

Charitable Funds Committee Terms of Reference

1 Constitution

The Trust Board hereby resolves to establish a committee to be known as the Charitable Funds Committee, with delegated responsibility to make and monitor arrangements for the control and management of the Trust's Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charity Commission and Fundraising Regulator.

2 Authority

The Charitable Funds Committee will act on behalf of the Trust in satisfying the duties and responsibilities of the Corporate Trustee (The Board of Directors) in managing the charitable and other funds held on trust.

The Committee has no executive powers, other than those specified in these terms of reference or otherwise by the Corporate Trustee.

The Committee is authorised by the Corporate Trustee to obtain outside legal or other independent professional advice to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Committee must act in accordance with the Trust Standing Orders, Scheme of delegation and Standing Financial Instructions.

3 Membership

Three Non-Executive Directors (one of whom will chair the committee)
Director of Finance
Chief Medical Officer
Director of Strategy, Research and Innovation

4 Attendance

Regular attendees to the committee shall include:

The Head of Charity
Director of Human Resources
Director of Communications
Charitable Funds Accountant
Company Secretary

There will be two Governors, nominated by the Council of Governors, in attendance.

The committee may invite representatives of other charitable organisations operating on Trust premises to attend meetings from time to time to ensure co-operation and collaborative working.

The Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter. The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

All Directors shall also have the right of attendance, subject to invitation by the Committee Chair, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that Director.

The expectation is that all meetings will be attended by all members. When attendance falls below 75% over a sustained period the issue will be raised with the individual by the committee chair and any steps taken to improve attendance.

5 Quorum

The quorum necessary for the transaction of business shall be three members, of which at least one must be a Non-executive Director and one must be an Executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6 Frequency and Conduct

The Committee shall operate as follows:

- The committee will meet as necessary but not less than six times per annum.
- Items for the agenda should be submitted to the committee secretary a minimum of 6 working days prior to the meeting. Papers on other matters will be put on the agenda only with the prior agreement of the Chair.
- Papers will be sent out by the committee secretary at least 4 working days before each meeting.
- Although decisions are normally reached by consensus, in the event of a disagreement, decisions on any matter are made by the majority of the members present at the meeting; the Committee Chair will have a second casting vote in the event of a tie. Any committee member who remains opposed after a vote can ask for his or her dissent to be recorded in the minutes.
- Membership and terms of reference will only be changed with the approval of the Committee and ultimately by the Trust Board.
- The terms of reference of the Committee will be reviewed and agreed annually.

The Chair has the authority to exercise an emergency or urgent decision where a particular issue requires a response that cannot be deferred to the next meeting. When this occurs, the committee may take one of three actions:

1. Convene an urgent meeting, ensuring that the committee has a quorum
2. Email committee members requesting their input/view by a given date
3. Take Chair's action for urgent decisions

When option 3 is taken, the decision must be taken by the Chair in consultation and agreement with at least two other committee members, one of which must include the

Director of Finance or a nominated representative. Decisions taken by Chair's action will be reported to and ratified at the next meeting of the committee.

7 Main Duties

The Charitable Funds Committee is authorised to ensure that the Charity's fundraising strategies and underpinning policies, leadership and behaviours are aligned with those of the Trust, with the aim of ensuring that the Board is discharging its responsibilities as corporate trustee of the funds held on trust. It must ensure that there is effective governance, risk management and internal control systems in place to ensure that duty is undertaken properly and prudently and to ensure compliance with the Trustee Act 2000, the Charities Act 2011 and 2016 and any other regulations or standards issued by the Charity Commission and Fundraising Regulator.

8 Key Responsibilities

The Committee oversees the management, investment and disbursement of the charitable funds held on trust, specifically:

Governance

- Review and approve all policies and procedures pertaining to the management of charitable funds.
- Consider any internal or external audit reports of charitable funds, (including the adequacy of any management response) in liaison with the Audit & Risk Committee.
- Adhere to the principles and responsibilities of trusteeship as defined by the Charity Commission.
- Ensure that the Trust's charitable and other funds held on trust are managed in line with rules and guidance provided by the Charity Commission (CC3 'Responsibilities of Charity trustees').
- Review the relationship with other charities and other bodies.

Income and Expenditure

- Ensure all donations and legacies are appropriately accounted for and that any terms and conditions attached to them are complied with.
- Approve the establishment of all new restricted charity funds.
- Review and approve expenditure plans (where required under The Trust's policy for the management of charitable funds and other funds held on trust).
- Approve expenditure requests for charitable funds over £5,001 and make recommendation to the Corporate Trustee on all requests over £250,000.
- Ensure that expenditure requests for charitable funds are of a charitable nature and do not constitute exchequer expenditure.

Investments

- Establish an investment strategy and monitor the performance of investments.
- Appoint and monitor the performance of any investment advisors.

Financial Reporting

- Receive and review regular financial monitoring reports.

- Receive and consider the annual report and accounts prior to submission to the Audit Committee and Trust Board.

To consider any other return required by the Charity Commission or other Statutory Body.

Fundraising

- Establish and oversee the implementation of a fundraising strategy.
- Review regular fundraising reports.
- Review policies and procedures for fundraising, acceptance and expenditure of funds, including the internal control arrangements operating within the Trust for charitable funds.
- Approve fundraising appeals between £5001 and £300,000.
- Review fundraising appeals over £300,000 making recommendations to the board as corporate trustee for approval as appropriate

9 Reporting and Monitoring Procedures

Minutes will be prepared after each meeting of this Committee and circulated to members of the Committee and others as necessary.

The Committee Chair shall draw to the attention of the Corporate Trustee any issues that require disclosure to the full Corporate Trustee, or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

10 Monitoring Effectiveness

At least once a year the Committee will review its own performance and terms of reference to ensure that it is operating at maximum effectiveness and completes a self-assessment of effectiveness. Any amendments to its terms of reference that it considers necessary will be recommended to the Corporate Trustee for approval.

11 Approval

These terms of reference were reviewed by the Committee on [TBC] and approved by the Trust Board (Corporate Trustee) on [TBC].

Sources of further information supporting the committee in the exercise of its responsibilities

The following guidance is available from the Charity Commission:

- NHS Charities Guidance
- Board Members' role in managing funds held by their NHS body
- Consultation on draft guidance on NHS charities: Glossary
- Guidance for corporate Trustees and trustee bodies on managing NHS charitable Funds
- NHS charities and independence indicators and evidence
- Trusts and trusteeship under NHS acts 1946-2006
- Consultation on draft guidance on NHS charities: power to compromise

- Consultation on draft guidance on NHS charities:

www.gov.uk/government/publications/nhs-charities-guidance

The following guidance is available from the Fundraising Regulator

- Code of Fundraising Practice

<https://www.fundraisingregulator.org.uk/code-of-fundraising-practice/code-of-fundraising-practice/>