



PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	06 June 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Policies and Procedures Relating to Charitable Funds
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Mandy Rayani, Director of Nursing, Quality and Patient Experience
SWYDDOG ADRODD: REPORTING OFFICER:	Nicola Llewelyn, Head of Hywel Dda Health Charities

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to request that the Charitable Funds Committee (CFC) considers and approves proposed additions to the Charitable Funds Financial Administration and Governance Procedure (Financial Procedure 420) outlined within this report.

Cefndir / Background

The aim of the Charitable Funds Financial Administration and Governance Procedure (the Procedure) is to provide comprehensive guidance to all Hywel Dda University Health Board (HDdUHB) staff relating to the administration and governance of charity affairs. The Procedure applies to all HDdUHB staff that have an involvement in charitable funds.

The most recent draft of the Procedure (version 3) was submitted to the CFC in November 2020 for discussion, before being submitted to the then Finance Committee for onward approval.

In September 2021, the CFC approved changes to the charitable funds expenditure eligibility criteria (appendix 6 of the Procedure).

The Procedure has recently been reviewed and is being presented to the CFC to consider and approve the proposed additions outlined within this report.

Asesiad / Assessment

The following additions to the Charitable Funds Financial Administration and Governance Procedure (attached as Appendix 1) are being presented to the CFC for consideration and approval:

Section 6.12 Acceptance of charitable income (from page 10 of Appendix 1)

This section discusses key considerations for the charity in relation to the acceptance and refusal of charitable income as well as reputational considerations and due diligence checks.

Section 6.13 Acknowledgement of charitable donations (from page 12 of Appendix 1)

This section discusses key considerations for the charity in relation to the practice of naming buildings and facilities funded by charitable income, in line with HDdUHB policies and procedures.

Appendix 6 – Charitable Funds Expenditure Eligibility Criteria (page 40 of Appendix 1)

An addition to the education and training section of the Charitable Funds Expenditure Eligibility Criteria in relation to attendance at awards ceremonies and eligible and ineligible expenditure.

Following CFC discussion and consideration, the Procedure’s equality impact assessment will be reviewed with the support of the HDdUHB Senior Diversity and Inclusion Officer.

The Procedure will then be submitted to the HDdUHB Policy Co-Ordination Officer for the consultation stage where HDdUHB staff will be invited to comment on the proposed additions to the report.

Following the consultation stage there will then be a requirement for the Chair of the CFC, via Chair’s Actions, to approve the final version of the Procedure and equality impact assessment.

Argymhelliad / Recommendation

The Charitable Funds Committee is asked to **CONSIDER** and **APPROVE** the proposed additions to Charitable Funds Financial Administration and Governance Procedure outlined within this report.

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	6.2 To devise, implement and approve appropriate procedures and policies to ensure that fundraising and accounting systems are robust, donations are received and coded as instructed and that all expenditure is reasonable, clinically and ethically appropriate.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable

Amcanion Cynllunio Planning Objectives	2E Evidencing impact of charitable funds
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Provide independent oversight and ensure correct controls and governance arrangements are in place to provide assurance that charitable funds within HDdUHB are appropriately managed.
Rhestr Termiau: Glossary of Terms:	Included within the main body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	Fundraising Manager NHS Charities Together

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Provide independent oversight and ensure correct controls and governance arrangements are in place to provide assurance that charitable funds within HDdUHB are appropriately managed.
Ansawdd / Gofal Claf: Quality / Patient Care:	Develop a proactive and standard approach to the expenditure of charitable funds to ensure that appropriate service needs and additional benefits to patient care is supported.
Gweithlu: Workforce:	There should be no workforce impacts from the implementation of the recommendations within this report.
Risg: Risk:	Reputational risk if charitable funds are not appropriately managed and governance controls are not followed.
Cyfreithiol: Legal:	Breach of the Charitable Funds Financial Administration and Governance Procedure if the Procedure is not adhered to.
Enw Da: Reputational:	Reputational risk if charitable funds are not properly managed and governance controls are not followed correctly.
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Equity of access by ensuring decisions made benefit patients and staff within HDdUHB.



CHARITABLE FUNDS FINANCIAL ADMINISTRATION AND GOVERNANCE PROCEDURE

Procedure Number:	420	Supersedes:		Classification	Financial
Version No:	Date of EqIA:	Approved by:	Date Approved:	Date made active:	Review Date:
V3	20/05/2021	Finance Committee	26-01-21	27-5-21	26-01-24
V4	20/05/2021	Charitable Funds Committee	06-06-22	TBC	26-01-24

Brief Summary of Document:	To outline Charitable Funds administration and governance practices to ensure safe custody of those funds.
Scope	This procedure applies to all staff that have an involvement in Charitable Funds. This procedure should be read in conjunction with Standing Orders, Standing Financial Instructions and Financial Procedures.
To be read in conjunction with:	Standing Orders Standing Financial Instructions Other Financial Procedures
Owning committee	Charitable Funds Committee

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Policy	April 2015
2	Revised	09/03/2017
3	Full Review – changed to a procedure	26-01-21
4	Additions made to procedure	06-06-22

Glossary of terms

Keywords	Charitable
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1 INTRODUCTION

Hywel Dda Health Charities (the Charity), is the official charity of Hywel Dda University Health Board (HDdUHB) and exists to make a difference to the thousands of people cared for by HDdUHB each year. The Charity does not replace NHS funding but uses the generous donations received to provide services and activities beyond what the NHS can provide. Hywel Dda Health Charities which is responsible for our charitable funds is registered with the Charity Commission for England and Wales¹ and is subject to the provisions of the Charities Act 2011. The registered charity is a separate legal entity to HDdUHB and for this reason the charitable funds should be held and accounted for separately from the exchequer funds of HDdUHB. HDdUHB is the corporate trustee of Hywel Dda Health Charities, in accordance with NHS legislation.

HDdUHB, in the conduct of its responsibilities connected with the charitable funds, shall take into account relevant guidance produced by the Charity Commission. HDdUHB has appointed a Charitable Funds Committee to assist in the discharge of its corporate trustee responsibilities in respect of charitable funds. This is in accordance with Standing Orders.

NHS legislation enables NHS bodies, such as Hywel Dda University Health Board, to hold property on trust and also defines the objects, or purpose, of NHS charities for the public benefit.

NHS bodies themselves are not the beneficiaries of NHS charities. Most NHS charities however choose to provide support to their beneficiaries via their linked NHS body. Beneficiaries of NHS charities are primarily NHS patients rather than the charities linked NHS bodies. The majority of grant payments are made as contributions to the NHS. Other grant payments are made for patient and staff welfare and amenities.

2 STATEMENT

The purpose of this procedure is to support staff and those charged with governance in their financial responsibilities with regards to Charitable Funds.

3 SCOPE

This procedure applies to all staff that have an involvement in Charitable Funds. This procedure should be read in conjunction with Standing Orders, Standing Financial Instructions and Financial Procedures. Appropriate action will be taken should any member of staff not comply with the requirements of this procedure .

4 AIMS

The purpose of this procedure is to provide comprehensive guidance to all staff relating to the administration and governance of charity affairs.

5 OBJECTIVES

The aim will be achieved by

- Setting out the process to be followed to ensure all income due to the charity is identified and appropriate controls are in place for income collection and banking
- Outlining the criteria required for charitable funds reimbursement of expenditure
- Detailing the Charity Investment Policy, Ethical Policy and Reserves Policy
- Covering internal and external reporting requirements

¹ Registered charity number 1147863.

- Explaining how the charity administers its investments
- Detailing the registrations required of the Charity

6 INCOME

6.1 Receiving and Banking Donations

At Ward/Department

It is the responsibility of the member of staff receiving the donation to ensure all donations to the Charity are banked in accordance with this procedure. When charitable donations are received directly by a ward/department it is the responsibility of the member of staff receiving the donation to, complete a receipt in the ward/department Charitable Funds Donation Book, whether the donation is received in person or by post. The Donation Book is classed as controlled stationery and every ward/department should have their own Donation book. Donation books can be requested via email (CharitableFundsFinance.hdd@wales.nhs.uk) from the Finance Department.

The Charitable Funds Donation Book must be completed as fully as possible with details of the donation. Details on completion can be found inside the cover of the book. A sample charitable funds donation form and flowchart can be found in **Appendix 1**.

Always ensure when paying money in that it has been counted twice and ensure the donation form has been signed by the donor and the person accepting the donation. All cheques should be made payable to Hywel Dda Health Charities. All receipts should be promptly passed to the nearest General Office for banking.

It is the responsibility of the officer accepting the donation on behalf of the Health Board to formally establish the intention of the donor as to its use. The officer should use the Charitable Funds Donation Book to record the specific fund the donation is intended for. The Health Board's official donation record form shall be completed; a copy of the donation record form (yellow copy) shall be retained by the Finance Department.

A receipt (the white copy) of the Donation form shall be made available to the originator of the donation. The receipt will bear an expression of thanks and the charity registration number. It is recommended that a letter of thanks be sent to the donor (minimum value £10). A letter of thanks template can be found in Appendix 2 of this document.

The blue copy of the form should remain in the book and retained for ward/department records.

Where donations are received in the post, not in person, a letter of thanks together with the official receipt will be sent out by the officer receiving the donation. If there is no supporting documentation with the donation indicating the use to which the donation is to be put (no Hospital, Service, Department or type of expenditure indicated) the donation shall be banked in HDdUHB's General Purpose Fund (Support for Life Response Fund T600).

If it appears likely that it is not possible to make use of a donation because the donor wishes it to be used for;

- a purpose not relating to the health service,
- a purpose for which a much larger sum is required and there appears little likelihood of such a sum being made available in the foreseeable future,
- a purpose from which there may be significant revenue consequences, the donor shall be advised of the situation, with the suggestion that the donation is made available for an alternative purpose.

6.2 BACS

Where charitable donations are received via bank transfer, it is the responsibility of the Charitable Funds Support Officer to complete a donation form and ensure the donation is allocated to the appropriate fund as per the intention of the donor.

