



# Charitable Funds

This procedural document supersedes: CORP/FIN 8 v.3 – Charitable Funds



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## Amendment Form

Please record brief details of the changes made alongside the next version number. If the procedural document has been reviewed **without change**, this information will still need to be recorded although the version number will remain the same.

Version	Date Issued	Brief Summary of Changes	Author
Version 4	March 2022	<ul style="list-style-type: none"> <li>• Updated job titles</li> <li>• Made reference to separate Investment Policy rather than embedded document</li> <li>• Removed reference to Fred &amp; Ann Green Group</li> <li>• Reworded approval process for expenditure</li> </ul>	Alex Crickmar Matthew Bancroft
Version 3	March 2020	<input type="checkbox"/> Reference to new donation envelopes, Above & Beyond Committee, guidance regarding fundraising practices	Jon Sargeant Matthew Bancroft
Version 2	August 2018	<input type="checkbox"/> Changes to Committee terms of reference, urgency rules and delegated limits	Jon Sargeant Matthew Kane
Version 1	May 2017	<input type="checkbox"/> Original Document	Andy Thomas

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## 1 INTRODUCTION

### 1.1 General

This policy covers the governance and operation of the Doncaster & Bassetlaw Teaching Hospitals Charitable Funds.

It should be noted that, whilst this is a free standing arm's length body from the Foundation Trust itself, the relevant Trust policies and procedures (including SFIs and SOs) apply unless superseded by the contents of this policy.

Failure to comply with this policy and related procedures is a disciplinary matter which could result in dismissal.

### 1.2 Terminology

Any expression to which a meaning is given in Health Service Acts, or in the Financial Directions made under the Acts, shall have the same meaning in these instructions; and

“the Board”	means the board of directors of the Trust as constituted in accordance with the Trust Constitution;
“Chair”	means the chair of the Charitable Funds committee appointed in accordance with the Trust Constitution;
“Chief Executive”	means the Chief Executive Officer of the Trust appointed in accordance with the terms of the Trust Constitution;
“Director”	means a director on the Board of Directors of the Trust;
“Executive Director”	means an executive director of the Trust appointed in accordance with the Trust Constitution;
“Funds held on Trust”	means those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument or chooses to accept under powers derived under S.90 of the 2006 Act;
“Legal Adviser”	means the properly qualified person appointed by the Trust to provide legal advice;
“the charity”	means Doncaster & Bassetlaw Teaching Hospitals Charitable Fund;
“Unrestricted Fund”	means funds donated for a specific purpose but where, should this purpose be deemed unachievable, the fund may be redirected for other charitable purposes

“Restricted Fund”	means funds donated to the Trust with a specific purpose for which they must be used
“Designated Fund”	means monies donated which may be used for any purpose but for which a separate ‘fund’ has been created for purely legal purposes.
“Charitable Funds Committee”	means the committee of the Board of Directors set up to govern and administer the Charitable Funds.
“Corporate Trustee”	a Charitable Fund may have one corporate body as a sole Trustee. In this case the Trust is the sole corporate Trustee of the charity.
“the Trust”	means Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust.

Wherever the title Chief Executive, Director of Finance, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to represent them.

Wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

## 2 RESPONSIBILITIES & DELEGATION

Doncaster & Bassetlaw Teaching Hospitals NHS FT shall be designated the sole corporate Trustee of the Charitable Fund.

The Board of Directors shall act as this Trustee. Therefore that body is responsible for running the operation of the Charitable Funds and ensuring a good governance structure is maintained.

The Board of Directors, when acting as the Trustee, needs to demonstrate that the decision making process is:

- Clear – i.e. can be easily understood and recorded as such;
- Open – decisions are made by the Board, acting as corporate Trustee, once all relevant and necessary information is available.
- Independent – i.e. the decision making process is independent of any decision making concerning the use of exchequer funds.

The Trust Board is set up as a Corporate Trustee for the Charitable Funds, this means that individuals are not responsible in law for the actions of the charity, however the

Trust as a legal entity is. The Trustee cannot delegate their duties and responsibilities, including major decisions in relation to the management and use of the Charitable Funds. What can however be delegated is the implementation of Trustee's decisions.

