

<b>POLICY REFERENCE NUMBER</b>
<b>SABP/AUDIT/0005</b>

<b>POLICY NAME</b>
<b>CHARITABLE FUNDS POLICY</b>

<b>BRIEF OUTLINE OF THIS POLICY</b>
<p>This policy provides guidance for all our Trust staff who are directly involved in the administration and management of charitable funds.</p>

<b>Version Number</b>	6.0
<b>Approving Committee</b>	<b>Executive Board</b>
<b>Policy Category</b>	Corporate
<b>Executive Lead</b>	Deputy Chief Executive and Chief Financial Officer
<b>Name of Author</b>	Senior Financial Accountant

<b>Date Approved</b>	5 <sup>th</sup> September 2019
<b>Date Issued</b>	16 <sup>th</sup> February 2021
<b>Review Date</b>	5 <sup>th</sup> March 2023
<b>Target Audience</b>	Anyone making purchases relating to charitable funds or receiving charitable donations.

<b>KEY PRINCIPLES ABOUT THIS POLICY</b>	
<b>1.</b>	Principles for the use and management of our trust charitable funds
<b>2.</b>	All aspects of charitable funds and the procedures that should be followed
<b>3.</b>	Expenditure requests made by completing a Charity Funds Expenditure Request Form (CF2) which is authorised appropriately.

<b>This policy has been reviewed and is compliant with the most up to date Code of Practice and NICE Guidelines</b>	
<b>Title of Code of Practice</b>	<b>NICE Reference Number(s)</b>
Charity Commission Regulations and Guidelines	
Statement of Recommended Practice 2005 (SORP 2005)	
NHS Charitable Accounting Regulations	

## VERSION CONTROL LIST

Version	Date	Author	Status	Comment
1.0	September 2008	D. Kaluba		
2.0	October 2011	Laurie Sanders		
3.0	January 2016	S. Simpungwe Ann Underwood		
4.0	August 2016	Laurie Sanders Ann Underwood	Approved	
4.1	July 2019	Katie Abbott	Draft	
4.2	September 2019	Katie Abbott	Draft	
5.0	October 2019	Katie Abbott	Approved	
6.0	February 2021	Katie Abbott	Approved	Covid Review extension agreed

### Summary of Changes since Version (4.0)

Numbers <i>(Select the appropriate action)</i>			
Page	Paragraph	Appendix	Original/New/Amendment/Deleted – Statement <i>(select the appropriate action)</i>
			This policy has been transferred over to the new SABP template.

## Contents Page

Section	Page
<b>POLICY SECTION</b>	
	Version Control List
	Summary of Changes
<b>1.0</b>	Policy Purpose
<b>2.0</b>	Policy Statement
<b>3.0</b>	Related Policies
<b>4.0</b>	Glossary of Terms
<b>5.0</b>	References
<b>PROCEDURE SECTION</b>	
<b>6.0</b>	Roles and Responsibilities
<b>7.0</b>	Procedure Flow Chart
<b>8.0</b>	Procedure Statement
<b>9.0</b>	Background
<b>10.0</b>	The Charitable Funds Management Committee
<b>11.0</b>	Charity Details
<b>12.0</b>	Regulations which govern the charity
<b>13.0</b>	Segregation of Duties
<b>14.0</b>	New Funds and Changes to Signatory
<b>15.0</b>	Process for setting up a new fund
<b>16.0</b>	Restricted Donations
<b>17.0</b>	Additions and/or changes to changes to fund holders
<b>18.0</b>	Donations for Charity Funds
<b>19.0</b>	Gift Aid
<b>20.0</b>	Cash Donations
<b>21.0</b>	Donations by cheque

<b>22.0</b>	Just Giving Website	<b>17</b>
<b>PROCEDURE SECTION</b>		
<b>23.0</b>	Payment by bank transfer	<b>18</b>
<b>24.0</b>	Donations Register	<b>18</b>
<b>25.0</b>	Letters of thanks	<b>18</b>
<b>26.0</b>	Fundraising	<b>18</b>
<b>27.0</b>	Lotteries	<b>18</b>
<b>28.0</b>	Special Appeals	<b>18</b>
<b>29.0</b>	Fundraising by other bodies	<b>19</b>
<b>30.0</b>	Legacies	<b>19</b>
<b>31.0</b>	Sale of assets	<b>19</b>
<b>32.0</b>	Expenditure from Charity Funds	<b>19</b>
<b>33.0</b>	Reporting	<b>26</b>
<b>34.0</b>	Accounts Framework	<b>26</b>
<b>35.0</b>	Annual Accounts and Charity Commission return	<b>28</b>
<b>36.0</b>	Review of funds at organisational level	<b>28</b>
<b>37.0</b>	Queries and Information	<b>29</b>
<b>38.0</b>	Monitoring Table	<b>30</b>
	Equality Analysis	<b>31</b>
	List of Stand-alone appendices	<b>35</b>

## POLICY SECTION

### **1.0 Purpose**

- 1.1 This policy outlines the processes to be followed when dealing with our Trust's charitable funds.
- 1.2 It covers all aspects of charitable funds and the procedures which should be followed. It applies to any person wishing to make a donation and all members of staff.

### **2.0 Policy Statement**

- 2.1 This policy is to establish the principles for the use and management of our Trust's charitable funds. Where money (or other resources) are donated to the NHS then these funds must be managed separately from exchequer funds and are known as charitable funds.
- 2.2 A charitable donation should not normally be refused. However, the manager who received the donation must consider if there might be a reason why the donation could be inappropriate and, if so, why the donation should be refused. Reasons why a donation might be refused include:
- if the donor's requirements cannot be met;
  - if there are conditions attached to the donation that are unacceptable;
  - if the donation would place our trust or the NHS under an inappropriate obligation;
  - if there are ethical concerns about accepting the donation;
  - if acceptance of the donation could result in unacceptable controversy or adverse publicity.
- 2.3 If in doubt, the advice of the Director of Finance should be sought before accepting the donation.