A letter of thanks & the white copy of the donation form will be sent out to the donor where sufficient information has been provided. Where applicable, a retrospective Gift Aid claim form will be sent out to the donor with the letter of thanks.

6.3 Online Sources of Income

Fundraisers wishing to raise monies for Hywel Dda Health Charities online should refer to the 'Support Hywel Dda Health Charities' section on the Hywel Dda Health Charities' website (www.hywelddahealthcharities.org.uk).

JustGiving

Once fundraisers have created a new fundraising page, linked to the charity's Just Giving account (<https://justgiving.com/hywelddahealthcharities>), an e-mail is automatically generated by the system and sent to the Fundraising Team, confirming that a new page has been created. Once received, the team will notify the Charitable Funds Support Officer of the page along with the specific fund to be credited with the donation. If it is not clear from the fundraising page which charitable fund the money is to be raised for, then the Fundraising Team will make contact with the fundraiser to allocate to the correct fund.

The Charitable Funds Support Officer will extract monthly details of payments from the Just Giving page and will allocate the donations to the relevant fund. This report will then be sent to the Cash Section to enable the receipts to be allocated to the correct Charitable Fund. The Just Giving platform manages the gift aid reclaim process including the reporting and communication to HMRC and the Charity.

Other online sources available to receive charitable fund donations are Memory Giving and Virgin Money Giving. These webpages are monitored by the Fundraising Team who inform Finance where to allocate income received.

6.4 Legacies

The Director of Finance (or nominated Deputy) will be informed immediately of any legacies due to the charitable funds. The Director of Finance will retain the services of Smee & Ford to advise HDdUHB of legacies that are due.

The Finance Department will maintain a register of legacies, which will be reviewed and updated on a regular basis. Details of the legacy will be recorded from the time it is brought to the attention of HDdUHB until the final account is completed and HDdUHB has received

all proceeds that are due. The full value of the legacy will be recognised in the accounts as soon as HDdUHB is advised of the legacy, as long as the value can be accurately measured and receipt of the bequest being certain. No legacies will be recognised to individual designated fund level until they are physically received.

The extracting solicitors shall be informed that the Director of Finance is the person empowered to give a valid discharge of legacies. The relevant extract from the will shall be requested. Copies of wills are forwarded at point of notification from external agency.

If it is necessary for HDdUHB to obtain grant of probate or to make application for grant of letters of administration in order to obtain a legacy due to the charitable funds under the terms of a will, the Director of Finance will be HDdUHB's nominee for this purpose.

Any correspondence relating to legacy income for any HDdUHB should be directed to the Charitable Funds Finance Team at the address below for processing:

Charitable Funds Finance Team, Tŷ Gorwel, Building 14, St David's Park, Carmarthen SA31 3HB.

6.5 Support from Companies

The Charity only accepts donations from companies, which are acceptable within the framework of our Investments and Ethics Policy and the Health Board's Standards of Behaviour policy. See Appendix 3

6.6 Grants Received

This relates to monies received from outside organisations such as grant making trusts and foundations.

All grant applications submitted in the name of the Charity must be approved by the head of Hywel Dda Health Charities (or nominated deputy). The submission of grant applications in the Charity's name without the approval and knowledge of the fundraising team is strictly forbidden.

The Fundraising Team will be responsible for submitting grant applications and retaining all relevant correspondence on file. Copies of the grant application, award letter, spend plan & remittance is to be forwarded to Finance. The Finance Department will create a new fund account for each grant award.

Successful applicants must ensure they are familiar and comply with these together with any specific conditions attached to their grant as set out in the award letter.

There is no requirement for a charitable funds request form to be completed for expenditure relating to external grant funding. A purchase order will need to be raised, attached electronically to the requisition should be a copy of the approved application form along with a copy of the grant award letter.

Finance will be responsible for maintaining a record of all grants received in year, monitoring & recording expenditure to ensure it is appropriate and incurred with the timescales specified with the terms and conditions of the grant.

Evaluation and end of grant reports will be completed by the applicant with support provided from the Fundraising Team and Finance to complete any financial returns.

6.7 Non Charitable Income

Not all income received by HDdUHB for health purposes is charitable. If you are unsure whether something should be classed as charitable or not, please contact Finance. Monies received from organisations for work done by members of staff during HDdUHB time should not be banked into one of the Charity's funds, but should be banked into the main HDdUHB exchequer funds.

Income arising from the provision of health care, or goods or services connected with the operation of health care activities is classed as trading activity and must be accounted for through revenue (exchequer) funds.

The following activities are not classed as charitable donations and MUST therefore be accounted for through normal income generation (revenue) methods:

- Payment in Return for Access to Staff, Patients and Premises
- Clinical trials and research
- Payment made to an Individual as a direct result of their employment by HDdUHB
- Income that could be perceived as NHS income (income generation) will not be credited to a charitable fund
- Attendance fees for training courses/conferences organised by HDdUHB

6.8 Gift Aid

If a taxpayer makes a donation to a registered charity and completes a Gift Aid declaration, then the Charity can re-claim the basic rate tax on that donation. Currently, this is an additional 25% of the original donation.

When a donation is received, the donor should always be asked to complete the Gift Aid declaration section of the Charitable Funds donation form, if they are eligible (i.e. a UK taxpayer). This maximises the donation to the Charity, at no additional cost to the donor.

Should an opportunity to claim Gift Aid be missed on receipt of the donation, Hywel Dda Fundraising Team send a retrospective claim form to the donor for all claims over £50.

The finance department will ensure that Gift Aid is recovered annually and by the necessary deadlines on form R68. A gift aid form is included as Appendix 4.

6.9 Investment Income

The investments held by the Charity have been invested solely for the purpose of the Charity with no pooling arrangement in place.

An officer of the Finance Department will obtain such valuations in order to determine the valuation gains and losses of individual investments.

Income from dividends and interest, and realised and unrealised gains and losses will be distributed on a quarterly basis to each charitable fund. The average monthly balance of the individual charitable funds will be used to apportion investment returns.

A record of investment transactions will be maintained.

6.10 Donated items and gifts in kind

All potential donated assets (medical equipment, furnishings) and gifts in kind must follow the guidance given in the Standards of Behaviour Policy which is available on the intranet.

6.11 Sponsorship

All potential sponsorship agreements must be in line with the Sponsorship by the Private Sector Policy (FP1601) which is available on the intranet.

6.12 Acceptance of charitable income

As stated in guidance issued by the Chartered Institute of Fundraising, charitable income should only be rejected if it would be unlawful to accept or if accepting the income would be detrimental to the achievement of the purposes of the Charity.

High risk sectors

The following industry sectors are considered high risk and detrimental to the achievement of the purposes of the Charity. Donations, grants, proceeds of fundraising or partnerships from organisations or individuals that are derived directly from the following will be refused:

- Armament sales, manufacture or export
- Manufacture or production of tobacco products
- Manufacture or production of alcoholic beverages, where more than 10% of income is derived from this source.

Other sectors may be reviewed and identified as high risk at the discretion of the Charitable Funds Committee and Lead Executive Directors.

Reputational considerations and due diligence

Charitable income will be declined or returned when it is known, or there are reasonable grounds to believe that:

- Funds have been obtained illegally or through unethical approaches
- There are risks to the Charity or HDdUHB's integrity and reputation
- There is a conflict of interest with the Charity or HDdUHB
- There is evidence that a donor lacks capacity to make an informed decision
- The income would require reciprocal endorsement or recognition which may be detrimental to the reputation of the Charity or HDdUHB

Any charitable income that is refused or returned will be logged on the Charity's fundraising database with a full explanation of the process followed and justification for the decision and subsequently reported to the Charitable Funds Committee.

In line with recommendations made by the Fundraising Regulator, the Charity will carry out due diligence checks, appropriate for the size and nature of the charitable income, on both the financial and reputational dealings of possible donors before accepting any charitable income.

Value of charitable income	Due diligence checks required	Action required
Up to £10,000	No checks required	No action required
£10,001 - under £50,000	Level 1 due diligence checks	Any potential risk to be highlighted to the Lead Executive Director for decision-making
£50,001 - £250,000	Level 2 due diligence checks	Any potential risk to be highlighted to the Charitable Funds Committee for decision-making
Equal to or over £250,000	Level 3 due diligence checks	Any potential risk to be highlighted to the Corporate Trustee for decision-making

The due diligence checks that will be undertaken, coordinated by the Head of Hywel Dda Health Charities and Fundraising Manager, can be summarised as follows:

	Level 1 £10,001 - under £50,000	Level 2 £50,001 - under £250,000	Level 3 Equal to or over £250,000
Online key word search	✓	✓	✓
Review of social media	✓	✓	✓
Review of media coverage	✓	✓	✓
Review of any previous charitable giving and partnerships	-	✓	✓
Google alert set-up for ongoing media review	-	✓	✓
Review of corporate social responsibility and giving policies (for organisations)	-	✓	✓
Review of board/ senior management team (for organisations)	-	✓	✓

Dun & Bradstreet business credit report	-	✓	✓
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Anonymous donations

If a donation is offered or received anonymously, information from the donor's representatives will be sought to ensure that it would be appropriate for the Charity to accept the funds. In the event of the receipt of an anonymous donation where there is no paperwork or the ability to identify the donor and it is impossible to return the donation, we will accept donations up to the value of £10,000. Anonymous donations over the value of £10,000 will be referred to the Charitable Funds Committee for decision making. All anonymous donations will be recorded on our fundraising database.

Return of charitable donations

In line with the Fundraising Regulator's Code of Fundraising Practice, charitable donations cannot routinely be returned or refunded to donors.

In cases where donations with agreed restrictions have been received and circumstances have changed so that the original purpose of the gift cannot be fulfilled in whole or part, the Charity will typically seek to use the funds in a way that closely corresponds to the original objectives of the donor, consulting the donor or the donor's representatives wherever possible.

In the event of a cancellation of an activity or event managed by the Charity, donors will be contacted to discuss rescheduling of the event or a refund.

