

Charitable Funds Policy

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Instant Information

Key information can be found in the following sections:

- Charity structure
 - 2.1 – Charitable purpose, funds classification, trustee relationships
- Fund managers
 - 2.13 – Expectations and management of funds, amending / creating funds
 - 2.14 – Financial limits
- Managing income
 - 2.4 – Managing donations
 - 2.10 – Fund raising
- Managing expenditure
 - 2.2 – General principles
 - 2.11 – Fraud, bribery and corruption
 - 2.12 – Procedures, VAT, raising requisitions, applications to General Fund

1 Introduction & Purpose

1.1 Introduction & Purpose

The purpose of this procedure is to provide detailed guidance for all employees regarding the uses of Brighter Futures charitable funds and the provision of accountancy services for the Great Western Hospitals NHS Foundation Trust (the Trusts) Charitable Funds.

Accounting services provided to the Great Western Hospitals NHS Foundation Trust Charitable Fund include maintaining the ledger system, distribution of statements to charitable fund managers and dealing with a range of day to day matters such as donations, legacies, fundraising, investment income, payments, management and administration and investments.

1.2 Glossary/Definitions

The following terms and acronyms are used within the document:

Brighter Futures	The working name of Great Western Hospitals NHS Foundation Trust Charitable Fund and is not a separate charity or appeal.
CAF	Charity Aid Foundation
Earmark	Any funding donated for a specific purpose
Exchequer	Trust funding
GWH	Great Western Hospital
HMRC	Her Majesty's Revenue and Customs
NHS	National Health Service
NHS resource envelope	Any goods or services which the NHS are legally obliged to produce
NMC	Nursing Midwifery Council
Special Purpose Funds	Any funds which feed into the charity which are for a particular ward or scheme
Umbrella Charity	Main arm of the charity
VAT	Value Added Tax

2 Main Document Requirements

2.1 Background Information

2.1.1 What is a Charity?

National Health Service (NHS) trusts, and other Health Service bodies are not charities, it is the Charitable Funds that they administer that are the charities.

Every charity is legally distinct even though it may have the same trustees as another charity. A new distinct charity is not formed if:

1. Funds are raised on behalf of an existing charity
2. Gifts or bequests are made that can be treated as an addition to an existing fund, because a fund already exists that can meet the donors wishes

A new distinct charity will be formed if:

1. An appeal is made for a specific purpose e.g. the purchase of a scanner.
2. Gifts or bequests are received and the donor's wishes form a new distinct charity, as no existing charity can meet the donor's wishes.

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2.1.2 What is Charitable Purpose?

For a fund to be a charity it must have purposes which according to the Charity Commission law in England and Wales are exclusively charitable.

The law has accepted four “heads” or “purposes of charity” as a basic clarification. These are:

1. The relief of those in financial need, those who are ill or disabled;
2. The advancement of education. The advancement of education is a charitable purpose and includes funds for medical research and the professional development of employees i.e. must be above what is required to perform normal operational duties.
3. The advancement of religion; and
4. Other purposes beneficial to the community not falling under any of the other three heads.

A purpose is not charitable unless it is for the public benefit. It must be of actual benefit, and must benefit the public as a whole or a sufficient section of the public.

A purpose is not charitable if it is wholly or mainly for the benefit of specific individuals e.g. a fund for the benefit of, or provide equipment for, a named individual would not be charitable.

2.1.3 The Roles and Responsibilities of Trustees

Trustees are accountable for the proper management of the charity and its assets, and must act prudently at all times in the best interests of the charity and its beneficiaries.

Most charitable funds in the NHS are managed by corporate trustees, as is the case at GWH. This means that GWH (the organisation) is the corporate trustee. The following groups of individuals are often wrongly labelled as trustees:

1. Members of the board of the NHS Trust
2. Members of the Charitable Funds Committee
3. Individual fund holders
4. Employees of the charity

There is only a single trustee, namely the NHS body appointed as the corporate trustee. Therefore GWH would be liable in the event of the Charity failing to meet its obligations to the Charity Commission.

Linked to this is the perception that those who solicit or receive funds acquire a trusteeship role in relation to those donations (i.e. can determine the spending of those funds). The legal requirement is that any donation made by a third party for charitable purposes falls automatically into the trusteeship of the NHS appointed trustee (i.e. GWH).

The Trust Board has delegated authority to the Charitable Funds Committee to administer the responsibilities of GWH as corporate trustee.

As corporate trustee GWH is expected by the Charity Commission to undertake the following in respect of charitable funds:

1. Ensure the charity is carrying out its purposes for public benefit and as set out in its governing document.
2. Ensure the charity complies with its governing document and charity law or other applicable laws.
3. Act in the charity’s best interests by making balanced and well informed decisions, considering both short term and long term. Avoid conflicts of interest.

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4. Manage the charity's resources responsibly.
5. Act with reasonable care and skill.
6. Ensure the charity is accountable, including compliance with statutory accounting and reporting requirements.