- 2.4 As far as possible our Trust should encourage people to make donations for health services generally.
- 2.5 The donors of funds may put restrictions on the use of their donations. Relevant restrictions may create:
- 2.5.1 Permanent endowment funds, where the asset donated must be invested rather than spent. Sometimes the donor may apply a condition to the donation which will allow trustee(s) to use some of the capital if needed.
- 2.5.2 Restricted funds, which can only be used for specific purposes. This restriction may apply to the use of income and / or capital. The restriction will be imposed by the donor at the point of donation. Restricted funds must be accounted for separately but can be invested collectively and within non restricted funds to improve investment return.
- 2.8 The management of NHS charitable funds is subject to the same statutory and legal requirements as other trusts and charities. A sub-committee of the Board shall be established to meet to review the management of charitable funds, including the investment management and expenditure.
- 2.9 All charitable fund expenditure should be made in line with the purpose of the funds and should ultimately be for the benefit of people who use our services. Such benefit may take the form of improved clinical services or enhanced client experience. Where the immediate benefit of expenditure is for staff welfare or development, there should be a clear link to improved services for people who use our services – for example through enhancing relevant staff skills or encouraging staff innovation
- 2.10 All purchases using charitable funds should be made using our Trust's purchasing procedures. Where no individual fund exists, applications should be made to the General Fund.

### **3.0 Related SABP Policies**

- Expenditure Policy SABP/Audit/0010
- Standing Financial Instructions SABP/Governance/0002
- Reservation of Powers to the Board and Delegation SABP/Governance/003

### **4.0 Glossary of Terms**

<b>CFO</b>	Chief Finance Officer
<b>LCFS</b>	Local Counter Fraud Specialist
<b>SABP</b>	Surrey and Borders Partnership NHS Foundation Trust
<b>SFIs</b>	Standing Financial Instructions
<b>SOFA</b>	Statement of Financial Activities
<b>SORP</b>	Statement of Recommended Practice
<b>SOs</b>	Standing Orders

### **5.0 References**

Charity Commission: Details and guidance for charities and where annual returns are filed.

Charity SORP 2005: Accounting and guidance on Accounting Standards for annual accounts.