To this end the Board shall set up a Charitable Funds Committee which acts for the Corporate Trustee and is responsible for the overall management of the Charitable Fund.

## 2.1 Charitable Funds Committee

The membership of the charitable Funds sub-committee shall be as follows:

- NED Chair
- The Chair and all other Non-Executive Directors of the Trust
- Chief Executive
- Director of Finance □ Medical Director □ Chief Nurse.

The Committee may also invite these people to attend;

- A governor observer co-opted by the Board
- Where any specific fund represents greater than £1m of the fund balances (as defined as at the proceeding 31<sup>st</sup> March) the committee shall offer to co-opt an additional member with a specific knowledge and or interest in that fund.
- Head of Communications and Engagement
- Head of Financial Control
- Charity Fundraiser

The duties of this committee shall be as set out in the committee's terms of reference. (See Appendix C).

The Charitable Funds Committee shall establish further sub-committees or working groups of itself as required at its discretion. As at March 2022, such working group currently constituted is the Charitable Funds Development Committee (also known as the Above and Beyond Committee).

## 2.2 Scheme of Delegation of Expenditure

The Board, as sole corporate Trustee, shall, upon the recommendation of the Charitable Funds Committee set up schemes of delegation for spending the funds. This will allow items, or groups of items, of up to £50,000 to be delegated to the Director of Finance following initial approval by the designated fund-holder. Any commitments will only be made via the Trust's normal processes and must comply with Standing Financial Instructions (SFI's).

Where an item is required on an unforeseen, urgent basis and it is impracticable to arrange an additional meeting of the Charitable Funds Committee approval may be given by the Director of Finance following consultation with the Chair of the Committee.

All items approved under the delegated powers rules as per 2.8 and 2.9 above shall be reported to the next meeting of the Charitable Funds Committee for noting.

Where a Business Case would be required to be considered by the Trust's Corporate Investment Group (CIG) if it was core revenue funded then the same process should apply for Charitable Fund funded items.

All bids relating to the General Fund should go to the Charitable Funds Development Committee in the first instance, prior to going into the below process.

- If the bid is for under £10k, then the Director of Finance can approve the expenditure.
- If the bid is between £10k and £50k, the bid needs Corporate Investment Group approval prior to Director of Finance approval.
- If the bid is between £50k and £1m, the bid needs Corporate Investment Group approval prior, then Director of Finance approval, and finally Charitable Funds Committee approval.
- If the bid is over £1m, the bid needs to follow the pathway for bids between £50k - £1m, with Trust Board additionally needing to approve the bid.

### 3 AUDITS AND ACCOUNTS

As outlined in the powers of the Charitable Funds committee in point 2.7 above there is a requirement to prepare and have audited annual accounts.

Therefore it shall be the responsibility of the Director of Finance to:

- Maintain the necessary financial records to enable the transactions and balances for each fund to be reported.
- Be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the Trustee to fulfil its statutory responsibilities
- Prepare annual accounts for the consolidated Charitable Funds
- Provide the necessary information and explanations to enable the appointed auditors to complete their work.
- Provide regular reports to the Charitable Funds Committee

Once completed the auditors shall present their report to the Charitable Funds Committee for consideration.

### 4 OPERATIONS OF THE CHARITABLE FUNDS

It is the policy of the Trust that all gifts, donations or proceeds from any fund-raising activities which are intended for the Trust's use, must be paid into the appropriate Charitable Fund.

Monies must NOT be retained on wards/departments, to be deposited into unauthorised Bank/Building Society accounts or paid temporarily into a member of staff's personal account.

Charitable Funds are administered by the finance team within the Trust.

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

It is vital that formal acknowledgement is made of monies received into the Charitable Fund. The use of donation envelopes or online donations are encouraged, as this route allows a full audit trail to be retained, and a formal letter of thanks to be sent out.

#### **4.1 Allocation to individual funds**

Within the over-arching Trust Charity funds held may be split into individual funds to better manage them. Each of these may, for example, represent a ward, department, or specific fundraising appeal, etc. These are called 'Designated Funds'.