Trustees who act in breach of their legal duties can be held responsible for the consequences. The Charity Commission can take enforcement action including:

1. Restricting the transactions that a charity can enter into
2. Appointing or removing trustees
3. Freezing the bank account
4. Appointing an interim manager

Individuals who have responsibility for managing the affairs of the charity, while not trustees, should take note of trustee duties so that they can fulfil these responsibilities on behalf of the Trust.

2.1.4 Classification of Funds

Part of effective trusteeship is ensuring the correct classification of charitable funds as either restricted or unrestricted. If classified correctly, this minimises the administrative burden and maximises flexibility in spending decisions. The Charity Commission actively supports the principle of trustees reducing the proportion of funds they hold that are restricted. In addition the Commission supports the rationalisation of designated unrestricted funds where that process will result in more effective support to the services for which they were donated.

Restricted funds are those which must be used for specific purposes. Public appeals (depending on their terms) can be restricted. Alternatively the donor can request that their donation must be used for a specific purpose.

Unrestricted funds are those given without any restrictions imposed upon them. This can include the proceeds of a public appeal (provided a disclaimer has been provided to this effect).

Designated funds are unrestricted funds that have been (at trustee discretion) earmarked for a particular purpose.

2.2 Expenditure

The Charitable Funds Committee is expected to exercise financial control over the charities at all times.

All expenditure must have a link to the Charity's objectives which are:

1. To enhance the environment for staff and patients, in which health services can be delivered effectively.
2. To enable staff and carers caring for patients to benefit from education and facilities not normally available within the NHS resource envelope.
3. To donate extra equipment and staffing to the Trust and other beneficiaries over and above the NHS resource envelope.
4. To spend funds in accordance with Charity Commission best practice and in support of the Trust's and other beneficiaries' stated values and five-year vision.

The Charity Commission allow expenditure on employees where it clearly enhances patient care i.e. A course that will improve care because it enhances the employees knowledge above and beyond that which is required to carry out their duties.

Charitable funds are extra to NHS funding and not instead of it.

The Charitable Funds Committee is expected to ensure that charitable funds are spent on the purpose for which they were donated, within a reasonable timescale, unless they have a specific purpose in mind.

Account balances are continuously monitored and the fund manager will be requested to attend a Charitable Funds Committee meeting if funds are accumulated without the prior agreement of the Charitable Funds Committee. The reason for this is the charity commission can and will hold the GWH in breach of trust if they accumulate funds without good reason.

The Charity Commission does not allow one charity to support another therefore a fund must never be overdrawn as the GWH can again be held in breach of trust and will look to the account manager concerned to put their account back in balance.

If an employee is approached by any outside organisation offering a donation, research grant, sponsorship etc. these must in all instances be referred to the Associate Director of Fundraising at gwh.fundraising@nhs.net.

The Charity Commission allows delegation however this needs to be in line with the NHS Trust Scheme of delegation.

Standing Orders (5.3 Ref 2), Standing Financial Instructions (Ref 3), Scheme of Delegation (Ref 4) and Powers Reserved to the Board (Ref 5) also apply to charitable funds.

The Trusts charities are also subject to the rules and regulations laid down by HMRC (Ref 6)

2.3 Structure and Registration of Funds

Brighter Futures is the working name of the Charity and is registered with the Charity Commission as an NHS Umbrella Charity as The Great Western Hospital NHS Foundation Trust Charitable Fund, which is for the benefit of the NHS served by the Trust.

The following Special Purpose Funds under the Umbrella have also been registered:

1. 1050892-1 General Unrestricted
2. 1050892-2 Medical Services
3. 1050892-3 Surgical Services
4. 1050892-4 Women & Children's
5. 1050892-7 Diagnostic Services
6. 1050892-8 Research
7. 1050892-9 Great Western General
8. 1050892-13 NHS Swindon
9. 1050892-14 & 15 Wiltshire Community Health Services

2.4 Donations

Donations are usually received as cash, cheque or via credit card.

In all instances cash must be counted and agreed by two employees whenever possible. If receiving donation by cheque, ensure that;

- The cheque is made payable to "Brighter Futures" in all instances. The only occasion on which a cheque made payable to an individual account can be processed is when the situation is inappropriate for the donor to alter the cheque
- The words and figures agree
- The date is correct

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- The cheque is signed
- The area of benefit (fund) is identified

Credit card donations are only taken by Brighter Futures.

2.4.1 Donations received by Brighter Futures

The donation will be receipted using the cash receipting system. This is primarily undertaken by the Brighter Futures Fundraising Team and supported by the Cashiers Team as needed. This enables the Brighter Futures Fundraising Team to send an official thank you letter and the receipt to the donor as well as to capture other relevant donor information. A copy of the letter will be forwarded to the relevant account manager or nominated officer for their records.

Where donations are received and processed by Cashiering Services the information will be passed to the Brighter Futures Fundraising Team in a timely manner.