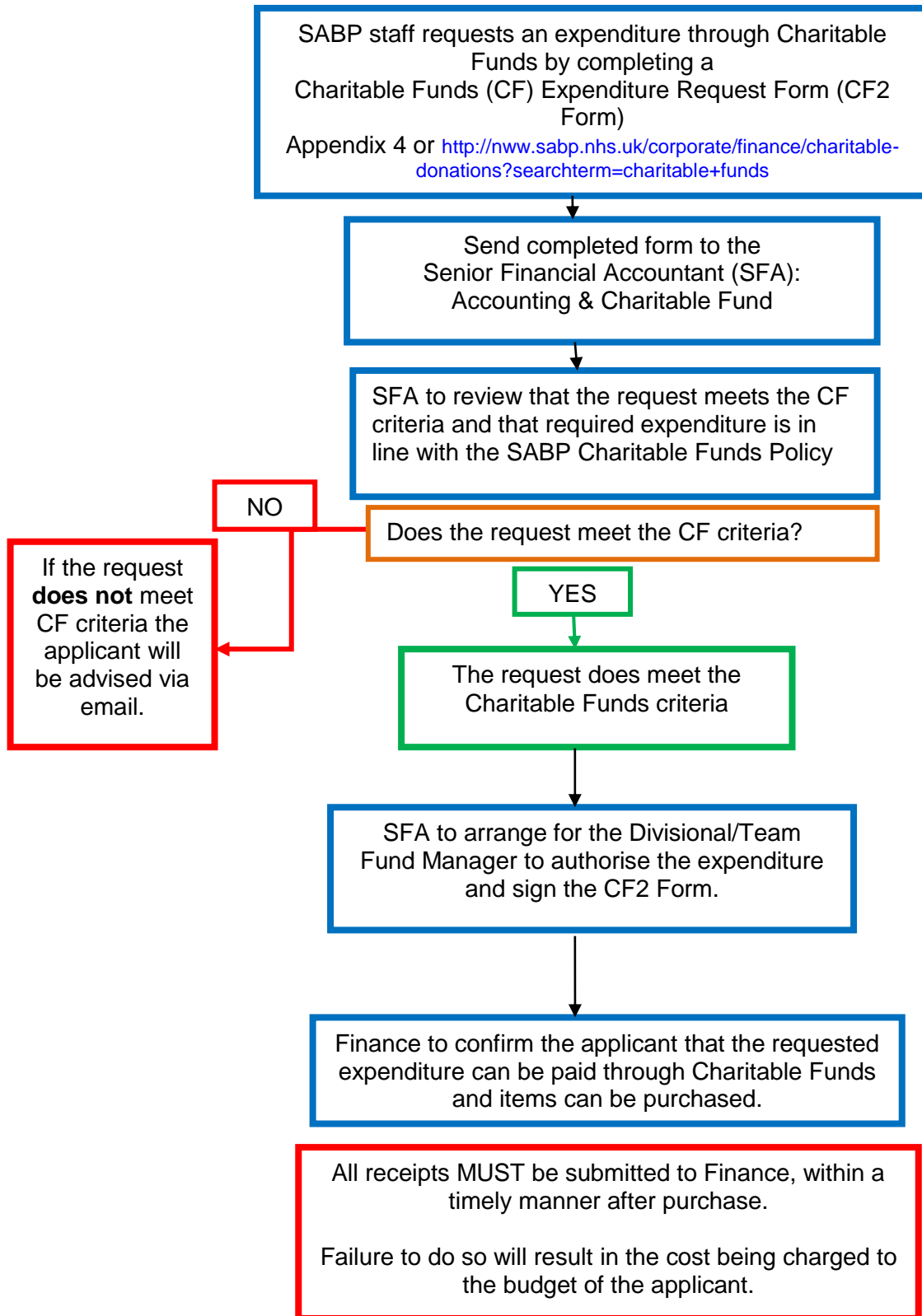
## PROCEDURE SECTION

### 6.0 Roles and Responsibilities

- 6.1 **Corporate Trustee**, Surrey and Borders Partnership NHS Foundation Trust is the Corporate Trustee. The Executive Directors and Non-Executive Directors of our Trust Board share the responsibility for ensuring that the NHS body fulfils its duties as Corporate Trustee in managing the Charitable Funds.
- 6.2 **Charitable Fund Management Committee**, the Board of the Surrey and Borders Partnership NHS Foundation Trust, on behalf of the Corporate Trustee, has delegated responsibility to manage the charitable funds to the Charitable Fund Management Committee
- 6.3 **The Director of Finance / Chief Finance Officer (CFO)** has particular responsibility to ensure that the spending is in accordance with the objects of the Charitable Fund; priorities agreed by the Corporate Trustee; that the criteria for spending charitable monies are fully met; that full accounting records are maintained; and that devolved decision making or delegated arrangements are in accordance with the policies and procedures set out by the Board on behalf of the Corporate Trustee.
- 6.4 **Fund Managers**, are responsible for ensuring the funds are spent in accordance to the Charity's policy and procedures.
- 6.5 **Finance Managers**, to ensure fund managers are requesting expenditure for a charitable purpose and in line with the purpose of the fund and all necessary paperwork is received. Accurately recording the financial transactions and appropriate administration of the funds, produce quarterly accounts to be reviewed by the Charitable Fund Management Committee. Also, producing year end annual report and accounts having these audited and filed in line with the Charity Commission deadline.



**7.0 Procedure Flow Chart – further details are outlined in Appendix 7**



**Expenditure Levels for Authorisation**

Up to £1,000	£1,001 to £20,000	£20,001 - £50,000
Fund Holder/Manager	Director of Finance	2 Authorised Signatories from CFMC, Chief Executive, Chief Finance Officer or Chair

## **8.0 Procedure Statement**

The purpose of this procedure is to provide guidance for the receipt and documentation of incoming funds, the requesting of cheque payments and other routines for charitable funds.

## **9.0 Background**

9.1 Financing of equipment and services from funds outside normal revenue budgets is increasingly important in maintaining the quality of patient care within the NHS. Such funds are normally known as charitable funds (previously called soft monies or trust funds). The majority of these funds come from voluntary donation, fundraising initiatives or sponsorship.

9.2 Our Trust Board of Surrey & Borders Partnership NHS Foundation Trust, as trustee of the funds, is responsible for ensuring that:

- Income / Donations are properly receipted
- Expenditure is properly validated
- All funds raised are properly accounted for
- The money is expended in accordance with the objectives of the fund raisers and fund holders.

9.3 All charitable funds are separately identified to the individual organisations that receive the funds. All funds are managed by fund holders, who are NHS employees of the individual organisations.

9.4 Further to this, there is a Charitable Funds Management Committee which has representation from each of the Partner organisations and provides overall stewardship and governance for the charitable funds on behalf of our Trust Board.

## **10.0 The Charitable Funds Management Committee**

10.1 The Charitable Funds Management Committee is appointed by the SABP Board of Directors in their role as Trustees of the Charitable Trust. The Chair of the Committee will be one of our Trust Board Executive or non-

Executive Directors of SABP. A quorum shall be three members, including the Chair and at least two other Trust Directors (Non-Executive or Executive).

- 10.2 Meetings of the Committee will be held twice a year and not less than once a year. Trustees and/or the Chairman of the Committee may request a further meeting if they consider it to be necessary.

## **11.0 Charity Details**

### **Name of charity:**

Surrey & Borders Partnership NHS Foundation Trust General Purposes Charity

### **Registered number:**

1126477

### **Registered address:**

Surrey and Borders Partnership NHS Foundation Trust General Purposes Charity and Related Charities

18 Mole Business Park Randalls Road, Leatherhead, Surrey KT22 7AD

Tel: 01372 216018

## **12.0 Regulations which govern the charity**

- 12.1 As a registered charity formally established by Surrey & Borders Partnership NHS Foundation Trust, a corporate body licensed by NHS Improvement, the independent regulator of foundation trusts, the funds are governed by the following:

- Charity Commission Regulations and Guidelines;
- Statement of Recommended Practice 2005 (SORP 2005) – accounting guidance on Accounting Standards;
- NHS Charitable Accounting Regulations;
- The Standing Orders (SOs) and Standing Financial Instructions (SFIs) of Surrey & Borders Partnership NHS Foundation Trust.
- Guidance on these, where required, can be obtained from the Finance Department at Surrey & Borders Partnership NHS Foundation Trust.

12.2 Fund holders and other employees dealing with any aspect of a charitable fund have a duty to comply with the Standing Orders, Standing Financial Instructions and scheme of delegation of the organisations of which they are employees. Failure to adhere to this duty may result in disciplinary action and could lead to dismissal from their employment with our Trust.

### **13.0 Segregation of Duties**

13.1 The level of resources available at each location throughout our Trust both in terms of staffing and facilities varies considerably. This procedure does not enforce a rigid code of segregation of duties, in that the extent of segregation possible at one location may not be feasible at another location.

13.2 The procedures outlined are to be achieved with the maximum segregation of duties practicable at each location.

13.3 Verification procedures should be performed by an officer senior to the person responsible for the initial check or task.