6.13 Acknowledgement of charitable donations

The Charity recognises the significant role that charitable income brings to the Charity and HDdUHB. The practice of naming buildings and facilities funded by charitable income should however only be considered in exceptional circumstances, in line with HDdUHB policies and procedures.

The Lead Executive Director for Hywel Dda Health Charities, in conjunction with the Charitable Funds Committee, will be responsible for considering requests in relation to the naming of buildings or facilities funded, or part funded, by charitable income, for approval in line with HDdUHB policies and procedures.

The following guidelines are intended to support discussions:

Precedence

Previous decisions made by HDdUHB should not be seen as a precedent for the recognition of individuals or organisations making a similar contribution, with each decision being made on a case-by-case basis.

Values

In all cases where a naming opportunity is being considered in relation to charitable income, the naming opportunity should reflect the core values and integrity of the Charity and HDdUHB, and reflect the diverse nature of those who contribute to the Charity.

Construction of new or refurbishment of existing buildings

The suggested value of a financial contribution to be recognised through a building naming opportunity (e.g. hospital, health centre) should be a minimum of 51% of the construction costs of a new building or the refurbishment costs of an existing building.

Where it is proposed that a charitable gift is to be recognised through the naming of a building, the actual name and period of naming should be discussed and agreed in advance by the principal decision makers.

Construction of new or refurbishment of existing facilities

The suggested value of a financial contribution to be recognised through a facility naming opportunity (e.g. ward, service, department, laboratory) should be a minimum of 75% of the construction costs of a new facility or the refurbishment costs of an existing facility.

Where it is proposed that a charitable gift is to be recognised through the naming of a facility, the actual name and period of naming should be discussed and agreed in advance by the principal decision makers.

Capital fundraising appeals

Where appropriate, a facility or room naming list should be prepared prior to the launch of a capital fundraising appeal. This list should include the proposed values for naming associated with each facility or room aligned with the development. The specific value of gifts for naming opportunities will be agreed on a case-by-case basis for each a capital fundraising appeal in line with HDdUHB policies and procedures.

7 FUNDRAISING

7.1 Fundraising

Fundraising for Hywel Dda Health Charities (the charity) is actively encouraged. Anyone who wishes to raise money for the charity, whether it be staff, patients, their families, local businesses or the general public, should be encouraged to contact our Fundraising Team at the earliest opportunity.

The Fundraising Team is able to provide fundraising guidance and support for those who wish to raise funds for the charity to ensure that the fundraising complies with the relevant legal requirements and fundraising best practice:

Telephone: 01267 239815

E-mail: Fundraising.HywelDda@wales.nhs.uk

7.2 Staff fundraising for Hywel Dda Health Charities

The participation in fundraising activities for the charity by members of HDdUHB staff is entirely voluntary and should not be imposed upon any individual member of staff.

Members of HDdUHB staff are however encouraged to work with the Fundraising Team to promote charitable giving and fundraising for the charity as well as their individual wards, services and departments.

Where individual members of staff, or a group of staff, wish to fundraise for the charity, they are encouraged to contact the Fundraising Team to ensure that the fundraising complies with the relevant legal requirements, fundraising best practice and for any relevant support to be provided.

As staff participation in fundraising activities for the charity is voluntary, fundraising activities must not take place during working hours or utilise HDdUHB resources without prior line management approval.

Members of staff must ensure that all staff led fundraising activities must not attract adverse publicity or meet with public disapproval that could damage the reputation of both the HDdUHB and the charity.

Fundraising must not take place at the bedside. Members of staff must not directly approach patients or visitors to request support for their fundraising activity; however, if they are approached by patients or visitors regarding the fundraising activity then offers of support can be accepted.

It is permissible to display information on staff fundraising activities for the charity within the HDdUHB estate, such as in patient waiting areas and on notice boards.

7.3 Staff fundraising for external charities

The participation of staff members in major national fundraising events (e.g. Children in Need, Red Nose Day, Macmillan Coffee Morning, Genes for Jeans) is permitted during the duration of each individual appeal, with line management approval.

Staff members are not permitted to fundraise or support the fundraising activities of external charities during working hours or to utilise HDdUHB resources (e.g. name, premises, email, office equipment etc) in relation to this.

In line with HDdUHB's Standards of Behaviour Policy, all HDdUHB staff must ensure that they declare any relevant interests (including those of close family members or associates) in external charities or charitable organisations to the HDdUHB for recording in the Register of Interests, which may include:

- A position of authority in a charity or voluntary body in the field of health and social care; and/or
- Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.

7.4 Charitable donations and external charities

All charitable income, including donations, received by HDdUHB staff must be banked, held and administered by HDdUHB. This applies to all charitable income intended to benefit HDdUHB's patients or staff including donations made as a token of thanks for care received.

Staff members are not permitted to hold any charitable income in external bank accounts or direct this income to any external charity or organisation not governed by HDdUHB.

7.5 Fundraising on the HDdUHB estate

To protect our patients, visitors and staff from the risks and confusion associated with fundraising activity by multiple charities, HDdUHB does not permit fundraising activities by external charities on the HDdUHB estate.

HDdUHB does however recognise a number of 'partner' charities who raise funds solely, or for the majority, in support of HDdUHB's services, patients and staff and whose aims are closely aligned to those of the charity.

HDdUHB permits its partner charities to raise funds on the HDdUHB estate. The nature of all partner charity fundraising activities on the HDdUHB estate requires the approval of the relevant relationship manager and the Head of Hywel Dda Health Charities.

Partner charities:

Organisation	Registered charity number	Relationship manager
Cardigan Hospital and Community League of Friends	1062054	Ceredigion County Director
Friends of Glangwili General Hospital	250482	Glangwili Hospital General Manager
League of Friends of Aberystwyth Hospitals and Welfare Homes	253992	Bronglais Hospital General Manager
Amman Valley Hospital League of Friends	1038522	Carmarthenshire County Director
The League of Friends of the Llandovery Hospital	512714	Carmarthenshire County Director
The Llanelli and District League of Hospital Friends	501207	Prince Philip Hospital General Manager
The Llanelli-Dinefwr Hospice Appeal Fund (Tŷ Bryngwyn)	702507	Carmarthenshire County Director
Prince Philip Hospital Breast Care Unit Fund (PPH BSU Fund)	1140533	General Manager Scheduled Care
Tŷ Cymorth (Carmarthen & District) Hospice Care Appeal	1020279	Carmarthenshire County Director
Withybush General Hospital League of Friends	256896	Withybush Hospital General Manager
Withybush Hospital Cancer Day Unit Appeal	1130261	General Manager Cancer Services

External charities or organisations, other than HDdUHB's partner charities, can seek permission to fundraise on the HDdUHB estate for the benefit of NHS services across mid and west Wales. Requests will be considered on a case by case basis by the Charitable Funds Sub-Committee. Applications should be made in writing to the Head of Hywel Dda Health Charities.

8 EXPENDITURE

Expenditure from charitable funds will be for exclusively charitable purposes only, as defined by the Charity Commission. The expenditure shall satisfy both the objects of the relevant registered charity and the deed of trust of the specific fund.

It should be noted that staff welfare and amenity funds are charitable only because their immediate non-charitable purpose of providing benefits to staff is perceived as conducive to the furtherance of the charitable purposes of HDdUHB.

The Corporate Trustee has a duty to apply funds unless the charity's governing document gives them the power to accumulate income or they have plans for specific applications. The expenditure of restricted funds shall be within the terms of the original receipt. Applying these funds to other charitable purposes shall only be with prior consultation and agreement of the Charity Commission.

The expenditure relating to unrestricted funds should be spent within the original intention of the donor. Where these funds cannot be spent within the original terms, then they can only be reapplied for other purposes through Charitable Funds Committee approval.

All payments shall be made from the HDdUHB's General account and then recharged to the Charitable Funds bank account.

8.1 Purchase to Payment Process

All items of expenditure, **will need to be approved prior to the expenditure being incurred.** For this reason disbursements from petty cash from charitable funds are not permitted (unless used as part of the Christmas festivities funding of wards and departments as determined by the Finance Department).

A 'Request for charitable funds expenditure' form (Appendix 5) needs to be completed in the first instance detailing the item of expenditure and justification for spend, ensuring spend is eligible. Appendix 6 outlines the **list of eligible and ineligible expenditure under charitable funds.**

Dependent on the type of expenditure being considered a number of pre-approval checks are required to ensure the items to be purchased are compatible with items purchased via exchequer funds.

- IT – requests involving the purchase of any IT equipment must be supported by the ICT Department
- Medical devices - requests for the purchase of medical devices must be supported by the Clinical Engineering Department
- Staff training – approval of requests for staff learning and development opportunities will be made subject to the approval of the relevant study leave application
- Estates – requests involving any building or groundworks must be supported by the relevant estates site operations management team.

All requests for expenditure shall be approved by the appropriate authorisation level (see 8.2 below) and forwarded to the Finance Department Funds Officer who will check to ensure eligibility, approval and that there are sufficient funds in place.

Approved charitable funds request forms are valid for 3 months, during which time the expenditure must be spent or the approval of funds will be withdrawn after this time.

Purchase order expenditure requests shall be made through the Finance Oracle iProcurement System in accordance with self-service procurement desk top instructions and the guidance to budget holders in the "HDHC User Guide".

Detailed process for approving & authorising charitable funds expenditure claims is in outlined in Appendix 5.

Payment against orders will be made in the normal way following receipt of goods or services and the supplier invoice. The payment will be made by BACS transfer or cheque from the Health Board's General Account.

No retrospective submissions for reimbursement of expenditure should be made.

Expenditure forms should include the nearest estimate of costs if costs are not known and should always be completed before the expenditure is incurred. All retrospective claims will be forwarded to the Charitable Funds Sub-Committee for consideration.

Procurement requirements

The procedure for requisitioning any items or services using money held in charitable funds is identical to that for Exchequer funds (revenue), therefore all procurement policies must be deemed to apply equally.