2.4.2 Donations received by a Ward or Department

The donation should be recorded in the ward or department receipt register and a receipt given to the donor. The donation should be forwarded to the Brighter Futures Office (ground floor in the Brunel Treatment Centre, Great Western Hospital) and will be receipted using the cash receipting system and a receipt issued. The receipt will then be returned with any correspondence or supporting documentation to the relevant account manager or nominated officer for a personal thank you letter to be written and forwarded to the donor. Thank you letters should be sent by the Brighter Futures Fundraising team.

2.4.3 Donations received by a person in a Ward or Department

The Charitable Funds receipt register and receipts that all wards should have is to be used and all donors should be asked to complete a Brighter Futures donation form/envelope in order to capture gift aid.

2.5 Other ways to support Brighter Futures

2.5.1 Gift Aid

Gift aid is a voluntary tax relief for gifts made by tax-paying individuals. The Trust can recover the tax paid from the HMRC. If anyone is aware of someone making such a donation they must have the donation form provided by Brighter Futures or contact the Fundraising team to request a Gift Aid declaration for completion by the donor.

2.5.2 Payroll Giving

The Trust has an arrangement with Pennies from Heaven (Ref 8) which allows the pence in employees' pay-packets to be donated to our latest fundraising appeal. This is a way for employees to give to charity directly from their pay and get tax relief on their payments. This method takes away the pence left in an employees pay directly from their salary.

Example:

- Employees' pay is rounded down to the nearest pound - for example £500.24 then 24p would be donated to Brighter Futures
- The most an employee can donate each month will be 99p

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- The maximum an employee will give in any calendar year is £11.88
- It's simple and easy to sign up through payroll

If employees are aware of someone interested in this method of giving, please let the Brighter Futures Fundraising team know and a form can be supplied for completion.

2.5.3 Charity Aid Foundation (CAF) Voucher

If a voucher is received, ensure the details regarding the area of benefit (account) are correct before passing it to Brighter Futures. The voucher cannot be paid into a bank but will be completed and forwarded to the Foundation for payment to be made by BACS.

Note: The voucher should be made payable to Brighter Futures. It can only be made payable to an individual account when the situation is inappropriate for the donor to alter the voucher.

2.6 An external organisation approaches a staff member

An employee who is contacted by an outside organisation should refer the organisation to the Associate Director of Fundraising, who will be responsible for ensuring the offer is of a charitable nature, that it meets the charitable objectives of the individual fund or the overall Trust, and that it does not impose any legal requirements on the charitable funds.

2.7 Gifts

Employees should not accept gifts that may affect, or be seen to affect, their professional judgement. Please refer to Managing Conflicts of Interest in the NHS Policy (Ref 18).

2.8 Legacies

A fairly substantial part of the income to the charitable funds is from legacies or bequests. This is where a hospital or department is specified as a beneficiary in a Will. The Trust use the services of Smeed and Ford Ltd (5.3 Ref 10), who search records of Wills each week, notifying the Trust of any potential legacies. The Legacies Fundraiser in Brighter Futures registers and liaises with the relevant solicitors and Executors of the Will and keeps appropriate records.

In order to ensure compliance with the terms of a Will, potential legatees should be referred to the Legacies Fundraiser.

If managers are approached by Executors of a Will concerning a legacy they should be referred to the Legacies Fundraiser for further discussion.

Under Standing Financial Instructions the only officer who may extinguish liability and discharge a legacy is the Director of Finance, after the estate accounts have been verified by the Finance Team.

2.9 Dividends, Interest and Gains

The Charitable Funds Committee has the general duty of properly managing and protecting the funds of the charities.

They should:

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Invest money not needed immediately, or place it on deposit to earn interest if expenditure is expected in the near future;

- Invest the funds in a way which will both preserve their capital value and produce a proper return consistent with prudent investment;
- Not place the fund at risk by speculative investment;
- Invest only as permitted by the investment powers of the charity;

Income to the charitable funds is deposited in an interest-bearing bank account or a Government Bank account if the balance exceeds the protected levels and poses significant risk. Expenditure from the funds is also made from the bank account. Interest from this account is received gross. Initially surplus monies may be deposited with a bank or building society providing a higher interest rate.

In the event that the Charity has surplus monies investments must be managed in accordance with the Trust's Treasury Management Policy (Ref 17).

Income received by means of investments is apportioned to individual funds based on average fund balance.

2.10 Fund Raising

Fund-raising is not a charitable purpose in itself; it has to be carried out in support of charitable purposes.

Charitable Funds Committee is responsible for ensuring:

- Fund-raising is properly carried out.
- Expenditure is properly validated, and;
- All funds raised are properly accounted for.
- They are not seen to be speculating with charitable funds
- Costs of fund-raising must not exceed 15-20% of funds raised.

Any employee or group of employees, patients or members of the public that would like to raise money for charitable funds on behalf of the Trust must first contact the Brighter Futures Fundraising team for approval. Such fund-raising includes raffles, lotteries, sponsorship etc.

