms and to promote Gift Aid whenever they receive a donation.

## **18. Medical Report Income – NON-CHARITABLE INCOME**

The income generated from signing medical reports, cannot be paid into the charitable funds. If this work is undertaken in Trust time, the income must be paid into the departmental revenue budget where the doctor's costs are charged. If work is undertaken in the individual's private time, the fee, which is assessable income for tax and national insurance purposes, must be paid to the doctor.

If the doctor would like the net income to be paid into the charitable funds, this must be actioned via a personal cheque (or cash) from them.

Under no circumstances should a cheque from a patient or insurance company be paid directly into a charitable fund.

## **19. Reporting**

Each Charitable Fund will have a responsible Fund Manager, determined by position. The Service Delivery Funds will be managed by the Trust's Service Delivery Unit (SDU) Leads and the General Reserve fund to be managed by the Head of Finance

(Systems and Reporting). Any Restricted funds will be allocated to the most appropriate Fund Manager identified above.

Any newly appointed fund managers should be familiar with their responsibilities and duties as outlined in this document, have sufficient financial skills to be able to understand and manage their own budget and have sufficient seniority within their own department i.e. ward, department or specialty lead.

Each Charitable Fund will be uniquely identified by means of its fund name and reference number.

Reports will be issued to the designated Trust Fund Managers on a quarterly basis via email showing:

- opening balance,
- income to date,
- expenditure to date, and
- closing fund balance.

It is the responsibility of all authorised officers to ensure the accuracy of Account Statements and to raise any queries with the Finance Officer.

## **20. Audit**

### **External Audit**

The Charity has an Independent Examiner's Report completed by the Trust's External Auditors Grant Thornton.

External auditors are required to report separately to the Charity Commission on any matters of concern.

### **Internal Audit**

All systems within and operated by the Trustee on behalf of the Charitable Funds are subject to internal audit. All records within Service Delivery Units relating to Charitable Funds should be made available whenever required by internal audit staff.

## **21. Training**

Training is available from the Financial Controller or Finance Officer at the request of Charitable Fund Managers.

## **22. Monitoring Compliance with, and the effectiveness of, procedural documents**

The Charitable Funds Committee meets quarterly and is responsible for monitoring the management of charitable funds. The Trust Board acting on behalf of the Trustee receives the Committee minutes and has overall responsibility for taking any action required to ensure the effective running of the charity.

The Charitable Funds Committee undertakes an annual review of its effectiveness.

### **23. Annual Accounts and Annual Report**

The Trust must submit an Annual Report and the Director of Finance is responsible for producing Annual Accounts for Charitable Funds 10 months after its Financial Year End. These reports must be submitted to the Charity Commission in accordance with the deadline set and must comply with charity law and the Statement of Recommended Practices (SORP) issued by the Charity Commission.

## **APPENDIX A**

### **Financial limits for designated authorised signatories**

<b>Authorised Signatory</b>	<b>Financial Limit £</b>	
All expenditure requests <b>must</b> be signed by the Fund's Manager		
Fund Manager	0	250
Director of Finance	251	2,000
Director of Finance in conjunction with Charitable Funds Chair	2,001	7,500
Charitable Funds Committee	>7,500	

**REQUEST EXPENDITURE FROM CHARITABLE FUNDS**

<b>Requestor</b>	<b>Tel no.</b>	<b>Date</b>	<b>Site/ Dept.</b>
<b>Payment to: (Name and address)</b>		<b>Goods/ Service ordered</b>	
<b>Fund number /name</b>		<b>Requisition Number</b>	<b>Total price inc. VAT</b>
<b>Details in support of request</b>			
<b>Signature (Fund Manager)</b>	<b>Date</b>	<b>Counter Signature over £2,000 (Chief Operating Officer)</b>	<b>Date</b>

**PLEASE NOTE:**

1. All sections on the top part of the form should be completed, signed and dated.
2. If ordering goods via supplies an order must be raised through the procurement system. All documentation regarding your request should then be sent to finance with this form.
3. The balance of the fund will be checked and the bid is passed for approval.
4. All bids over £2,000 need to be signed by Chief Operating Officer.
5. All requests for expenditure need the appropriate authorisation:
  - bids up to £250 – Fund Manager
  - bids up to £2,000 – Fund Manager and Director of Finance
  - bids £2,000 - £7,500 – Fund Manager and Charitable Funds Committee Chairman
  - bids over £7,500 – Charitable Funds Committee
6. The order is approved only once approval has been authorised as above.
7. Unless specified otherwise within the bid, the order should be placed within 3 months of approval. Failure to do so will result in the bid being void.

**TO BE COMPLETED BY FINANCE**

<b>Trust Fund</b>	<b>Balance</b>	<b>Date</b>	<b>Order no.</b>
<b>Approval (Director of Finance)</b>			<b>Date</b>
<b>Approval (Chairman/ Trust Fund Committee)</b>			<b>Date</b>
<b>Passed for Payment</b>			<b>Date</b>

**Charitable Funds: Staff Training Application Form**

Staff can apply to charitable funds for support for education and training where it is above the core training provided by the Trust.

However, for it to be considered by charitable funds, it is expected that this training will be directly applicable to the individual's post and will provide clear patient benefit or enhance their clinical skillset to deliver additional interventions in a broader role.

Please can you complete a brief statement outlining how you feel this course will meet the criteria for charitable funding along with a brief statement from your SDU lead confirming both their support for this training and approval at SMT.

Also, please note that all training will be completed in accordance with the Trust's Education, Training and Staff Development Policy.

<b>Name of Applicant</b>	
<b>Job title</b>	<b>Band:</b>
<b>Course Overview</b> <i>(please provide an outline of what the course will cover).</i>	
<b>Course provider</b>	<b>Cost:</b>
<b>Applicant's Statement</b>	
<b>SDU Lead - Supporting Statement</b>	
<b>Applicant Signature</b>	<b>Date:</b>
<b>SDU Lead Signature</b>	<b>Date:</b>

**APPENDIX D**



DETAILS OF DONATION

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_

I give to: Worcestershire Health and Care NHS Trust Charitable Funds

THE SUM OF £ \_\_\_\_\_

Donors  
Signature \_\_\_\_\_ Date \_\_\_\_\_

Cheques should be made payable to:  
Worcestershire Health and Care NHS Trust

Once completed, please take this form with your donation to the site Cashier where you will be given a receipt.

**Or you can send cheques and this form** to: Director of Finance, Worcestershire Health and Care NHS Trust, Finance Department, 2 Kings Court, Charles Hasting Way, Worcester, WR5 1JR.



**APPENDIX E**

**GIFT AID**

The Gift Aid scheme enables Worcestershire Health and Care NHS Trust to make your donation worth more. By signing the declaration below, the Trust can reclaim tax on your donation. It doesn't cost you anything extra.

Please tick the appropriate box

Please treat any donations I have made since 6 April, 2000 and all donations in the future as Gift Aid donations. **I Pay income tax and/or capital gains tax** at least equal to the amount the charity reclaims on my donations

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**I do NOT pay tax**, and therefore cannot donate with Gift Aid.

**Please fill in your personal details to the left, for Inland Revenue purposes. If your name, address or tax circumstances change, please let us know.**

Please send **Gift Aid cheques and this form** to:

Director of Finance, Worcestershire Health and Care NHS Trust, Finance Department, 2 Kings Court, Charles Hasting Way, Worcester, WR5 1JR.

REGISTERED CHARITY NO: 1060335