For items over £5,000 (excluding VAT)

In addition to the process set out above, completed and approved expenditure forms should be sent to the Finance Department along with evidence of compliance with procurement rules. Such evidence is:

- Items purchased are on Oracle catalogue
- 3 competitive quotations have been obtained (copies should be provided with the Expenditure form), and if not, justification
- There is a compliant Public sector framework that the Health Board can utilise

For items over £25,000 (excluding VAT)

In addition to the process set out above, completed and approved expenditure forms should be sent to the Finance Department along with evidence of compliance with procurement rules. Such evidence is:

- Items purchased are on Oracle catalogue
- 4 competitive tenders have been obtained (copies should be provided with the Expenditure form) (and OJEU process followed for items above prevailing threshold)
- A single tender application (STA) form has to be completed and approved by the Fund Manager and sent to Procurement.

- There is a compliant Public sector contract/ framework that the Health Board can utilise

Where such evidence is not provided the expenditure request form will be returned to the requestor.

Capital Expenditure

Items over £5,000 in value and falling within the capital definition will need to be capitalised. Requests to make capital purchases from the Charity may be put forward by the Fund manager, with appropriate approval. The revenue consequences of the purchase must be considered and details included in the request. For all capital purchases, a capital business case form should be completed and submitted to the Capital Planning Group. It must be approved at this group to ensure it fits in with the Health Board’s capital strategy. Further guidance regarding capital spend can be obtained from Finance Department Planning and Major Projects Team.

Higher Award Study

Higher award and academic studies for which significant benefit to HDdUHB can be quantified through training and development objectives. All applications will be referred to the Charitable Funds Sub-Committee for consideration on a case by case basis. Approvals will be made in line with the HDdUHB’s Learning & Development Policy.

8.2 Delegated Authorisation Level

The Finance Department will maintain a list of all authorised signatories, and will only process requests for expenditure that have been suitably authorised. The list of authorised signatories is available on the intranet and will require periodic review by the Service and Finance to ensure it’s up to date.

Approval levels are as follows:

Expenditure Amount	Approval Required
Up to £1,000	Senior Nurse Manager/Service Delivery Manager Head of service or managers at equivalent level
£1,001 to £10,000	Clinical, Hospital or Service Director Hospital or Service General Manager Head of Nursing or managers at equivalent level
£10,001 to £50,000	Charitable Funds Sub-Committee
£50,001 to £100,000	Charitable Funds Committee
>£100,000	Corporate Trustee

This is in line with the delegated limits of the Health Board.

Where expenditure is in excess of £5,000 and satisfies the definition of capital expenditure the expenditure will be recorded as appropriate on the capital asset register.

8.3 Christmas festivities

The Charity is **not** able to support any staff celebrations or parties including gifts for staff.

The purchase of Christmas presents for inpatients is allowable under charitable funds with the following guiding principles:

- Gifts of a nominal value of up to a maximum of £5 per inpatient will be authorised by the Charity. An allocation to each inpatient ward will be calculated centrally and will need to be validated by Operational Managers.
- All patient Christmas gifts **must be non-monetary**. The distribution of money direct to patients at any time is strictly forbidden. Ward Managers should therefore arrange to buy suitable gifts (taking into account age, gender of anticipated patients) prior to Christmas for distribution on Christmas Day.
- No alcohol or tobacco to be purchased.
- Finance should be notified of any monies not used and this must be banked back into the Charity
- Receipts must be provided for all items purchased, with a deadline of 10th January in the following year. If the receipts for all expenditure are not received by this date, Finance will reserve the right to inform Counter Fraud.
- No receipts dated after 25th December will be accepted as the gift is for the patients who are in hospital on Christmas Day

The Charity will also consider additional items of expenditure relating to the Christmas period for inpatient and other direct patient contact areas. The allocation will be up to a maximum of £100 per inpatient area and £30 for other departments. The Managers should apply for this by emailing the Charitable Funds Support Officer in Finance no later than 15th November.

Final approval of the charitable funds Christmas monies will be sought from the Charitable Funds Sub Committee and a follow up report will be presented to the Charitable Funds Sub-Committee and Charitable Funds Committee in the quarter following Christmas.

8.4 Value Added Tax

The purchase of certain items/goods by or on behalf of an NHS body may be zero rated for VAT, provided they are:

- Purchased **wholly** from charitable funds
- Purchased by an eligible body wholly from funds provided by a charity or voluntary contributions
- Relevant goods as categorised below:
 - Medical, scientific, computer, video, sterilising, laboratory or refrigeration equipment used in medical research, training, diagnosis or treatment
 - Parts and accessories for use with the above item
 - Qualifying aids for the handicapped
 - Computer software solely for use in medical research, diagnosis or treatment and its repair and maintenance

To qualify for VAT zero-rating, the item must be used solely for the declared purpose, e.g. a computer may qualify where used entirely for medical research, however, if it were used partly for research and partly for general administrative work, exemption would not apply.

Before making a request for funds, a quote or other written assurance should be sought from the supplier that the zero rate would be applied. By completing a VAT zero-rating certificate will not guarantee that the zero-rate will be applied. It is at the supplier discretion to be satisfied that the item is eligible and all other conditions are met.

The Fund Holder should ensure that any items requisitioned from charitable funds are clearly marked as such on the requisition and marked as **Non-Catalogue** so that the additional information is visible to Procurement. In the 'Note to Buyer' section of the requisition the following statement should be included:

'THIS ORDER IS FROM CHARITABLE FUNDS. PLEASE ISSUE A VAT ZERO-RATING CERTIFICATE WITH THE ORDER'.

The VAT zero-rating certification is processed by NWSSP Procurement.

VAT exemption is also available where items are purchased specifically for fund raising. Such items include:

- Printed stationery
- Collecting envelopes
- Secure collection boxes which are capable of being locked or sealed containing the charity name
- Label badges, stickers, pens which are given free as an acknowledgement of a donation. Such items are not VAT exempt if sold to raise funds

Further information regarding the VAT zero-rating can be found in HMRC's VAT Notice 701/6. Section 4.11 of the notice includes a comprehensive list of the types of expenditure eligible and not eligible to the relief.

<https://www.gov.uk/guidance/charity-funded-equipment-for-medical-and-veterinary-uses-notice-7016#qualifying-goods-and-services>

8.5 Donation of medical devices and other equipment

Where items are purchased and donated by an individual or organisation, outside the standard procurement process, all warranties should be in HDdUHB's name. Wherever possible we advise against using this method of purchase. It is best practice for the individual to donate the purchase cost and for HDdUHB to carry out the procurement.

9 REPORTING

Fund managers will be sent a charitable fund report on a monthly basis. The Finance Department will be responsible for maintaining an up-to-date distribution list.

The financial position of the charitable funds will be reported by the Director of Finance to the Charitable Funds Committee and Sub-Committee on a quarterly basis or otherwise as directed. The Charitable Fund Committee will be advised of all fund balances as requested.

The Charitable Funds Committee will also be advised of the performance of the investments held by the Charity.

The annual report and annual accounts of the charitable funds incorporating the full, not abridged, annual accounts will be submitted to the Charity Commissioners in accordance with Charity Commission guidance.

10 INVESTMENTS

Currently the general power of investment means the power of investment, which is given to trustees by section 3 of the Trustee Act 2000. This Act imposes a duty on those acting as charity trustees, when exercising their powers of investment, to consider the need for diversification, in order to reduce the risk of loss should an investment fail.

Hywel Dda Health Charities shall contract an external Investment Advisor to provide advice on investment of surplus funds. The principles of the appointment will be as specified in the Investment Policy (Appendix 3).

In addition as corporate trustee, HDdUHB, in line with the ethos of promoting patient care, attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the “objects” of the charity. To support this the Charity shall maintain an ethical policy statement (Appendix 3) which clearly states any ethical restrictions that it sees appropriate.

To ensure that appropriate advice and guidance is available for investments the following has been agreed:

- The Charitable Funds Committee on behalf of HDdUHB has the delegated authority to appoint investment advisors
- The external adviser appointed will be required to submit quarterly performance reports, and to attend the committee on an annual basis to advise on current performance, investment trends, opportunities and possible concerns.
- External adviser’s performance will be reviewed quarterly by the Trustees, and will be subject to re-appointment on a 3 yearly basis. Any proposed change in provider shall be subject to formal tender procedures
- The bank deposit account will be subject to an annual review to ensure that competitive rates of interest are being obtained
- Interest will be received on investments on a regular basis. This will be apportioned over all funds, based on an average monthly balance method
- A separate fund will be maintained for the Permanent Endowment legacy due to this being a material capital in perpetuity. The interest can be spent, however the initial capital remains intact unless the Trustee adopts a total return approach
- Fees payable for external and advice on management of investments will be apportioned across all funds on an average monthly balance basis.

11 CASH AT BANK

The Charitable Fund bank account will be used to fund all charitable fund expenditure. Any surplus not required for immediate use shall be transferred for investment to the deposit account. The Charitable Fund bank account will be operated in accordance with HDdUHB's banking mandate. Any long term cash surpluses shall be transferred to the Charity's investment advisors.

12 WORKING BALANCES & RESERVES POLICY

The working balances will be reviewed on regular basis to ensure there are sufficient accessible funds to meet its daily needs. Income expectations and future expenditure commitments and expenditure expectations will be taken account in the assessment.

The charity should not accumulate significant reserves and the charity has a reserves policy which justifies the holding of certain reserves (Appendix 8).

13 REGISTRATION

HDdUHB will register with the Charity Commission, as per guidance, and will be required to submit annual accounts and an annual report to the Charity Commission for the charity. All bank accounts and investments of the charitable fund will be held in the name of the charity

HDdUHB will register further charities where there is a clear requirement to do so.

14 RESPONSIBILITIES

The Director of Finance is responsible for ensuring that robust processes and procedures are in place to ensure the management of charitable funds is within the objects of the Charity, and also within the rules and regulations as laid down by the Charity Commission.