Before applying, consideration should be given to what fund-raising is being carried out by similar charities or voluntary organisations locally.

An Employee Fundraising guide is available by contacting the Brighter Futures Fundraising Team. This gives some guidelines to fund-raising and contains an application form to be completed and sent to the Brighter Future Fundraising Team for authorisation and advice where appropriate.

The following information will be required in an application:

- Name of fund-raiser
- Designation
- Ward/department/group or organisation
- Address
- Telephone number
- Purpose of fund-raising
- Nature of fund-raising
- Period of fund-raising

No commitment to fund-raising should be made until approval has been given. On approval the application will be signed as being approved by the Fundraising team.

2.10.1 Brighter Futures fund raising agreement - employees

Brighter Futures is extremely grateful that employees are willing to fundraise for the organisation and the charity wants to encourage employees in their efforts. As there are complex laws relating to charity fundraising Brighter Futures can assist employees by:

- Providing the right guidance for the fundraising they are doing
- Complying with the Charities Act (protecting employees, their donors, supporters and general public)
- Fundraising in a way that is within the law
- Gaining publicity for employees fundraising
- Using the money employees raised in the best possible way
- Ensuring employees fundraising activities are legal
- Gain access to the knowledge and experience of others
- Use all resources to raise the maximum amount
- Co-ordinate fundraising across the Trust

Everyone, whether they are a patient, related to a patient, an employee, or a regular fundraiser – if they are planning to raise funds for Brighter Futures is asked to consider and sign the fundraising agreement.

2.10.2 Submitting a fund raising form

To obtain approval from Charitable Funds Committee, ensure that all fundraising is kept within the law, Brighter Futures can co-ordinate all fundraising efforts and maximise the funds raised, but most importantly to ensure employees do not duplicate efforts made by the Fundraising team.

The Trust asks employees to consider the following:

- Where money needs to be spent in order to start fundraising
- Where goods or services are being bought and sold
- Where a public street collection or raffle is taking place
- Where money is raised for a purpose which creates on-going running costs
- If there is an intention to involve professional fundraisers
- Which venue and date employees are planning in order to avoid duplication

As employees have expressed a wish to raise funds for Brighter Futures, the charity ask that employees enter this agreement to ensure that they do so in the knowledge that they have been authorised by the Charitable Funds Committee and have the full support of the Fundraising Team. The role of the Fundraising Team is to ensure that all legal requirements are met and that the administrative burden is removed from the fundraiser.

2.10.3 Procedures regarding raffles

Any ward/department wishing to hold a raffle must, in all instances, refer to the Brighter Futures Fundraising Team who will ensure that all legal requirements are complied with.

When a raffle has been approved, a form for controlling the raffle will be supplied from the Brighter Futures Fundraising Team.

The following procedure must be adhered to:

- Keep all raffle books in a secure place that is known to as few people as possible.
- If a change float is required contact the Brighter Futures Fundraising Team to make the necessary arrangements.
- Obtain signatures from people wishing to sell raffle tickets who accept personal responsibility for raffle books.
- Ensure returned raffle books and stubs are signed back in to the Brighter Futures Fundraising Team.
- Before signing to release responsibility for the books ensure all monies received from sellers is equal to the number of books or tickets sold
- Keep unbanked raffle monies in a secure place, but not in the same place as the raffle tickets
- Bank raffle money regularly and intact (do not use the money collected as a change float)
- Keep raffle prizes in a secure place but not with the raffle tickets or unbanked monies
- Ensure that the draw is seen as fair. Ask a non-participant to do the draw
- Notify the prize winners as soon as possible.
- Repay any change float promptly when the raffle has been completed.
- Arrange with the Brighter Futures Fundraising Team for unused tickets to be destroyed.
- Account the results of the raffle promptly to the Finance Team via Gwhcharitablefunds@nhs.net so they may inform the Charitable Funds Committee.

2.10.4 Trading

Neither the Charity Commission nor HMRC regard the sale of donated goods as trading. Charities engaged in occasional trading such as jumble sales and bazaars may incur some tax liability. However the HMRC make a special concession where:

- The trading is not regular
- The trading is not in competition with other traders
- The activities are supported as the profits will be devoted to charity
- The profits are applied for charitable purposes

The following will generally be regarded as the exercise of a trade:

- The provision of services for reward
- The sale of goods which have been brought in
- Donated goods which have been altered or improved prior to sale

Trading is only allowed if it is undertaken in pursuance of the charitable objectives of a fund e.g. training and education. The current advice from the NHS Executive is that no trading activity should be undertaken. It is also the view of the Audit Commission that such trading by NHS bodies using charitable funds is unlawful.

2.11 Fraud, bribery and corruption

2.11.1 Fraud

The Fraud Act 2006 (Ref 12) defines fraud as: “the intent to obtain a financial gain from, or cause a financial loss to, a person or party through false representation, failing to disclose information or abuse of position.”