### **14.0 New Funds and Changes of Signatory**

14.1 New charitable fund accounts will only be created where:

- the initial amount of the donation is equal to or greater than £500; and
- it can be proven that there will be ongoing donations to the new fund beyond the original donation.

14.2 Where a donation is of less than £500 and/or it is unlikely that there will be additional funds received, then the existing general fund account should be used and donation allocated accordingly.

14.3 If the donor offering a donation of less than £500 does not want their funds to be allocated to a general fund, the donor will be informed that the money will be allocated to a general fund but the money will be spent immediately on an item of expenditure specific to the purpose for which the donor wishes to

make the donation. When the donation has been spent, the donor must receive detailed information on where the donation has been spent.

## **15.0 Process for setting up a new fund**

15.1 The proposed fund holder should fill out a new fund establishment form (ST1 form – Appendix 1). The proposed fund holder should ensure that the following points are recorded:

- Proposed name of fund;
- General objective of fund;
- Purpose for which the money is to be spent;
- Proposed fund holder;
- Source of income, e.g. donations or grants etc.
- State if the fund is unrestricted or restricted in nature.

15.2 The funds are classified as restricted, if donors have provided for the donation to be spent in furtherance of a specified charitable purpose. The establishment of any restricted funds requires the authorisation of either the Chief Executive or the Chief Finance Officer.

15.3 New funds established will be listed by the Finance Department on a schedule which will be ratified at the first available meeting of the Charitable Fund Management Committee.

## **16.0 Restricted donations**

16.1 The donors of funds may put restrictions on the use of their donations.

Relevant restrictions may create:

- Permanent endowment funds, where the asset donated must be invested rather than spent. Sometimes the donor may apply a condition to the donation which will allow trustee(s) to use some of the capital if needed.
- Restricted funds, which can only be applied for specific purposes. This restriction may apply to the use of income and / or capital. The restriction will be imposed by the donor at the point of donation.

- Restricted funds must be accounted for separately but can be invested collectively and with non restricted funds to improve investment return.

## **17.0 Additions and/or changes to fund holders**

17.1 Changes of a fund holder should be notified to the Finance Department on an additional fund holder/amendment of details form (ST2 – Appendix 2) and should be authorised by a nominated officer of our trust. This form is available from the Finance Department, who will not process amendments to fund holder details or add additional fund holders without the proper authorisation.

## **18.0 Donations for Charity Funds**

18.1 Charitable funds receive the majority of their income from people who use services, from families and other members of the public, through donations and legacies. Without this regular source of new income, the charity would simply not be able to continue to make grants.

18.2 Any individual or organisation can make a gift to charitable funds in any of the following ways:

- in person by cash (up to a maximum of £25) to two members of staff;
- by cheque, postal order or charity cheque;
- through the Just Giving website;
- directly to our trust's bank account.

18.3 In the interests of probity, at no time will a fund holder agree to meet a potential donor other than in an interview room or meeting room in their normal place of work, which usually means on premises owned or leased by our trust.

18.3.1 For the avoidance of doubt over the circumstances of a physical donation, **at least two members of staff** should be present at a meeting with the donor when a donation is made, one of whom must be the fund holder. In addition, the Ward Manager, Head of Service or a person acting at a similar level of authority should be notified that somebody wishes to make a donation.

18.4 The donor must decide what purpose the donation is to be used for and confirm if they wish their donation to be anonymous. Donors should then complete and sign the donation form in the “Making a Donation” leaflet. This form, which is attached as Appendix 3 and available from the Finance Department, captures:

- the name and address of the donor;
- the value of the donation;
- the purpose of the donation – whether to the general fund or for a specific fund;
- the signature of the donor; and
- a gift aid declaration (UK taxpayers only)

18.5 The donation form (appendix 3) should be signed by **two members of staff** and a copy of this form must be given to the donor to act as an official receipt.

18.6 The completed form, together with the donation and any other paperwork, should be sent to the Finance Department, 18 Mole Business Park, Randalls Road, Leatherhead, Surrey, KT22 7AD.

## **19.0 Gift Aid**

19.1 The Inland Revenue allows charities to claim back income tax on cash and cheque donations from individuals who are UK taxpayers. The tax is claimed back from the Inland Revenue at no extra cost to the donor, providing they have paid an amount of income/capital gains tax equal to the tax reclaimed on the donation. Charitable Funds can only claim Gift Aid if the donor has provided their name and address and confirmed that they wish Gift Aid to be claimed on their donation.

19.2 Non UK taxpayers should not complete this section of the donation form.

## **20.0 Cash Donations**

20.1 There are several risks when accepting or receiving cash donations:

- Fraud from an employee not disclosing a cash donation from a donor;
- Theft due to lack of security with cash being stored in a non secure location;
- Failing to comply with anti-money laundering legislation;
- Failure to interpret correctly the wishes of a vulnerable and/or confused individual, who may arrive at a provider facility and want to have personal cash deposited with Clients Monies, not charitable funds;
- Increased administration costs for handling and processing cash.

20.2 To reduce risk, cash donations are restricted to a maximum of £25. Cash donations over £25 must be declined, although donors can be encouraged to make a donation using a bank or building society cheque - drawn against the personal bank account of the person making the donation - or the Just Giving website. Both of these processes are detailed below.

20.3 Cash donors should complete and sign the donation form from the “Making a Donation” leaflet (appendix 3). It should then be signed by **two members of staff** and a copy of the form given to the donor to act as an official receipt.

20.4 All receipted cash donations should immediately be put into a ward safe or some such similar secure facility. At the earliest opportunity, the completed donation form should be sent **by secure envelope** to the Finance Department and arrangements made to deposit the cash in the Charitable Fund bank account.

## 21.0 Donations by Cheque

21.1 The preferred method of receiving donations is by a personal cheque drawn against a UK bank or building society in the name of the person making the donation. Under no circumstances should third party cheques be accepted.