The Charitable Funds Committee's purpose, acting as representative of the Corporate Trustee, is:

- To make and monitor arrangements for the control and management of the Board's Charitable Funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework.
- To provide assurance to the Board in its role as corporate trustees of the charitable funds held and administered by the Health Board.
- To agree issues to be escalated to the Board with recommendations for action.

15 FRAUD

All staff are required to comply with the Health Boards policies and procedures and apply best practice in order to prevent fraud, bribery and corruption. Staff should be made aware of their own responsibilities in protecting the Health Board from these crimes.

All staff have a duty to notify the Local Counter Fraud Department of any suspected fraud or inappropriate actions and are protected by the AW Raising Concerns (Whistleblowing) Policy. Anyone who suspects fraud or has any concerns reference Fraud Bribery and Corruption then

they can make a referral by contacting the Local Counter Fraud Department by telephone on 01267 266268, by emailing HDUHB.CounterFraudTeam.HDD@ wales.nhs.uk or by making an online referral at <https://reportfraud.cfa.nhs.uk>. An anonymous referral can also be made by telephoning Crimestoppers on 0800 028 40 60.

The use of the Health Board or Charity name, brand or any implied association that has not been approved will be regarded as false representation and will fall under the auspices of the Health Boards Counter Fraud, Bribery and Corruption Policy and appropriate action will be taken. Those found not to be complying with the Charitable Funds Financial Administration and Governance Policy, or are suspected of illegal activity may be referred to the Local Counter Fraud Department and risk disciplinary action.

Fraud Act 2006

The Fraud Act 2006 came into force on 15 January 2007 and provided, for the first time, a general offence of fraud. The act sets out three ways in which an offence under the Act may be committed, which are:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

Bribery Act 2010

This can be broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind, which may influence the action of any person. Corruption does not always result in a loss. The corrupt person does not need benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

Offences covered by the Fraud Act 2006, and the Bribery Act 2010, may be considered and investigated in accordance with the Health Boards Counter Fraud, Bribery and Corruption Policy.

Money laundering

This 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 Health Boards Fraud, Bribery and Corruption Policy and referred to NHS Counter Fraud Services Wales team for investigation where appropriate.

16 TRAINING

Training will be through dissemination of the procedure by global email, and will be accessible through HDdUHB's Intranet. Where there is a need identified in specific areas then a bespoke training programme will be developed to meet the specific area's needs.

17 IMPLEMENTATION

The procedure will be circulated globally by email and posted on HDdUHB's Intranet. Advice on the procedure may also be sought from the Finance Department.

18 FURTHER INFORMATION

Further information can be obtained from the Charity Commission web site and NHS Charitable Funds Guide. (Insert links to website)

APPENDIX 1 – SAMPLE CHARITABLE FUNDS DONATION FORM AND FLOWCHART**COMPLETING A CHARITABLE FUNDS DONATION FORM****1. DONOR'S CONTACT DETAILS**

- Complete as fully as possible.
- All personal information is protected in line with UHB data protection policies.

2. DONATION DETAILS

- Insert amount of donation and state whether cheque, cash or card payment.
- *Card payments only available in General Offices at acute hospitals.*
- State clearly where the donor wishes to direct their donation if they have a specific purpose in mind.
- Note the name of the ward/department and code for the relevant charitable fund. (e.g. T900).
- Complete as fully as possible to ensure donations are directed to the correct fund.
- If the donor does not indicate where the donation should be directed, the donation will be banked in the hospital's general purpose fund.

3. SIGNATURES

- In person: Donor to sign the donation form.
- By post: If donation received by post, tick the relevant box.
- Officer accepting the donation must complete their details fully to confirm receipt of donation.

4. REASON FOR DONATION

- Include as much information as possible to ensure that thank you letters are personalised.
- Where appropriate, the Fundraising Team will access this information to contact donors for permission to publicise their support.

5. LETTERS OF THANKS

- State who is responsible for writing and sending a letter of thanks.
- It is recommended that a Thank you letter be sent for all donations over the value of £10.
- Ensure that copies of thank you letters are kept on file.

6. GIFT AID

- Please ask all donors to consent that the charity claims Gift Aid on their donation.
- Ensure that donor is aware that they must be a UK tax payer for their donation to qualify for Gift Aid.
- Gift Aid gives us an extra 25p for every pound donated. It is an income tax relief designed to benefit charities at no extra cost to the donor.
- In person: Donors should be asked to tick the Gift Aid box if they consent for us to claim Gift Aid.
- By post: For donations over £50, the Fundraising Team will contact the donor to obtain consent to reclaim Gift Aid.
- Gift Aid only applies to individual donations, not donations made by an organisation or community group.
- For sponsored/fundraising events, Gift Aid can only be claimed with completed sponsorship/Gift Aid forms.

IMPORTANT

- Donations must be kept secure and deposited at the nearest General Office within 48 hours.
- White copy of donation form must be sent to the donor as an official receipt of their donation (if not given in person at the time of making the donation)
- Yellow copy will be sent to Finance by General Office.
- Blue copy should be retained in the donation book.



**FFURFLEN RHODDION ELUSENNOL
CHARITABLE FUNDS DONATION FORM**

Rhif/Number:

Teitl / Title:	Enw(au) cyntaf / Forename(s):	Cyfenw / Surname:
Enw/Rhif Tŷ / House Name/Number:	Enw'r Stryd / Street Name:	
Tref/Pentref / Town/Village:	Sir / County:	Côd Post / Post Code:
Ffôn / Telephone:	Ebost / Email:	

Rwy'n rhoi i ymddiriedolwyr Elusennau Iechyd Hywel Dda, at ddibenion cyffredinol yr elusen honno, y swm o:
I give to the trustees of Hywel Dda Health Charities for the general purposes of that charity the sum of: £.....

Siec / Cheque: **Srian parod / Cash:** **Cerdyn debyd, credyd / Debit, credit card:**

Heb ymrwymiad, fy nymuniad yw y dylai'r rhodd gael ei ddefnddio ar gyfer:
Without imposing any trust it is my wish that the donation should be used for:

.....

.....

Llfnod y rhoddwr / Donor's signature:

Ddim un perthnasol, rhodd trwy'r post / Not applicable, donation by post:

Derbyniwyd y rhodd gan / Donation accepted by:

Enw / Name: Teitl swydd / Job title:

Dyddiad derbybuwyd / Date received: Llofnod / Signature:

Rheswm dros gyfranny / Reason for donation:

- Gwerthfawrogiad o'r gofal a dderbyniwyd / Appreciation for care received
- Er cof am anwyllyn / In memory of a loved one
- Gweithgaredd/digwyddiad codi arian / Fund raising event/activity
- Arall / Other

Gwybodaeth pellach / Further information:

Llythyr o ddiolch i'w paratoi gan / Letter of thanks to be issued by:

Ward Adran / Department Swyddfa cyffredinol / General office Tim codi arian / Fundraising team Arall / Other

Dim ond y rhoddwr, neu unigolyn â chaniatâd y rhoddwr gellir ticio'r blwch

Rwyf am roi Rhodd Cymorth ar fy nghyfraniad ac yn rhyw gyfraniad a wnaif yn y dyfodol neu rwyf wedi'i wneud yn 4 mlynedd diwethal

Rwyf yn drethdalwr yn y DU ac yn deal os byddaf yn talu llai o Dreth Incwm a/neu Dreth Enillion Cyfalaf na swm y Rhodd Cymorth a hawliwyd ar fy holl gyfraniadau yn y flwyddyn dreth honno, fy nghfrifoldeb i yw talu unrhyw wahaniaeth

Rhowchwybod I ni os (i) ydych am ganslo'r datganiad hwn (ii) ydych am newid eich enw neu'ch cyfeiriad gartref (iii) nad ydych bellach yn talu treth ddigonol ar eich incwm a/neuch enillion cyfalaf.

Gift Aid box must only be ticked by the donor or with the donor's Consent

I want to Gift Aid my donation and any donations I make in the future or have made in the past 4 years

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax in the current tax year than the amount of Gift Aid Claimed on all my donations it is my responsibility to pay any difference.

Please notify us if you (i) want to cancel this declaration (ii) change your name or home address (iii) no longer pay sufficient tax on your income and/or capital gains.

ADRAN CYLLID A SWYDDFEYDD CYFFREDINOL YN UNIG – FINANCE / GENERAL OFFICE USE ONLY:

Rhif taleb / Receipt number:

Côd cyllidol / Financial code:	Derbyniwyd y rhodd gan / Donation received by:	Dyddiad / Date:
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GWYN/WHITE – RHODDWR / DONOR MELYN/YELLOW – CYLLID / FINANCE GLAS/BLUE – ADRAN / DEPARTMENT

19 APPENDIX 2 – THANK YOU LETTER TEMPLATE

Swyddfa gofrestredig | Registered office:
Ystwyth, Hafan Derwen
Parc Dewi Sant | St David's Park
Heol Ffynnon Job | Jobswell Road
Caerfyrddin | Carmarthen
SA31 3BB



Gofynnwch am / Please ask for: XXX
Rhif Ffôn / Telephone: XXXX
E-bost / E-mail: [XXXX](#)

ADDRESS

DATE

Dear XXX

Donation in aid of name of ward department

Thank you for your kind donation of £XXX to support name of ward department

Hywel Dda Health Charities is the official charity of Hywel Dda University Health Board. We use the generous donations we receive from patients, their families and our local communities to enhance services for the benefit of the thousands of people we care for each year.

Our charity is made up of over 180 individual charitable funds, each with a specific purpose - from individual hospital wards or departments to research and community care, supporting our services across Carmarthenshire, Ceredigion and Pembrokeshire. Donations do not replace NHS funding, but help us to ensure that patients, their families and our staff can access a wide range of specialist services above and beyond what the NHS can provide, for example:

- Providing the most-up-to-date medical equipment;
- Supporting the training and development of staff;
- Ensuring the best possible environments for care, including building and refurbishing hospital and community facilities;
- Funding research into, and the development of, treatments;
- Delivering healthy living and health promotion initiatives.

Our work would not be possible without the continued generosity of our supporters. Thank you again for your support, we are extremely grateful for your generosity.