Each sub fund shall, as required by legislation, be categorised in one of the following ways:

- Restricted – such funds must be used for specific purposes only as set out by the donors at the time of the donation or by the terms of a public appeal.
- Unrestricted – funds given to charity without any restrictions imposed by the donor. This would include proceeds from any appeals where the Trustees included a disclaimer to the effect that this is likely should the purpose of the appeal be unachievable.
- Designated – funds given to the hospitals' charity in general free to use at the discretion of the Trustee. In some cases such monies may be placed in a specific discretely defined fund for administrative ease only.

With the exception of restricted funds as defined above the allocation of monies into individual sub funds is purely for ease of administrative purposes only and has no legal force. The Trustee may, subject to other relevant laws and regulations, merge, split or otherwise amend these funds as seen fit.

Each fund shall have a number of authorised signatories ranging from one to five. All expenditure for a fund must first be authorised by one of these signatories before then going through the full authorisation process as defined above.



No fund may go 'overdrawn' i.e. have a negative balance. Any authorised signatories authorising such expenditure may be subject to disciplinary action as per the Trusts SFI's.

## 4.2 Purchasing

The authorisation procedures outlined in this document are additional to the applicable purchasing rules of the Trust. i.e. the need to obtain a number of quotes on smaller items, undertake full tender on large expenditures etc.

In considering the values of items being purchased it is not permissible to segregate sets of or related items to minimise the procurement process.

All other Trust purchasing policies also apply to the use of Charitable Funds

In all cases an order shall be raised on the Oracle system for all Charitable Funds purchasing.

All Charitable Funds expenditure should either be necessary for the running of the charity, or enhance the patient experience of patients at Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust. A separate Expenditure Policy can be found in Appendix D.

## 4.3 Banking

All payments will be made via the Trust's bank account. This will be to both ease the administrative burden and better manage overall cash resources.

A discrete Charitable Funds bank account will however be maintained to hold any unused cash resources and receive cash. The level of funds so held will be driven by the Reserves & Investment Policy (see below).

On a monthly basis the 'inter-company' account between the Trust and Charitable Funds will be reconciled to identify any aggregate sums due from/to the Charitable Funds and a payment/receipt actioned to return this to balance.

## 4.4 Charges

The Trust shall recharge the costs of administering the Charitable Funds to the Fund itself. This cost shall then be distributed proportionately over the various individual funds based on the balances.

The overall cost to be charged should be in line with the cost of providing the service. This will include, but not necessarily be restricted to:

- The costs of any Charitable Fund accounting systems used
- An appropriate proportion of the costs of other IT systems used in administering the fund
- The staff time of those in the Finance function and elsewhere delivering the service in support of Charitable Funds
- The staff time in Communications/Fundraising delivering the service in support of Charitable Funds
- A reasonable proportion of any other relevant costs

In some cases Trust members of staff will work on Trust funded projects. Where this is the case a proportionate element of their costs will be recharged.

It is not permissible for the Trust to either over- or under- charge the Charitable Funds.

The total of such charges shall be reported to the Charitable Funds Committee on an annual basis.

#### 4.4 Investments and investment returns

Please see separate investment policy document.

#### 4.5 Reserves

Please see separate reserves policy document.

## 5 FUNDRAISING

The Trust's Charitable Funds have four main ways of generating additional resources:

- Donations from users, patients, relatives etc.
- Fundraising – either general or for specific purposes
- Bequests included in wills
- Investment income (as outlined above).

For donations/fundraising, there are numerous ways that money can be received into the Charitable Funds. These can include the use of donation envelopes handed into wards/departments or the Cashiers' Office, online fundraising platforms, such as Just Giving, or bank transfers (details available from the Charity finance team)

It should be noted that it is not permissible to credit the following to Charitable Funds:

- Fees/salaries for additional work done where the individual earning the monies is in direct control of the fund. e.g. if an individual asks for any overtime or additional payments to be paid tax free into a Charitable Fund where the same individual has direct control over the subsequent expenditure of those sums. In such cases the fees/salaries should be paid to the employee net of tax in the usual manner then the recipient can subsequently donate to the Charitable Fund with the gift aid mechanism being used to maximise the donation.
- Where the income credited to the fund arises from activities undertaken by NHS staff in time paid by the NHS.
- Where the income relates to the sale of items purchased at NHS expense.
- Any other income where the expenditure to generate the income was funded by core exchequer funding. If in doubt the advice of the Director of Finance or his/her designated deputy should be sought.