2.11.2 Bribery and corruption

The Bribery and Corruption – Bribery Act 2010 (5.3 Ref 13) states: “bribery and corruption is the deliberate use of payment or benefit in kind to influence an individual to use their position in an unreasonable way to help gain advantage for another.”

Offences covered by the Fraud Act 2006, and the Bribery Act 2010, may be considered and investigated in accordance with the Trusts Fraud and Corruption Policy (Ref 14).

2.11.3 Money Laundering

Money laundering is a process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises. Criminals will attempt to distance themselves from their crimes by finding safe havens for their profits where they can avoid confiscation orders, and where the proceeds can be made to appear legitimate.

Money Laundering Regulations 2017 apply to any high value dealer, i.e. any organisation that accepts cash transactions in excess of €10,000 (approximately £9,000). However, the Proceeds of Crime Act 2002 applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

Offences covered by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 will be considered in accordance with the Trusts Fraud and Corruption Policy and referred to the national Financial Intelligence Unit for investigation where appropriate.

2.12 Spending Charitable Funds

2.12.1 Outline of procedure for spending charitable funds

The Charitable Funds Committee has the general duty of protecting the charity’s property and must exercise overall control of its financial affairs. Discussions on what funds may be spent must be made by the Charitable Funds Committee at their quarterly meetings and must be applied for the purpose set out in the governing document.

The Charitable Funds Committee has the general duty to ensure that fund managers do not accumulate funds without an approved plan for future expenditure. The level of materiality of accumulated funds will be decided by the Charitable Funds Committee.

If so requested by the Charitable Funds Committee, a fund manager will prepare an annual expenditure plan. These plans will clearly delegate to fund managers how much and what they can spend the funds on.

Fund managers will have the authority to spend charitable funds provided the expenditure:

- Is within the authorised category

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- Is within their delegated authority per the Scheme of Delegation (Ref 4)
- Is of a charitable nature
- Is within the objectives of the fund
- Can be met by the existing monies of the fund
- Has a vat zero-rating certificate, if this is applicable

The duty of fund managers to safeguard their funds is paramount. Funds must be spent wholly and reasonably with supporting proper documentary evidence. Fund managers must clearly understand the purpose of the funds which they manage, and query with the Finance Team at Gwhcharitablefunds@nhs.net if in any doubt.

The Finance Team will maintain details of fund managers and nominated officers authorised to approve expenditure from charitable funds that have been approved by the Charitable Funds Committee. These will include officers' designation and sample signatures.

It is the fund manager's duty to inform the Finance Team at Gwhcharitablefunds@nhs.net where a change in authorised signatories has been identified.

This should be done in writing and include the:

- Date from which the change is proposed
- Funds involved
- Details of the changes
- Reasons for the change in authorised signatory including sample signatures

The statements should be signed by the fund manager and forwarded to the Finance Team at Gwhcharitablefunds@nhs.net for approval by the Charitable Funds Committee. Only after approval can the officer act as a fund manager.

2.12.2 VAT

There is no general relief from VAT for charities. However, zero-rating can be obtained on the purchase of donated medical equipment. This includes medical, scientific, computer, video, sterilising, laboratory or refrigeration equipment used in medical research, training, diagnosis or treatment. Goods must be purchased wholly from charitable funds to obtain the relief. Zero-rating may also apply to fund-raising expenses. These certificates are only to be issued by the Finance Team.

2.12.3 Procedure for raising requisitions for funds outside of the general fund

All requests for requisitions are to be sent to the Finance Team at Gwhcharitablefunds@nhs.net. The request must state:

- A clear description of the goods or services and approximate cost
- The name of the fund from which the purchase is to be made
- Authorisation by the fund manager.
- All purchases under £5k must be signed off by the fund manager.
- All purchases over £5k must be authorised by the Charitable Funds Committee by way of a Case of Need form (available on the Intranet or from the Brighter Futures team).
- If price agreed with specific company, specify company on order as sale provider.
- All requests for equipment need to be approved by Trust Equipment Group first. Further information can be found on the Trust Intranet.
- All requests for IT need to be submitted to the IT Department first at gwh.itservicedesk@nhs.net.
- All requests for estates related modifications need to be submitted to the Estates Team first at gwh.efm.variations@nhs.net.

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On receipt of the request the Charitable Funds Administrator will make the following checks:

- Expenditure is of a charitable nature
- Expenditure falls within the objects of the fund
- Expenditure is in accordance with the Scheme of Delegation
- Funds are available to be spent
- If appropriate, a vat zero-rating certificate will be prepared for signature by the deputy director of finance or director of finance.

If the expenditure is approved, the requisition will be signed by the Charitable Funds Administrator the financial code entered and an order will be raised.

If the requisition is not approved from charitable funds for one or more of the above reasons, the person signing the requisition (i.e. the fund manager or other authorised person) will be notified immediately.