Kind regards

Name
Job Title

20 APPENDIX 3 - INVESTMENTS AND ETHICS POLICY

1 BACKGROUND

The Trustee Board aims to ensure that donations and funds held by the Charity are spent effectively and efficiently for the benefit of the patients of Hywel Dda University Health Board. This means that they may not need to be spent straight away and there will be time between receiving donations and spending them when they can be invested to further increase their value and earn extra income for the Charity as well as to protect them in the short to medium term so that they are available to meet future expenditure on committed projects.

The Trustees have adopted this Investment Policy to regulate the activities of their Investment Manager from time to time and to meet the requirements of the Trustee Act 2000.

2 DEFINITIONS

Total return describes an investment approach that charities can adopt to manage their investments. Under this approach, the form in which investment return is received (for example, income, dividend or capital growth) does not matter. Instead, investments are managed to make the most of the total investment return they generate. A total return approach can give charities greater flexibility in achieving their investment objectives. This is because the focus is on investments that are expected to give the best overall performance, rather than on investments which will produce a particular level of income. Cash for the Charity's needs can be generated from both income and from cashing in the capital growth.

Short term portfolio: investments managed so as to be available to meet day to day cashflow needs, immediate funding requirements and to pay out grants awarded and other short term commitments made but not yet paid.

Long term portfolio: investments representing funds not required in the immediate or short term, and which are expected to be held for at least five years. Some short term risk to capital value can be tolerated in the interests of generating a longer term return.

Endowment: property held by the Charity under specific trusts where the capital cannot be spent but is invested to generate an income to be used for charitable purposes. Short and medium term risk to the capital value can be tolerated provided the real value of the capital is preserved over the longer term. Investments must produce an income distinct from the capital growth which the Trustee Board can spend on charitable activity.

3 THE LAW

As an unincorporated Charity our Trustee Board has the general powers of investment and duties provided for in the Trustee Act 2000, subject only to any specific provisions in the governing document. The Trustee Board makes full use of its powers to invest for the benefit of the Charity and its beneficiaries and reserves the right to hold any asset for the purpose of generating money, whether income or capital growth, with which to further the work of the Charity.

In accordance with the Trustee Act 2000 the Trustee Board will:

- exercise care and skill when making investment decisions
- select investments that are right for their charity; this means taking account of:
 - how suitable any investment is for the Charity
 - the need to diversify investments
- take advice from someone experienced in investment matters unless they have good reason for not doing so
- ensure there is a written agreement with anyone they decide to appoint to manage investments on their behalf, including a provision that the manager should comply with this Policy
- review investments from time to time
- explain their investment policy in the Annual Report and Accounts

4 LEVEL OF INVESTMENT

The Investment policy below will be as specified in the tender document for the appointment of the Investment Advisor. This shall be reviewed when the current appointment ends, or through the Charitable Fund Committee should circumstances dictate.

The investment fund is to be split into two, each with a different objective, as follows:

- Permanent endowment to be invested with the objective of maximising income, where the income is to be released from the fund.
- The remaining general investment with the objective of maximising the investment return, where the income, and capital are to be retained within the fund.
- The value of the investment fund may increase, or decrease over time dependent on the resource commitment of the charity
- The investment advisor is required to actively manage the investment fund. The Trustee is also open to suggestions to alternative approaches that investment managers may wish to put forward that they consider appropriate
- Investments are to have either a low or medium risk profile, and will be guided with advice from the successful investment advisor linked to past performance of those investments.
- The expected annual income stream of the charity is approximately £1.5m, mainly from donations and legacies. The Trustees are committed under Charity Commission guidance not to accumulate funds unnecessarily, and aims to spend income within a reasonable period. This commitment may affect the level of investment, and an annual review and discussion with the investment advisor will be undertaken to adjustments required.
- As the investment fund is in relation to an NHS charity, the investments should take account of the contents of its ethical investment policy.

The Trustee Board cannot tolerate any risk to the capital value of its short term portfolio. The investment advisor will be expected to use a diversified mix of cash deposits and other assets with a guaranteed capital value to minimise the risks from institutional failure. Any income or capital growth will be incidental.

Costs can materially impact the long term value of an investment portfolio and are an important component in assessing different investment strategies. This does not necessarily imply that

costs have to be minimised, as there are often circumstances when paying extra will be more than compensated by increased returns. Nonetheless careful management of costs is important in achieving the highest quality of returns on the portfolios and investment performance will be monitored net of all investment management fees.

5 ETHICAL POLICY

It has been determined that the following investments conflict with the charitable objects and purposes of the charity;

- Investment in the production, manufacturing or supply of tobacco products.
- Investment in the production, manufacturing or supply of alcoholic beverages.

Clearly there are some companies, in particular in the retail sector, which derive part of their turnover from the above two product groups. In proportion to harm caused by the moderate consumption of either the following limits are set, above which investment will not take place;

- Investment in the production or manufacturing of tobacco products at any level of turnover
- Investment in the supply of tobacco products where turnover of more than 5% is derived from this source.
- Investment in the production, manufacturing of alcoholic beverages where more than 25% is derived from this source.

6 REPORTING AND MONITORING

At the end of each quarter a valuation and accompanying report is to be provided by the investment manager(s) containing the following:

- a list of all investments held together with their respective book costs, current market value, and estimated income and yield
- a performance analysis for the period covered by the report providing the statistics necessary to allow monitoring against the performance requirements detailed in this policy
- a transaction schedule detailing both purchases and sales
- details of any non-market transactions and rights issues, capitalisations or other corporate actions
- a detailed review of the market environment for the period including specific comment on any strategic considerations affecting asset allocation or individual holdings in the portfolio, and any other economic considerations that are relevant.

Investment managers will be required to present in person to the Charitable Funds Committee at least quarterly (via Videoconferencing, and in person at least twice a year)

The Charitable Funds Committee will consider the reports and presentations from the investment manager(s) together with current cashflow reports and forecasts.

21 APPENDIX 4 – GIFT AID DECLARATION FORM



GIFT AID DECLARATION FORM

**Boost your donations by 25p of Gift Aid
for every £1 you donate**

Gift Aid is reclaimed by the charity from the tax you pay for the current tax year. Your address is needed to identify you as a current UK taxpayer.

giftaid it

I want to Gift Aid my donation of £_____ and any donations I make in the future or have made in the past 4 years.

Name of charity: Hywel Dda Health Charities

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

My details

Title	First Name	Surname
Address		
Postcode		
Telephone	Email	

Please notify us if you:

- Want to cancel this declaration
- Change your name or home address
- No longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid declarations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

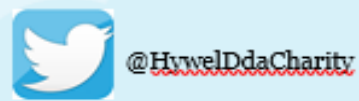
Please complete and return this form to:

Hywel Dda Health Charities

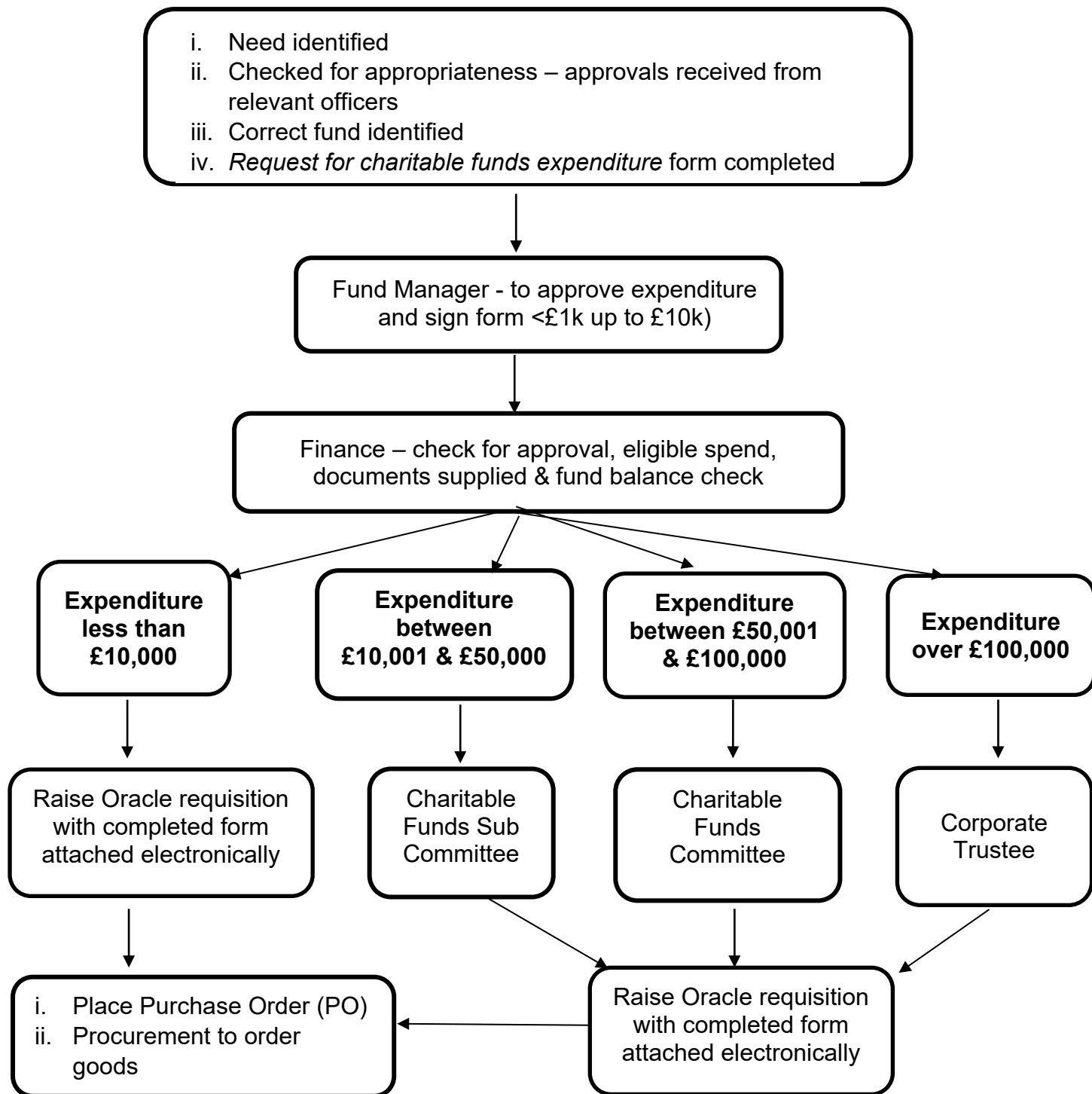
Hafan Derwen, Parc Dewi Sant, Jobswell Road, Carmarthen, SA31 3BB