All fundraising activity should be approved by the Charitable Funds team in the first instance. This will be done by the Head of Communications and Engagement. This is to ensure that all fundraising is duly accredited, there are mechanisms in place to ensure that all funds raised are credited to the relevant fund, and that all legal aspects are fully covered. Once a fundraising event has been approved, then it will be followed up by the Finance department, ensuring that the money has been received and accounted for in full.

When fundraising, the general aims of the Foundation Trust should be considered. Whilst all fundraising is encouraged, and it is accepted that non-standard activities are often the most successful, care should be taken that no activities that could be deemed to bring the Trust into disrepute are undertaken.

Please note, that tombola's and raffles are actively discouraged and alternative fundraising streams should be sought. This is because of the risk to all stakeholders of cash being transacted, as well as potential non-compliance against Gambling Commission guidelines.

When accounting for fundraising care must be given to the need to ensure that the Trusts Charitable Funds do not become fragmented into a large number of small funds. The establishment of too many 'restricted' funds (see 4.1 above) is likely to lead to a lack of flexibility in not being able to deploy significant resources as and when required

To avoid the over fragmentation of the funds the following principles should be applied:

- When receiving donations the appropriate form should be used as shown in Appendix A. This states that all donations are made to the Charitable Funds 'General Fund' and as such may be used for any charitable purpose as determined by the Trustee. However there is an additional opportunity for the donor to indicate, in a non-legally binding way, the purpose for which he/she would like their donation used. This will enable the Charitable Funds to both attribute the item to a specific

designated fund whilst maintaining the opportunity and flexibility to fund large schemes and reallocate donations to where they can be best used.

- Where a specific appeal is being launched for a significant sum the literature should clearly state that, should the funding not be required for the specified purpose, then the Trustee retains the right to use it elsewhere within the general charitable purposes of the Trust. Examples of where this might happen is where insufficient funding is raised, funding in excess of the cost of the item required is raised, due to changes in technology and/or service patterns and a different development might now be considered preferable to deliver the original purpose, etc.
- Where a significant bequest is received it may be necessary to set up a 'Restricted' fund (see 4.1 above). In some cases this will be unavoidable. However, where future bequests are being encouraged and/or discussed with the Trust in advance of the donor's death the use of an unrestricted or designated fund should be encouraged.

The use of gift aid and other such mechanisms to maximise the effects of donations is to be integral to all fundraising. As such, it is advisable that the name and address of all donors are kept, where possible, alongside an agreement by them that they permit for Charitable Funds to reclaim Gift Aid from the donation.

The Board has approved a separate Fundraising Strategy which should also be read in conjunction with this section.

## 6 TRAINING/SUPPORT

Please note: The training requirements of staff will be identified through a learning needs analysis (LNA). Role specific education will be co-ordinated/ delivered by the topic lead. Alternatively, training may be accessed via an approved e-learning platform where available.

## 7 EQUALITY IMPACT ASSESSMENT

The Trust aims to design and implement services, policies and measures that meet the diverse needs of our service, population and workforce, ensuring that none are disadvantaged over others. Our objectives and responsibilities relating to equality and diversity are outlined within our equality schemes. When considering the needs and assessing the impact of a procedural document any discriminatory factors must be identified.

An Equality Impact Assessment (EIA) has been conducted on this procedural document in line with the principles of the Equality Analysis Policy (CORP/EMP 27) and the Fair Treatment For All Policy (CORP/EMP 4).

The purpose of the EIA is to minimise and if possible remove any disproportionate impact on employees on the grounds of race, sex, disability, age, sexual orientation or religious belief. No detriment was identified.

## 8 DATA PROTECTION

Any personal data processing associated with this policy will be carried out under 'Current data protection legislation' as in the Data Protection Act 2018 and the UK General Data Protection Regulation (GDPR) 2021.