The fund manager will have a right of appeal and they should contact the Head of Financial Control & Strategic Planning, who will advise the manager whether the matter should be referred to the Charitable Funds Committee.

Should any fund manager try to circumvent this process they may find (at the Charitable Funds Committees discretion) that they become personally liable for the debt concerned.

2.12.4 In the event a requisition cannot be raised

On occasion items cannot be purchased through normal requisition channels. There are two options, credit card and special cheque request forms.

There are two Trust credit cards that can be used for appropriate reasons, such as online only companies. These cards are held by Finance and Brighter Futures.

In exceptional circumstances a special cheque request form can be used to pay low value one-off suppliers. Contact the Finance Team at Gwhcharitablefunds@nhs.net for more information.

2.12.5 Procedure for requesting funds from the general fund

To requests funds of any value from the General Fund the following process should be followed:

- Establish that the proposal supported by the division.
- Write a case of need (form available on the Intranet).
- The Case of Need will be considered at the next quarterly Charitable Funds Committee.

2.13 Fund Managers

2.13.1 Expectations of Fund Managers

An appointed fund manager is expected to:

- Comply with these procedures
- Comply with Standing Financial Instructions and the Scheme of Delegation as they relate to Charitable Funds
- Receive donations where the donors wishes can be met (otherwise refer the donor to the Associate Director of Fundraising)
- Take care with gifts. If a gift is small and for the area as a whole it may be accepted. If there is a personal element to the gift it may have tax implications. Also refer to their

- professional association who may not allow them. Refer people who wish to fundraise on their behalf to the Brighter Futures fundraising team
- If they or their service area/team wish to fundraise, contact the Associate Director of Fundraising before they start
 - If they wish to sell donated goods, contact the Brighter Futures fundraising team prior to the sale commencing
 - Not purchase goods to resell, contact the Brighter Futures fundraising team prior to the purchase being made
 - Discuss with the Brighter Futures fundraising team intentions to contact outside organisations for support, prior to that contact being made
 - Refer outside organisations who wish to become sponsors or give research grants to Fundraising.
 - If are asked about the possible wording in a will, please refer the person to the Fundraising Legacies Section. Refer solicitors regarding monies left in a will to the Head of Financial Control & Strategic Planning under no circumstances deal with them alone
 - Expend their funds for the relief of those who are ill
 - Never allow their fund to become overdrawn
 - Do not accumulate funds without the prior approval of the Charitable Funds Committee
 - Ensure the accuracy of their statements they receive by raising any queries with the Finance Team at Gwhcharitablefunds@nhs.net.
 - Inform the Finance Team at Gwhcharitablefunds@nhs.net of proposed changes in fund manager
 - If in doubt, contact the Head of Financial Control & Strategic Planning.

The Corporate Trustee (being the Trust Board on behalf of GWH) has determined that they will carry out their duties through a committee set up and constituted by the Board. That committee is known as the Charitable Funds Committee.

2.13.2 Management and administration of funds

Fund statements will be issued on request. Fund statements should be compared for accuracy with ward/department registers of donations received to ensure validity. Similarly expenditure should be compared with requisitions/orders etc.

It is the duty of all fund managers to ensure the accuracy of fund statements and query any discrepancies with the Finance Team at Gwhcharitablefunds@nhs.net.

2.14 Financial Limits

Please refer to the Scheme of Delegation which can be found under the Corporate Governance section of the Trust shared drive.

2.15 Employee Salary Costs

The Charitable Funds does not employ any employees. Any request to fund employee salaries from charitable funds must be referred to the Head of Financial Control & Strategic Planning for approval by Charitable Funds Committee. No existing employees or new employee must be placed on the payroll without the prior approval of the Charitable Funds Committee.

Where employees have worked extra hours in addition to their contractual hours with the Trust and the charge is to be met by charitable funds, the Head of Financial Control & Strategic Planning must be notified with the details for approval to be given.

Once approved, payment can only be made on completion of a time sheet authorised by the fund manager and submitted to payroll for processing.

Payment by cheque outside of the payroll system is not allowed.

Staff reimbursements relating to travel and associated costs chargeable to charitable funds should be claimed in line with the Expenses Policy (Ref 11) and subsequently recharged by notifying the Finance Team at Gwhcharitablefunds@nhs.net.

2.16 Petty Cash

Petty cash floats specifically for charitable funds are available from the Cashiers. The maximum payment on any petty cash disbursement is £50 without Director of Finance approval. If any payment is found to be of a non-charitable nature the fund manager may find (at the Charitable Funds Committees discretion) that they may become liable for the debt concerned.

2.17 Internal purchases

Any recharges requested to an internal department, e.g. medical photography, must first be referred to the Finance Team at Gwhcharitablefunds@nhs.net for approval.

Approval may be sought verbally or in writing depending on the nature of the expenditure. On completion of the work or service to the fund manager's satisfaction, the Finance Business Partner must prepare a monthly return to Finance for reimbursement.