Tel: 01267 239815 Email: Fundraising.HywelDda@wales.nhs.uk

Hywel Dda Health Charities
Registered Charity Number 1147863
www.hywelddahealthcharities.org.uk



22 APPENDIX 5 - PROCESS FOR APPROVING CHARITABLE FUNDS REQUESTS AND REQUEST FOR CHARITABLE FUNDS EXPENDITURE FORM



Note: All requisitions must be completed within 3 months of the above checks. Any commitments older than 4 months will be unable to proceed without a new dated balance check

Committee / Trustee to also consider:

- i. Unusual expenditure
- ii. Requests with ongoing fund commitments
- iii. Revenue resource
- iv. Higher Awards & IT



Elusennau Iechyd
HYWEL DDA
 Health Charities

Hywel Dda Health Charities

Request for charitable funds expenditure

*For Finance
use only*

Reference:

Fund Code:

1. Lead contact

Contact name:	Job title:
Ward/Team/Department/Service/Directorate:	
Contact address:	
Post code:	
WHTN:	Mobile:
Telephone:	Email:

2. What item(s) are you asking us to fund and for what purpose?

Please give us as much information as possible so that we can determine whether your request is eligible for support. For any equipment, please provide details of supplier make, model and quote.

3. Why is this expenditure required?

Please provide details of how the need has been identified and who this has been discussed with.

4. Why is this a charitable request?

Our charitable funds support expenditure over and above what the NHS can provide. All requests for support must offer value for money and demonstrate clear and direct benefits to patient care.

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5. Total amount of funding requested

Net £
*Excluding
VAT*

VAT £

Gross £
*Including
Vat*

**Is this medical
equipment?**

Yes / No

**Supplier
name:**

6. Fund details

Fund title:	
Fund code:	

7a. Assessment for medical equipment

When buying medical equipment is it important to ensure that all HDdUHB requirements are being met. Please answer the questions below as fully as possible.

Is this a new or replacement item?	
Where will this equipment be located?	
Have you consulted with the Medical Devices Steering Group?	
Does this item appear on HDdUHB's Capital Planning List?	
Risk: What risk assessments have been carried out?	

Maintenance: Has support been gained from the maintenance/ estates department? Who will maintain the equipment?	
Storage: Are there any storage implications?	
Training: Are there any training implications?	
Revenue costs: Details of any associated revenue costs and how they will be met	
Capital costs: Details of any associated capital costs and how they will be met	
Approval from Clinical Engineering Department (Attach supporting e-mail)	Yes/No

7b. Assessment for IT equipment

Is this a new or replacement item?	
Where will this equipment be located?	
Does this item appear on HDdUHB's Capital Planning List?	
Risk: What risk assessments have been carried out?	
Maintenance: Who will maintain the equipment?	
Storage: Are there any storage implications?	
Training: Are there any training implications?	

Revenue costs: Details of any associated revenue costs and how they will be met	
Capital costs: Details of any associated capital costs and how they will be met	
Approval from ICT Department (Attach supporting e-mail)	Yes/No

7c. Assessment for building or groundworks

What is the proposed work?	
Does this item appear on HDdUHB's Capital Planning List?	
Risk: What risk assessments have been carried out?	
Maintenance: Has support been gained from the estates department?	
Training: Are there any training implications?	
Revenue costs: Details of any associated revenue costs and how they will be met	
Capital costs: Details of any associated capital costs and how they will be met	
Approval from Estates Department (Attach supporting e-mail)	Yes/No

7d. Assessment for higher award training

Approved Study leave application form (Attach supporting e-mail)	Yes/No
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8. Authorisation

Designation		Date
1. Requester	Name Job Title Signature	
2. Authorised signatory under £1,000	Name Job Title Signature	
Senior Nurse Manager, Service Delivery Manager, Head of Service or managers at equivalent level		
3. Authorised signatory under £10,000	Name Job Title Signature	
Hospital or Service Director/General Manager, Head of Nursing or managers at equivalent level		
4. Authorised signatory under £50,000	Charitable Funds Sub-committee meeting reference	
Charitable Funds Sub-Committee		
5. Authorised signatory under £100,000	Charitable Funds Committee meeting reference	
Charitable Funds Committee		
6. Authorised signatory over £100,000	Corporate Trustee meeting reference	
Corporate Trustee		

FOR FINANCE DEPARTMENT

Directorate:	Reference Number:
Fund Title:	Fund Code:

HEALTH DDA UNIVERSITY HEALTH BOARD

Current Fund Balance:	Financial Code:
Eligible Expenditure: Y / N	Authorised Finance Signatory: Date:

Please return this form to:

Charitable Funds Support Officer
Finance Department
Ty Gorwel, Building 14,
St David's Park, Job's Well Road,
Carmarthen, SA31 3BB

Tel: 01267 283012
WHTN: 01827 1612

Email: CharitableFundsFinance.hdd@wales.nhs.uk

APPENDIX 6 - ELIGIBLE AND INELIGIBLE CHARITABLE EXPENDITURE

The Charitable Funds Committee has approved the following list of items that can and cannot be funded from our charitable funds.



Items that CAN be funded by charitable funds	Items NOT to be funded by charitable funds
1. Equipment & Consumables	
<p>Medical and surgical equipment and its maintenance for NHS patient care, education and research.</p> <p><i>Confirmation on how any running costs associated with the equipment will be met must be in place prior to purchase.</i></p>	<p>Medical and surgical equipment and its maintenance for private patient care unless such use is incidental to its main NHS use (i.e. less than 2% of total activity).</p>
<p>Medical and surgical consumables for new charitable equipment when ordered together. Incidental 'start up' stock to constitute no more than the first year's supply.</p>	<p>Ongoing medical and surgical consumables (e.g. dressings, implants, cannulae, hypodermic syringes, needles).</p>
<p>Furniture, fixtures and fittings for use in clinical areas by patients, visitors, relatives or staff (e.g. beds, chairs, treatment couches, bedside lockers, artwork, curtains) that create more welcoming and comfortable surroundings.</p>	<p>Furniture, fixtures and fittings for use in non-clinical unless forming part of a charitably funded service or building/refurbishment project, when incidental to total spend is less than 5%.</p>
<p>Computer equipment and software for use in direct patient care (e.g. attached to radiography equipment, tablet computers for use in direct diagnosis or care and communication).</p>	<p>Computer equipment and software where used in administrative and support roles (e.g. patient administration or business support).</p>
	<p>Office equipment and materials for use in administrative and support roles (e.g. stationery, filing cabinets, notes trolleys).</p>
	<p>Health and safety items (e.g. antibacterial gels, cleaning products/equipment, access equipment, industrial dishwashers).</p>
<p>Fans and air conditioning units for patient care, support and office areas.</p>	<p>Portable heaters.</p>
	<p>Staff communication and navigation equipment (e.g. phones, mobile phones and chargers, satellite navigation systems).</p>
<p>Books, educational DVDs, posters, leaflets, information screens for patient care.</p>	

Items that CAN be funded by charitable funds	Items NOT to be funded by charitable funds
2. Education & Training	
<i>All charitable funds requests must comply with the HDdUHB Learning & Development Policy. Study leave or higher award requests must be made prior to the submission of a charitable funds application.</i>	
Education and training (courses and conferences), over and above that provided by the NHS which will improve staff knowledge and performance in their roles within the NHS. Where no NHS resources are available, 100% of fees and associated costs can be funded in line with NHS subsistence rates.	Statutory, mandatory or essential education and training (e.g. required by law or identified as necessary for staff to undertake their roles within the NHS or required for maintenance of professional registration). Backfill for staff attending education and training programmes.
Higher award and academic studies for which significant benefit to the UHB can be quantified through training and development objectives. All applications will be referred to the Charitable Funds Sub-Committee for consideration on a case by case basis.	Education and training (courses and conferences) defined as 'Continuing Development 2' in the UHB's Learning and Development Policy, which is not normally supported by the UHB. Backfill for staff attending education and training programmes.
Running costs associated with internally or externally run courses or conferences (including team skills development days) which are linked to identified education and training needs. E.g. speaker fees, room/ equipment hire, refreshments, honorariums, visiting speakers' accommodation.	Alcohol for course refreshments. Honorariums above and beyond out of pocket expenses, in line with HMRC guidelines. Team building days/time out not linked to identified education and training needs.
Attendance at awards ceremonies when linked to identified education and training needs which will improve staff knowledge and performance in their roles within the NHS and translate to improved care to patients.	Attendance at awards ceremonies not linked to identified education and training needs or improvements in care to patients.
Overseas courses and conferences where there is clear patient benefit and no UK provision available within 12 months. Maximum of 75% of all reasonable costs, in line with NHS subsistence rates. Accommodation for a maximum of 1 night before and 1 night after the event.	Cost of accompanying family members. <i>Requests for overseas courses and conferences must be received at least 3 months in advance and will be referred to the Charitable Funds Sub-Committee for consideration.</i>
Library facilities and resources.	Requests which have not received study leave or higher award approval from the Learning and Development Department prior to the submission of a charitable funds application.