21.2 Donors must be informed that:

- the name of the charity is “Surrey & Borders Partnership NHS Foundation Trust General Purposes Charity”;
- the responsible organisation for the charitable fund is Surrey & Borders Partnership NHS Foundation Trust. However, that donations will be used within the department where the individual fund is held;
- all charitable donations are administered by the Finance Department; and
- the donation is subject to acceptance of the Charitable Fund Trustees and may take up to 28 days to clear.

21.3 Donors must complete the donation form from the “Making a Donation” leaflet (see section 18.0). This should be accompanied by any remittance advice or letter, to ensure the funds are applied to the right account.

21.4 Cheques should be crossed and made payable to:  
“Surrey and Borders Partnership NHS Foundation Trust”.

21.5 On receipt of the donation form and cheque at the Finance Department, the cheque will be paid into the charitable funds bank account.

21.6 Once the cheque has cleared, the fund balance will be updated on the Charitable Fund Ledger System. This should not take place until the cheque has cleared as this could result in the spending of money that has not actually been received.

21.7 Where a cheque donation does not clear, the Finance Department will refer to the fund holder and decide whether the administrative cost of entering into further correspondence is justified in relation to the potential size of the donation.

## **22.0 Just Giving Website**

22.1 Donations can be made through the Surrey and Borders Partnership Just-

Giving website [www.justgiving.com/sabp](http://www.justgiving.com/sabp). This will allow donations to be made by credit card or on-line banking.

### **23.0 Payment by bank transfer**

23.1 Fundholders requested to accept a payment by bank transfer should contact the Finance Department for bank account details and send them a donation form with remittance advice or other document to enable identification of funds credited to our bank account.

### **24.0 Donations Register**

24.1 For audit reasons, any department whose staff receive regular donations should keep copies of the donation forms as a Donations Register detailing the date of receipt, donor, value and date of letter of thanks. Official receipts can be supplied by the Finance Department, if required, and should be recorded in the register when sent out.

### **25.0 Letter of thanks**

25.1 Any department receiving a donation should send the donor a letter of thanks, with a copy to the Finance Department.

### **26.0 Fundraising**

26.1 Our Trust does not actively fund raise. If any informal fund raising activity, regardless of the sums involved, is commenced it must be brought to the attention of the finance department who will advise on the course of action.

### **27.0 Lotteries**

27.1 Our Trust is not registered for lotteries and, therefore, under no circumstances should any member of our Trust engage in a lottery to raise funds for a Charitable Fund. Employees found engaged in such activity will be subject to disciplinary action, which may lead to dismissal.

### **28.0 Special Appeals**

28.1 The purpose for which the fund is sought must be clearly stated so that the public knows precisely for what they are contributing.

28.2 There should be an explanation of how it is proposed that any surplus monies should be used or, alternatively, if the appeal fails, how the money raised will be spent.

28.3 Any funds raised for the special appeal must be separately identified. If the appeal total is significant then the fund must be registered separately with the Charity Commission.

## **29.0 Fundraising by other bodies**

29.1 Where our trust becomes aware of fundraising by other bodies it should:

- Try to bring the fundraising initiative within the ambit of existing strategy.
- Liaise with the fundraiser to ensure there are no misrepresentations.
- Take all reasonable steps to ensure consultation prior to any fundraising to avoid being asked to accept assets we do not want or cannot afford to maintain.
- The Trust can take steps to prevent unauthorised fundraising.

## **30.0 Legacies**

Enquiries about, or any correspondence received in relation to, a legacy should be referred immediately to the finance department.

## **31.0 Sale of assets**

Enquiries about the sale of assets from home / site closure should be directed to the finance department in the first instance. Under no circumstances are staff to receive cash from the sale of assets.

## **32.0 EXPENDITURE FROM CHARITY FUNDS:**

### **32.1 Expenditure requests**

32.1.1 Form CF2 "Request for Expenditure from Charity Funds" (appendix 4) should be completed for all payment requests, and authorised by the fundholder. Once authorised, information on both the CF2 form and

cheque are used to complete the payment form (appendix 5), where the payee, cheque number, payment address, cost centre and fund numbers are recorded. Upon completion of these entries, the cheque is then logged onto a payment log (appendix 6). These forms are attached as Appendix 4/5/6 and available from the Finance Department.

32.1.2 Requests cannot be processed without relevant evidence of expenses incurred, e.g. original invoices, receipts, authorised letters etc. Photocopies cannot be accepted. Invoices not from corporate bodies are specially reviewed by the Finance Department to check their tax status or income tax may be deducted, and further enquiries may be needed.

32.1.3 In order to aid the investment of funds and maximise returns, fund holders should notify the Finance Department as soon as a fund holder is aware of a commitment to spend against an individual fund. Once the spend has been approved then payment will be made within 30 days.

32.1.4 Where notice is not given, payments may be delayed or not processed.

32.1.5 Under no circumstances will a fund manager enter into a recurring commitment to spend money from a fund without prior Trustee approval. A recurring commitment is a situation where money has to be paid periodically, e.g. for hire or lease of a photocopier or vending machine or to pay a utility bill and is not a 'one-off'. This is to avoid a situation where a fund has run out of money yet bills still need to be paid from the fund.

32.1.6 Under no circumstances are funds allowed to become overdrawn. Fundholders must ensure that there is sufficient amount in the fund to cover the proposed expenditure.

32.1.7 The Finance Department will check the availability of funds prior to payment. However, any overspend remains the responsibility of the department / directorate concerned.

32.1.8 Expenditure must be for a charitable purpose and in line with the purpose of the fund. All charitable expenditure should ultimately be for the benefit of people who use our services. Such benefit may take the form of improved clinical services or enhanced client experience.

32.1.9 Where the immediate benefit of expenditure is for staff welfare or development, there should be a clear link to improved services for people who use our services – for example through enhancing relevant staff skills or encouraging staff innovation.