Should any fund manager try to circumvent this process they may find (at the Charitable Funds Committees discretion) that they become personally liable for the debt concerned.

2.18 Patient welfare and amenities

Expenditure must be a development over and above the operational level of the Trust. Such purchases not deemed part of normal day-to-day expenditure such as medical equipment, furniture and fittings, patient comforts and benefits above the standard/level required for operational purposes, are allowable with the prior approval of the Finance Team at Gwhcharitablefunds@nhs.net.

2.19 Employee welfare and amenities

Employee benefits must not go beyond what a good employer would consider reasonable to provide.

Expenditure must be a development over and above the operational level of the Trust and may include:

Type of use for monies	Example
Education:	Help and support with training, i.e. Course fees, travel and subsistence. Materials and aids, i.e. Books, newspapers, magazines, overhead projector and screen, videos
Improving employee facilities:	Furnishing and decorations for employees staff room, kettles, microwave ovens etc.

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Equipment to benefit employees	Lifting equipment, special beds, other aids
Salary costs	Specific roles providing supplementary services for the benefit of staff and/or patients. eg psychologist supporting staff health and well-being

2.20 Research

If medical research is being financed by a charitable fund, the intention must be at the outset that the results will be published, i.e. an article in a professional journal and be fully supported by the Research & Development Team. Research is not always successful, and therefore there would be no point in publishing the results unless it is likely to assist future research. The Finance Team will monitor the progress of the research and its planned programme of payments, and regularly review them.

NB The support by a charity of private commercial research is not permitted.

A research fund **must be** for the public benefit and not for the benefit of a private individual or organisation (i.e. where the results only go back to the sponsoring drug company).

Details of any proposed research must be forwarded by fund managers to the Finance Team at Gwhcharitablefunds@nhs.net for approval by the Charitable Funds Committee.

2.21 Management and Administration

These will include primarily a proportion of the costs of some of the Finance team, the costs associated with management of investments and external audit fees. Management and administration charges are approved by the Charitable Funds Committee at the beginning of the financial year and charged on a quarterly basis to statements.

2.22 Changes to funds

2.22.1 Fund maintenance

Trustees have a duty to exercise control over the charity's financial affairs. Part of the role of the Charitable Funds Committee is to approve the creation, merger and deletion of accounts and formally appoint account managers.

2.22.2 Creating new funds

Any manager within the Trust who wishes to create a new fund must apply to the Charitable Funds Committee using the form 'Application for creation of a new fund', taking into consideration the guidance notes with the form.

Forms are available from the Finance Team at Gwhcharitablefunds@nhs.net, and on completion must be returned together with such relevant correspondence/information in order to be supported by the Head of Financial Control & Strategic Planning. Managers should ensure that the charitable purpose for the new account is not already covered by an existing fund.

The application, if supported, will be placed on the agenda of the next Charitable Funds Committee meeting. The manager will be informed of the decision of the Panel as soon as possible after the meeting.

In certain circumstances it may be appropriate for the manager to attend to support the application.

2.22.3 Merging and deleting existing funds

The Charitable Funds Committee encourages the merger of existing accounts where their purposes are very similar. Where the purposes of a fund have been met, and there is no need to continue the fund, it should be closed.

Fund managers should continually monitor their funds and let the Finance Team at Gwhcharitablefunds@nhs.net know if there is a case for merger or deletion of the funds which will then be submitted to the Charitable Funds Committee for approval.

2.22.4 Maintenance of account balances

Donations are generally given to be spent for the benefit of employees and patients. Fund managers must monitor their funds and not allow an accumulation of income. A fund manager should inform their Divisional Management so as to inform Divisional Spending Plans. This will be reviewed by the Charitable Funds Committee.

3 Monitoring Compliance and Effectiveness of Implementation

The arrangements for monitoring compliance are outlined in the table below: -

Measurable policy objectives	Monitoring or audit method	Monitoring responsibility (individual, group or committee)	Frequency of monitoring	Reporting arrangements (committee or group the monitoring results is presented to)	What action will be taken if gaps are identified
Fundraising and donations	Approval of applications	Charitable Funds Committee	Quarterly	Charitable Funds Committee	Report to Division
Expenditure and funding award	Approval of applications	Charitable Funds Committee	Quarterly	Charitable Funds Committee	Report to Division
Reporting	Review of fund balances	Charitable Funds Committee	Quarterly	Charitable Funds Committee	Report to Division
Reporting	Annual Audit of Charitable Funds Accounts	External Auditors	Annually	Charitable Funds Committee	External Report on Accounts

4 Duties and Responsibilities of Individuals and Groups

4.1 Chief Executive

The Chief Executive is ultimately responsible for the implementation of this document.

4.2 Divisional directors or deputies

All Divisional Directors or their deputies are to ensure that the list of new or revised policies, competencies, clinical guidelines, strategies, plans, protocols or procedural documents published each month is on the agenda at Divisional meetings to ensure that the documents are drawn to the attention of managers and general users. All Divisional Directors or their deputies must ensure that

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employees within their area are aware of the document; able to implement the document and that any superseded documents are destroyed.