	Requests which have not complied with the UHB's Learning and Development Policy.
	Applications for education and training which has already taken place.
Items that <u>CAN</u> be funded by charitable funds	Items <u>NOT</u> to be funded by charitable funds
3. Patient Welfare	
Education and training (courses and conferences), over and above that provided by the NHS which will improve staff knowledge and performance in their roles within the NHS. Where no NHS resources are available, 100% of fees and associated costs can be funded in line with NHS subsistence rates.	Statutory, mandatory or essential education and training (e.g. required by law or identified as necessary for staff to undertake their roles within the NHS or required for maintenance of professional registration). Backfill for staff attending education and training programmes.
Items that offer additional patient comforts to make time spent in hospital more comfortable (e.g. arts and crafts materials, children's themed duvet covers, themed curtains, patient library facilities, radios).	
Furniture, fixtures and fittings in patient or family/visitor rest areas.	
Additional snacks where there is a clear clinical need (e.g. for chemotherapy patients).	Tea, coffee, water, water coolers (adequate patient hydration is a mandatory requirement in the NHS).
Christmas extras for ward areas, gifts of nominal value (£5 each or less) for those inpatients in hospital on Christmas Day. <i>Allocation of Christmas monies is coordinated centrally on an annual basis.</i>	Distributions of money to patients at any time. All patient gifts at Christmas must be non-monetary.
4. Staff Benefit <i>Tax implications can arise from staff benefits, tax advice should be sought if considered necessary.</i>	
Refurbishment works or furniture, fixtures and fittings for indoor and outdoor staff rest areas or accommodation, which would result in an improvement in staff welfare facilities where such enhancements would not normally be funded by NHS resources.	Furniture, fixtures and fittings for use in non-clinical areas by staff (e.g. offices) unless forming part of a charitably funded service or building/refurbishment project.
Books, educational DVDs, posters, leaflets, information screens for education of staff or staff welfare and wellbeing.	Games or other entertainment for staff (e.g. gaming equipment).
Initiatives that promote staff wellbeing which demonstrate a clear improvement in the wellbeing of staff that translate to improved care to patients.	Staff celebrations or parties (including weddings, special birthdays or retirements). Gifts for staff including flowers, monetary and non-monetary gifts.

Ward and departmental subscriptions to clinical journals where such journals are not available from the local staff library.	Personal subscriptions/memberships and professional insurance fees.
	Regulation staff uniforms, protective clothing, theatre shoes, non-static shoes, staff lockers. Including team fleeces or hoodies.
Items that <u>CAN</u> be funded by charitable funds	Items <u>NOT</u> to be funded by charitable funds
5. Building, Refurbishment & Environment	
Building and/or refurbishment works that create more welcoming and comfortable surroundings for patients, services users, visitors and staff where no NHS exchequer resources are available and will not be available for at least 5 years.	Planned preventative maintenance or maintenance repair works (building and engineering).
	Health and safety expenditure consequent upon charitably funded works (e.g. safe asbestos removal).
	Upgrading/replacement of existing infrastructure or fixed plant (e.g. boilers, central switchgear) unless consequent on a charitably funded scheme. Where absolutely required and where no NHS exchequer funds are available, charitable funding of such works should never exceed 20% of total scheme cost.
6. Research & Development	
Non-commercial medical research with direct benefits to NHS patients where ethical approval has already been granted and no other source of funding exists.	Commercial research or non-medical research.
Research where clear public/patient benefit potential is anticipated and where the results will be made publicly available. Funding will generally be limited to the balances in those funds that are raised and held specifically for purposes of research.	Research where the charity or UHB is unable to secure the intellectual property or other rights if the research is successful.
7. Other	
Staff posts for a limited time period (maximum of three years) where no other source of funding exists. E.g. projects piloting new models of care or part of a wider service development offering the most effective use of the funds available. Applications must outline the benefits to patients and the wider NHS and include a detailed exit strategy.	Recurring staff posts, except for situations where the role is undertaken exclusively for the benefit of the charity, i.e. fundraising staff funded from investment income.

The public perception test

When considering applying for charitable funds, ask yourself the following questions:

- Would someone who puts a pound in a collection box be happy for it to be spent in this way?
- Would you be proud to tell a donor about this expenditure and the difference it will make?
- Is this a justifiable charitable purchase or should it come from an NHS budget?
- Is there a more effective use of the funds available?

23 APPENDIX 7 - RESERVES POLICY

1 INTRODUCTION

1.1 Terms of Reference

This policy is a requirement of the Charity Commission and has been prepared in accordance with guidance issued by the Charity commission, viz, CC19 Charities Reserves, March 2008.

A charity needs to have sufficient reserves to allow it to cover known liabilities and contingencies, absorb setbacks and take advantage of change and opportunity. Setting and keeping under review a reserves policy is a key part of effective governance.

The Trustee Board acknowledges its responsibility for ensuring the Charity has identified an appropriate level of reserves and for taking steps to achieve and maintain that level, and for keeping the level under review. This Reserves Policy sets the framework within which the Trustee Board will fulfil its responsibilities.

1.2 Background

Reserves are that part of a charity's unrestricted income funds that is freely available to spend on any of the charity's purposes.

The Trustee Board recognises the importance of deciding an appropriate level of reserves as part of active financial management and forward financial planning for sustainability. Failure to do this may result in reserves which are either:

- higher than necessary which would limit the amount that could be spent on charitable activities and therefore the potential benefits the Charity can provide to patients; or
- too low, creating a risk to the Charity's ability to carry on its activities in future, especially in the event of financial difficulties or unforeseen events, and therefore creating a risk of unplanned and unmanaged closure, and even insolvency.

This Reserves Policy aims to:

- **fully justify and clearly explain why the Charity needs to keep a level of reserves**
- **demonstrate resilience and capacity to manage unforeseen financial requirements and give assurance the Charity can meet its financial commitments**
- **identify and plan for the ongoing effective, responsive and valuable support of the beneficiary NHS Body for the benefit of its patients**
- **reflect and help to address the risks of unplanned closure**
- **give funders and donors an understanding of why their support is needed to undertake a particular project or activity**
- **manage the risk to the Charity's reputation from holding substantial unspent funds without explanation**
- **explain to funders, beneficiaries, the public and the Charity Commission exactly what reserves are kept (or not kept) for and when they are to be used**

In setting the level of reserves the Trustee Board has considered guidance from the Charity Commission including CC19: Charity reserves: building resilience.

1.3 Definition

“Reserves” is that part of a charity’s income that is freely available for its general purposes. Reserves are the resources the charity can make available to spend for any or all of the charity’s purposes once it has met its commitments and covered its other planned expenditure.

This definition therefore excludes;

- Permanent endowment
- Restricted funds
- Uncommitted designated funds

The reason for inclusion of uncommitted designated funds within reserves is due to there being no legal restriction preventing the Trustees treating them as general purpose funds, and also if Trustees wish they can re designate these funds for different purposes.

This policy applies to both the umbrella charity and special purpose charities.

1.4 The Law

Charity law requires any income received by a charity to be spent within a reasonable period of receipt. The Trustee Board must be able to justify the holding of income as reserves.

Charities holding reserves that are greater than their needs will be subject to scrutiny and possible investigation by the Charity Commission. Trustees are justified in exercising their power to hold reserves only if in their considered view it is necessary to do so in the charity’s best interests. If their power is used without justification then the holding of income in reserve might amount to a breach of trust.

The Charity Commission expects trustees to decide, publish, implement and monitor their charity’s reserves policy so that they can comply with their legal duties to:

- **act in the interests of their charity and its beneficiaries**
- **protect and safeguard the assets of their charity**
- **act with reasonable care and skill**
- **ensure their charity is accountable**

The Charities SORP requires the Trustee Board to include in its Annual Report and Accounts:

- **a statement of its policy on reserves;**
- **the level of reserves held and an explanation of why they are held;**
- **where material funds have been designated, the amount and the purpose of the designation should be explained;**

- **where designated funds are set aside for future expenditure, the likely timing of that expenditure.**

2 THE NEED FOR RESERVES

- 2.1** There are a number of reasons why the charity needs reserves; as follows;
- 2.2** There could be insufficient balances in individual restricted and designated funds to meet the requirements or objectives of those funds.
- 2.3** There may be a requirement to incur expenditure which is exclusively charitable, and cannot be funded from revenue, for which there is not a relevant fund.
- 2.4** Future levels of income cannot be guaranteed with any certainty. The value of donations and legacies varies significantly from one year to the next.
- 2.5** To safeguard funds against fluctuation in the value of investments.

3 LEVEL OF RESERVES

- 3.1** Designated funds can only be excluded from the definition of reserves if there is planned expenditure for these funds. For this reason it is essential that fund managers formulate expenditure plans for these funds.
- 3.2** The value of fixed asset investments can go up or down. When values go down funds need to be safeguarded from such losses through the level of reserves retained.
- 3.3** **There is no single level, or even a range, of reserves that is right for all charities. In setting an appropriate level of reserves for the Charity the Trustee Board should take into account the Charity's financial circumstances and other relevant factors. These include the need to:**
- **fund working capital – including fundraising, support and governance costs**
 - **fund unexpected expenditure, for example when projects overrun or unplanned events occur**
 - **fund shortfalls in income, when income does not reach expected levels**
 - **optimise the balance between short-term spending and longer-term sustainability**

Based on the definition of reserves above, and an assessment of the need for reserves by the Trustees, the following level should be maintained:

- A separate fixed asset investment reserve, based on 10% of the value of fixed asset investments retained (circa £550,000)
- A minimum of £500,000 to ensure there is sufficient funds for on-going commitments.

3.4 The fixed asset investment reserve shall only fall below 10% to cover losses in the value of fixed assets.

4 MANAGEMENT OF RESERVES

4.1 In order to maintain as low a level of reserves, it is important that expenditure plans are formulated for all the relevant funds.

4.2 Monthly financial reports are produced for all funds and in this way overall expenditure is currently monitored. Any designated funds where expenditure has not taken place as planned or expected will be reviewed to establish if the designation is still required.

4.3 The value of fixed asset investments performance reviewed on a quarterly basis.

4.4 The Director of Finance is responsible for these reviews. Any significant variances of reserves from the target level or range, and the reasons for them, will be reported to the Trustee Board by the Finance Director.