32.1.10 Charitable funds should not be used to provide equipment or other items without which a department could not continue to function or which have been paid for from exchequer funds in the past. It is appropriate for charitable funds to support innovation in equipment or services, which may later become a mainstream cost. It is also appropriate for charitable funds to be used for complementary services – e.g. therapeutic massage, art projects – which enhance the clients' experience but are not part of the core health and social care services.

32.1.11 When considering its use of funds, fundholders should ask themselves whether the donor would be happy for it to be spent in this way. Would the fundholder be proud to tell a donor about this expenditure and the difference it is making or would they find themselves defending a purchase, which should really come from their core budget.

32.1.12 Any expenditure from charitable funds must comply with all policies and procedures of SABP including (but not limited to) Standing Orders and Standing Financial Instructions, policies on the authorisation of study leave, the governance of medical research, the purchase of computer equipment and other requisitions.

32.1.13 If a fund holder is not certain of the purpose of the fund, they should contact the Finance Department.

## **32.2 Staff Welfare**

32.2.1 If the expenditure is classed as 'Staff Welfare', care must be taken to ensure charitable funds are used for the correct purpose. A limit of £25.00 is in place for local staff welfare expenditure. If the expenditure is likely to exceed this value, then appropriate authority from at least an Associate Director level must be obtained before committing the expenditure.

32.2.2 Care must be taken to ensure the use is appropriate and not used to benefit an individual on a purely personal level.

32.2.3 Retirement gifts to an individual have no perceived public benefit. Therefore, they cannot be made from Charitable Funds. This would also apply to items such as bouquets to sick members of staff.

32.2.4 Retirement buffets and departmental meals that are not open to the entire organisation can have tax implications and, as such, are not supported.

32.2.5 If you are in any doubt at all about the use of charitable funds under the heading of 'staff welfare', then please discuss with your immediate manager to obtain appropriate guidance from the Finance Department.

## **32.3 Alcohol**

32.3.1 An NHS wide 'no alcohol' policy is in place for staff, volunteers or contract workers whilst on duty or with people who use our services within their care. It is, therefore, not acceptable to use charitable funds to purchase alcohol for consumption on or off NHS premises. Any individual found purchasing alcohol from charitable funds will be subject to disciplinary action, which may lead to dismissal.

## **32.4 Procedures and documentation for fundholders**

32.4.1 Fund holders have the responsibility to act strictly in accordance with:

- Surrey & Borders Partnership NHS Foundation Trust General Purposes Charity governing documents;

- to act in the charity's interests only;
- to manage the Funds affairs prudently with both a long term and short term view; and,
- not derive any personal benefit or gain from the fund.

### **32.5 Funds with a value of £5,000 or more**

32.5.1 Funds to the value of or exceeding £5,000 require an annual spending plan. This is normally prepared in April of the financial year. If a fund exceeds £5,000 during the financial year, a spending plan is required as soon as reasonably possible, but no later than one calendar month of the fund reaching or exceeding £5,000.

32.5.2 Spending plans must detail:

- the planned expenditure for the full year;
- estimated amount and the likely timing of payments by calendar month;
- the use or benefit to be derived from the expenditure and confirmation that it falls within the scope of the fund.

### **32.6 Funds with a value of £500 or less and slow/non-moving funds**

32.6.1 Small value funds and slow/non-moving funds continue to incur an administration charge for the maintenance of the fund. Over time, the value of the fund will diminish from the accumulation of these administration charges and, therefore, it is deemed appropriate that funds of less than £500 or slow/non-moving funds be wound up or consolidated with more general funds.

32.6.2 A review of all funds will take place regularly, with recommendations being sent to Trustees to approve the winding up and/or consolidating of small value and slow/non-moving funds. The decision of Trustees will be final.

32.6.3 If the fund holder persistently fails in their responsibilities as fund holder, action will be taken to remove or replace them and/or the individual

charitable trust fund wound up. The decision to remove or replace a fund holder and/or wind up a fund is subject to approval from Trustees of the charity on recommendation of the Charitable Fund Management Committee.

### **32.7 Documentation**

32.7.1 The Finance Department at Surrey & Borders Partnership NHS Foundation Trust will issue a schedule at each Charitable Fund Management Committee detailing the fund holders not submitting information as required.

32.7.2 Most paperwork processed by the Charity comes from fundholders.

Incoming cheques are often presented to the Finance Department at Mole Business Park, with some also arriving by post in the Finance Department. A donation form (appendix 3) must be attached to each cheque and details entered.

32.7.3 Requests for Payment on a CF2 form (appendix 4) are raised by fundholders and sent to the Finance Department. A set of “Forms for Charitable Funds” are maintained by the Finance Department, and fundholders with queries on procedures should contact the Finance Department.

### **32.8 Fraud**

32.8.1 Anyone who suspects fraud in relation to the charity should contact the Chief Executive and/or Chief Finance Officer or the Local Counter Fraud Specialist (LCFS).

### **32.9 Zero Rated VAT**

32.9.1 Purchases of medical and computer equipment and parts/accessories (but NOT consumables) may be zero-rated if these are to be used for medical diagnosis, treatment, training or research or for people with disability.

32.9.2 Please contact the Procurement Department to identify your supplier, using Supply Chain Coordination Ltd whenever possible, and obtain a quotation. The Fundholder should then complete an online requisition ensuring that the



“Note to Buyer” box contains confirmation that the equipment is to be purchased from charitable funds and is, therefore, zero-rated for VAT.

32.9.3 The requisition will be used by the Procurement Department to place an order or raise a cheque to pay for the items

### **32.10 Funds and Investment Policy**

32.10.1 The Charity has only one legal “fund” registered with the Charity Commission. Within the fund are a number of designated funds relating to particular wards and departments. Fund managers for each of the designated funds manage these funds on a day to day basis within the Standing Financial Instructions, Standing Orders and powers of delegated authority set by the Corporate Trustee.