For further information on data processing carried out by the trust, please refer to our Privacy Notices and other information which you can find on the trust website:

<https://www.dbth.nhs.uk/about-us/our-publications/information-governance/>

## APPENDIX 1 – RECEIPT OF DONATIONS DOCUMENTATION

**Donor's details**

Reference number:

0000

Title: ..... Full name: .....

Home address (inc postcode): .....

.....

Telephone: .....

Email: .....

I wish to give Doncaster & Bassetlaw Teaching Hospitals Charitable Fund

the sum of £ .....  To the charity itself

Or to a specific department .....

Date: .....

Signature: .....

**Staff member details (who received donation)**

Name: .....

Signature: .....

Ward/department: .....

Date: .....

Second signature for cash donations:

Name: .....

Signature: .....

DBTH Charity registered in England and Wales No.1057917.



Boost your donation by 25p of Gift aid for every £1 you donate. See reverse for details.

**APPENDIX 2 – INSTRUCTIONS TO COMPLETE DONATION ENVELOPES**

When a patient/relative wishes to donate to **DBTH Charity**, it needs to be as easy as possible for them.

However, we need to make sure that we follow the correct procedures so that staff are protected and the donation is used in accordance with the donor's wishes.

If a donor wishes to donate, you can either direct them to Cashiers (DRI) /General Office (Bassetlaw/Montagu) or ask them to donate on the ward/department, using a **donation envelope**. When using the donation envelope, the donor needs to complete this section first:

<b>Donor's details</b>	Reference number: <b>0000</b>
Title: ..... Full name: .....	
Home address (inc postcode): .....	
.....	
Telephone: .....	
Email: .....	
I wish to give Doncaster & Bassetlaw Teaching Hospitals Charitable Fund the sum of £ .....	
<input type="checkbox"/> To the charity itself	
<input type="checkbox"/> Or to a specific department .....	
Date: .....	
Signature: .....	
.....	

and 2 members of staff need to countersign the section below:

<b>Staff member details</b> (who received donation)	
Name: .....	
Signature: .....	
Ward/department: .....	
Date: .....	
Second signature for cash donations:	
Name: .....	
Signature: .....	
.....	
DBTH Charity registered in England and Wales No.1057917.	
<i>giftaid it</i>	Boost your donation by 25p of Gift aid for every £1 you donate. See reverse for details.

Having 2 members of staff to countersign is really **important** because it ensures that the amount of money which is being donated has been validated.

If the donor is a UK taxpayer, then please encourage them to tick the **Gift Aid** box (highlighted), which is underneath the tear-off section of the envelope. By doing this, the Charity can claim an extra 25% from the Treasury, at no cost to the donor. We need the donor's address to be able to do this, which is why we have asked for it at the beginning.

*giftaid it*

- I want to Gift Aid my donation. 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 **DBTH** Charity 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 donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

Finally, the blue tear off section can be completed with the donation amount, and this is given to the donor. The amount on this slip should be the same as the amount entered previously, and the amount of money within the envelope.



This envelope needs to be sealed and kept in a **secure location** until someone takes the sealed envelope to Cashiers/General Office during office hours.

The donor should receive a “Thank You” letter acknowledging the donation 2-3 weeks after making the donation. Should the donor not receive this letter, please encourage them to contact the Trust using the contact details on the acknowledgement slip.

Although the donor will receive a “Thank You” letter, please feel free to send a personalised letter from the Ward/Department.