4.3 Document Author and Document Implementation Lead

The document Author and the document Implementation Lead are responsible for identifying the need for a change in this document as a result of becoming aware of changes in practice, changes to statutory requirements, revised professional or clinical standards and local/national directives, and resubmitting the document for approval and republication if changes are required.

4.4 Associate Director of Fundraising

Produces fundraising strategy and budget and manages the fund raising team.

4.5 The Charitable Funds Committee

The purpose of this Committee is to oversee the management of Charitable Funds. The Committee reports to the Trust Board.

Further information on the committee roles, accountability, membership and meeting requirements are set out in the terms of reference (Ref 19).

5 Further Reading, Consultation and Glossary

5.1 References, Further Reading and Links to Other Policies

The following is a list of other policies, procedural documents or guidance documents (internal or external) which employees should refer to for further details:

Ref. No.	Document Title	Document Location
1	The Charity Commission	https://www.gov.uk
2	Standing Orders	T:\Trust-wide Documents
3	Standing Financial Instructions	T:\Trust-wide Documents
4	Scheme of Delegation	Intranet – Corporate Governance pages
5	Powers Reserved to the Board	Intranet - Corporate Governance Pages
6	HMRC	https://www.gov.uk/
8	Pennies from Heaven	https://www.penniesfromheaven.co.uk
9	(NMC) Guidelines for Professional Practice (1996)	www.nmc.org.uk/
10	Smee and Ford	smeeandford.com
11	Expenses Policy	T:\Trust-wide Documents
12	Fraud Act 2006	www.legislation.gov.uk/
13	Bribery and Corruption – Bribery Act 2010	www.legislation.gov.uk/
14	Fraud and Corruption Policy	T:\Trust-wide Documents
15	The Money Laundering Regulations 2007	www.legislation.gov.uk
16	Proceeds of Crime Act 2002	www.legislation.gov.uk

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Ref. No.	Document Title	Document Location
17	Treasury Management Policy	T:\Trust-wide Documents
18	Managing Conflicts of Interest in the NHS Policy	T:\Trust-wide Documents
19	Charitable Funds Terms of Reference	https://www.brighterfuturesgwh.nhs.uk/

5.2 Consultation Process

The following is a list of consultees in formulating this document and the date that they approved the document:

Job Title / Department	Date Consultee Agreed Document Contents
Associate Director of Fundraising	17/06/20
Financial Accountant	17/06/20
Deputy Financial Accountant	17/06/20

6 Equality Impact Assessment

An Equality Impact Assessment (EIA) has been completed for this document and can be found at Appendix A.

Appendix A - STAGE 1: Initial Screening For Equality Impact Assessment

At this stage, the following questions need to be considered:			
1	What is the name of the policy, strategy or project? Charitable Funds Policy		
2.	Briefly describe the aim of the policy, strategy, and project. What needs or duty is it designed to meet? To provide detailed guidance for all employees regarding the uses of Brighter Futures charitable funds		
3.	Is there any evidence or reason to believe that the policy, strategy or project could have an adverse or negative impact on any of the nine protected characteristics (as per Appendix A)?		No
4.	Is there evidence or other reason to believe that anyone with one or more of the nine protected characteristics have different needs and experiences that this policy is likely to assist i.e. there might be a <i>relative</i> adverse effect on other groups?		No
5.	Has prior consultation taken place with organisations or groups of persons with one or more of the nine protected characteristics of which has indicated a pre-existing problem which this policy, strategy, service redesign or project is likely to address?		No

Signed by the manager undertaking the assessment	Matt Lowe
Date completed	16/06/20
Job Title	Head of Financial Control and Strategic Planning

On completion of Stage 1 required if you have answered YES to one or more of questions 3, 4 and 5 above you need to complete a [STAGE 2 - Full Equality Impact Assessment](#)

Equality Impact Assessment

Are we Treating Everyone Equally?

Define the document. What is the document about? What outcomes are expected?

Consider if your document/proposal affects any persons (Patients, Employees, Carers, Visitors, Volunteers and Members) with protected characteristics? Back up your considerations by local or national data, service information, audits, complaints and compliments, Friends & Family Test results, Staff Survey, etc.

If an adverse impact is identified what can be done to change this? Are there any barriers? Focus on outcomes and improvements. Plan and create actions that will mitigate against any identified inequalities.

If the document upon assessment is identified as having a positive impact, how can this be shared to maximise the benefits universally?

Our Vision

Working together with our partners in health and social care, we will deliver accessible, personalised and integrated services for local people whether at home, in the community or in hospital empowering people to lead independent and healthier lives.



Trust Equality and Diversity Objectives			
Better health outcomes for all	Improved patient access & experience	Empowered engaged & included staff	Inclusive leadership at all levels

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