32.10.2 The fund is normally held as part cash and partly in investment funds.

32.10.3 Investment policy is defined by Trustees. The Finance Department will ensure that there are sufficient working cash balances in the bank to enable the funds to operate smoothly.

32.10.4 Investment strategy for the Charity is that the fund is to be managed to grow both capital and income generated over the long term to provide protection against inflation. The portfolio is therefore to be balanced between income and capital growth through a diversified portfolio, taking a moderate level of risk. The portfolio is to be primarily invested in fixed interest, equities, cash and property. Although direct purchases of UK equities and bonds are permitted, overseas equities and property exposure will be achieved through the use of collective investment schemes. The charity does not invest in tobacco or alcohol related products.

32.10.5 The Finance Department will monitor the cash position and advise Trustees of the need to liquidate investments, fund-raise or prohibit expenditure accordingly and will act upon Trustees’ decision in this

matter.

### **33.0 Reporting**

- 33.1 Each quarter-end, income received, such as bank interest and dividends from shares, is distributed pro-rata to the average of the opening and closing fund balances held on all funds during the previous quarter, along with gains or losses made on the sale of investments held by the Charity. Administration costs are allocated on the same basis.
- 33.2 Soon after the quarter-end, a report is circulated to fundholders detailing the fund opening balance, transactions during the quarter and the closing balance. The Finance Department also prepares special reports each quarter for the meeting of the Charitable Fund Management Committee.
- 33.3 It is the fund holders' responsibility to ensure balances are confirmed, on a quarterly basis and that all postings to the fund accounts are correct. Confirmation of quarterly fund balances and any errors identified in the fund accounts must be notified to the Director of Finance immediately.
- 33.4 Fund holders are responsible for ensuring the integrity of the funds they manage and must ensure that the funds are used only for the purposes allowed and that they are properly accounted for.

### **34.0 ACCOUNTS FRAMEWORK**

#### **34.1 General background**

- 34.1.1 The Charity's accounts are maintained on the Sage Ledger system. Donations and other income are all debited to a bank account and credited to a fund account or a balance sheet investment income pool. Some 18 fund accounts are maintained on behalf of fundholders in Surrey and Borders Partnership NHS Foundation Trust.
- 34.1.2 Each year, statutory accounts are prepared, as required under the Charities Acts and the related Charity Commission "Statement of Recommended Accounting Practice", last revised in 2005 (SORP 2005). The main

accounting statements are the Statement of Financial Activities (SOFA), summarising income and expenditure and showing a surplus or deficit, and the Balance Sheet.

### **34.2 Accounting entries on the Sage ledger system**

34.2.1 These broadly comprise receipts, payments and adjustments, input by journal. Each entry has to be coded with an accounts code made up of two elements:

- A 4-digit Account Code, indicating the type of Income or expenditure or the Balance Sheet Account. The Chart of Accounts lists all Income and Expenditure codes, and Balance Sheet codes, only used with Charity Accounts.
- A 3-digit Fund Code; all income and expenditure is related to a specific fund, of which there are some 18, denoting the fundholder responsible for the income or expenditure. These are in the range from 400 to 599

34.2.2 Also, there are five special funds:

- 601 Pool of unrealised gains / losses on revaluation. These are gains or losses on investments not yet sold.
- 602 Pool of realised gains / losses on revaluation. These are gains or losses on investments which have been sold.
- 603 Pool of realised investment income. This represents income received such as bank interest.
- 604 Pool of support and administration expenses. This represents expenditure relating to the administration of the Charity.
- 606 Pool of unrealised investment income. Income not converted into cash, e.g. income from investments which has been reinvested to buy new shares.

34.2.3 All donation forms and CF2 Expenditure Request forms (appendices 3 and 4) sent or given to the Finance Department should bear an Account Code

and a Fund Code.

34.2.4 Each fundholder is given a fund account when their fund is opened to use on all related donation and expenditure forms. This fund account code is input on the Sage system and a list of funds is maintained by the Finance Department, with summary information on departments, fund objectives, fund signatories, phone extensions etc.

34.2.5 Similarly, a Chart of Financial Account Codes is maintained on Sage, along with the Fundholder Procedures, to enable fundholders to code their donation and expenditure forms.

### **35.0 Annual Accounts and Charity Commission return**

35.1 Annual financial statements must be prepared in accordance with Accounting and Reporting by Charities, Statement of Recommended Practice (SORP 2005) and applicable UK Accounting Standards and the Charities Act 1993.

35.2 It is a requirement by the Charities Commission that audited annual accounts and annual report approved by the Board of Surrey & Borders Partnership NHS Foundation Trust as the Trustee should be submitted within ten months of the financial year end.

### **36.0 Review of funds at organisational level**

36.1 Quarterly reports of fund balances are provided to the Charitable Funds Management Committee. It is recommended that regular reviews are undertaken to consider the appropriateness of the funds and the general levels of funds held. The basic principle of the funds is that they are given for the benefit of the current population and, therefore, funds should be spent unless there is an agreed purpose for which they are to be accumulated. Larger funds should have spending plans, which should include future anticipated income, where applicable.

**37.0 Queries and information**

37.1 Please contact one of the following, who are all based in the Finance Department, at 18 Mole Business Park, Randalls Road, Leatherhead, KT22 7AD.

Finance & Charitable Fund Accountant	01372 216018
Financial Controller	01372 216017

### 38.0 Monitoring Table

What will be monitored	How/Method	Frequency	Lead	Reporting to	Deficiencies / gaps recommendations and actions
Expenditure levels will be monitored. Anything over £20,000 will need to be Charitable Funds Management Committee	Report Digital Communication	Varies, as and when received	Senior Financial Accountant	Charitable Funds Management Committee	Non-compliance will be reported to the Chief Finance Officer

## Equality Analysis

The equality analysis guidance notes and template are provided to support you in meeting the requirements of the Public Sector Equality Duty which came into force on 5 April 2011.

You should use this template to record evidence that equality analysis has been carried out *before* policy decisions take place. The form is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination**, **advance equality of opportunity** and **foster good relations** with respect to the characteristics protected by equality law.

### 1. About the policy/project/change

Title of the policy / project / change:	Charitable Funds Policy
What are the intended outcomes / changes expected as a result of this policy / project / change:	Identification of aspects of this policy that may adversely affect a particular group of people with a protected characteristic under the Equality Act
Are there links with other existing policies/projects: (if yes – provide details)	Expenditure Policy Standing Financial Instructions Reservation of Powers to the Board and Delegation

### 2. Decide if the policy / project / change is equality relevant

Does the policy/project involve, or have consequences for people using services, carers, employees or other people? If yes, please state the groups of people who are likely to be affected.  If yes, then the policy/project is equality relevant. If no, you can skip to section 6. However the majority of Trust policies and projects are equality relevant because they affect people in some way.	This policy will be relevant and may affect all people using our services, staff and visitors.
---	--

### 3. Gathering evidence to inform the equality analysis

What evidence have you gathered to help inform this analysis? This can include evidence from national research, surveys & reports, interviews and focus groups, policy monitoring and evaluations from pilot projects, etc. If there are gaps in the evidence available under any of the characteristics, please explain why this is the case and state what actions will be taken to close the gaps as part of the action plan. Please ensure you check Annex C of the guidance notes for sources of evidence.

**The Protected Characteristics & Evidence**

Using the relevant available evidence - what is known, understood or assumed about each of the equality groups / protected characteristics identified below that could be relevant to this policy / project / change.

Record the sources of the evidence used for all the protected characteristics

Equality Act, Mental Health Code of Practice

**4. Engagement and Involvement**

Record the names of the people and/or groups involved in gathering evidence and/or testing the evidence against the policy / project / change. Who and how were they involved?

Who – name of individual / group(s) represented	How have these people been involved – e.g. meeting
Charitable Funds Management Committee, Finance Director, AD of Financial Accounting, Financial Controller, Senior Financial Accountant.	Meeting

**5. Analysis of the potential impact of the policy / project / change**

Based on the evidence you have gathered; describe any actual or likely impacts that may arise as a result of the decision and whether these are likely to be positive or negative. Where actual or likely impacts are identified, you should also state what actions will be taken to promote the likelihood of positive impacts as well as minimise or mitigate against possible or likely negative impacts, i.e. what can our trust reasonably do to actively manage the consequences of its decision / action

Eliminate discrimination, harassment and victimisation:

Does the policy / project / change, help eliminate discrimination, harassment and victimisation in any way?

If yes, provide details. If no, provide reasons

Age	The policy is applied equally across all groups and as such will work to eliminate the feeling of victimisation or discrimination for all groups
Caring responsibilities	
Disability	
Gender reassignment	
Marriage & civil partnerships	
Pregnancy & maternity	



Race / ethnicity	
Religion or belief	
Sex / gender	
Sexual Orientation	

Advance equality of opportunity:  
Does the policy / project / change, help develop equality of opportunity in any way?  
This could include removing or minimising disadvantages suffered by people due to their protected characteristics, taking steps to meet the needs of people from protected groups where these are different from the needs of other people, or encouraging people from protected groups to participate in activities where their participation is disproportionately low.  
If yes, provide details. If no, provide reasons

Age	The policy does not advance equality of opportunity for any group but ensures a fair approach as each group has equal opportunity to apply for a charitable grant.
Caring responsibilities	
Disability	
Gender reassignment	
Pregnancy & maternity	
Race / ethnicity	
Religion or belief	
Sex / gender	
Sexual Orientation	

Promote good relations between different groups:  
Does the policy / project / change, help foster good or improved relations between different groups in any way?  
If yes, provide details. If no, provide reasons.

Age	The policy will promote good relations between groups because it brings clarity to what is expected of staff and all people involved.
Caring responsibilities	
Disability	
Gender reassignment	
Pregnancy & maternity	
Race / ethnicity	
Religion or belief	
Sex / gender	
Sexual Orientation	

What do you consider the overall impact:

Considering the combined impact of the analysis and the actions required to promote the likelihood of positive impacts and minimise or mitigate against potential negative outcomes – does the analysis support the implementation of the policy / project / change?

## 6. Action Planning

Actions to be taken as a result of this analysis (add additional rows as required):	Name of person who will take this action	Date action due to be completed

## 7. Authorisation

Name & job title of person completing this analysis:	Ruth Muthuuri Financial Controller Katie Abbott Senior Financial Accountant
Date of completion:	23 August 2019
Name & job title of person responsible for monitoring and reporting on the implementation of the actions arising from this analysis:	Director of Finance
Name & job title of authorised person: (If there are doubts about the completeness or sufficiency of this equality analysis, seek advice from the Equality and Human Rights Team or the Legal Services & Reporting Manager in the Clinical Risk & Safety Team)	Gavin Newby Acting Director of Finance
Date of authorisation:	23 August 2019

## **Appendices**

This is the list of stand-alone appendices that can be found on our Trust website

<b>Appendix 1</b>	ST1 – Application to open new fund/Confirmation of Fund Data
<b>Appendix 2</b>	Record of fund-holders signature
<b>Appendix 3</b>	Donation Form
<b>Appendix 4</b>	Request for Expenditure from Charity Funds
<b>Appendix 5</b>	Cheque Form
<b>Appendix 6</b>	Payment Log
<b>Appendix 7</b>	Guidance Notes on Expenditure from Charitable Funds