## APPENDIX 3 – CHARITABLE FUNDS COMMITTEE TERMS OF REFERENCE (TOR)



<b>Name</b>	<b>Charitable Funds Committee (CFC)</b>
<b>Purpose</b>	<p>To oversee and manage the Trust's Charitable Funds i.e. Doncaster &amp; Bassetlaw Teaching Hospitals Charitable Funds.</p> <p>To fulfil the sole objective of the Charity which is to support the work of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust. This is to be achieved through the provision of resources that help contribute to the improved welfare and amenities of patients and staff.</p>
<b>Responsible to</b>	Trust Board (as the Corporate Trustee)
<b>Delegated authority</b>	<p>The Committee has the following delegated authority:</p> <ul style="list-style-type: none"> <li>• Authorise expenditure from the Charitable Funds as laid down in the Trust's Scheme of Delegation.</li> <li>• Ensure compliance with Charity Commission standards.</li> <li>• Manage the affairs of the Charitable Fund within the terms of the Trust Deed.</li> <li>• Develop and implement a fund raising strategy.</li> <li>• Invest the available fund monies in line with Policy.</li> <li>• Oversee the management and monitoring of the Trust's Charitable Funds.</li> <li>• Ensure that policies and procedures are in place such that all decisions regarding fund expenditure are appropriate and consistent with the objectives of both the Charity and Trust.</li> <li>• Develop and maintain a rolling three year expenditure strategy for the Charitable Funds.</li> <li>• Approve the annual report and accounts of the Charitable Fund.</li> <li>• Appoint an appropriate auditor to report on the annual accounts.</li> <li>• Appoint an appropriate investment consultant to manage the Fund's investments</li> <li>• Manage the investment of funds as laid down by both statute and the charity's reserves investment policy.</li> <li>• To develop and monitor the Funds' approach to risk including risk appetite.</li> <li>• To continue to keep its own effectiveness under regular review.</li> </ul>
<b>Chair</b>	<input type="checkbox"/> Designated Non-executive Director

<b>Membership</b>	<ul style="list-style-type: none"> <li>• All Non-Executive Directors of the Trust</li> <li>• Trust Chief Executive</li> <li>• Trust Director of Finance</li> <li>• Trust Medical Director</li> <li>• Chief Nurse</li> <li>• A designated governor representative may observe the meeting</li> </ul>
<b>In attendance</b>	As required by the business to be discussed
<b>Secretary</b>	Trust Board Secretary
<b>Quorum</b>	3 (Inc. at least 1 Executive Director AND at least 2 Non-Executive Directors)
<b>Voting</b>	Each member has one vote, with the chair of the meeting having the casting vote in the event of a tie.
<b>Decision making</b>	The Committee may make decisions and approve proposals outside of meetings where the issue is considered urgent. The procedures for such decisions are set out in the Charitable Funds Policy. Any such decisions will then be reported at the next meeting for inclusion in the minutes.
<b>Attendance requirements</b>	Committee members must attend at least 75% of meetings, and all members are expected to nominate alternates when they are unable to attend.
<b>Frequency of meetings</b>	Quarterly.
<b>Papers</b>	Papers will be distributed at least 5 days in advance of the meeting.
<b>Permanency</b>	The committee is a permanent committee.
<b>Reporting committees</b>	<input type="checkbox"/> Charitable Funds Development Committee
<b>Circulation of minutes</b>	Members of the Committee
<b>Date approved by the committee:</b>	
<b>Date approved by Board of Directors:</b>	
<b>Review date:</b>	March 2024

## APPENDIX 4 – CHARITABLE FUNDS EXPENDITURE POLICY

### Scope

This document sets out the policy of the DBTH Charitable Funds concerning charitable expenditure from the funds of the charity.

DBTH Charity meets its fundraising and governance costs from current income. This type of expenditure is outside the scope of this policy.

### Policy

All expenditure from DBTH Charitable Funds **must** satisfy the following criteria to meet the requirements of charity law:

- the expenditure is consistent with DBTH Charitable Funds' objects; and
- the expenditure is for a charitable purpose; and
- the expenditure will result in public benefit; and
- in the case of restricted funds, it must be consistent with the objects recorded for that fund.

In addition, the expenditure **should** follow Charity Commission advice, which is that the funds of NHS Charities should be used to:

- provide new additional services where the NHS body has no obligation and insufficient resources to do so; or
- enhance existing services over and above the level that can be provided by exchequer funds; or
- maintain services on a time limited basis.

There may be exceptional circumstances that justify departure from this advice, but this advice should be followed unless such circumstances can be demonstrated.

Authorisation of charitable expenditure is regulated by the DBTH scheme of delegation, which must be adhered to at all times. Fund Holders must follow this guidance in making expenditure decisions under delegated authority.

Balances should not be accumulated within charitable funds unless there are clear plans for the use of such funds for charitable purposes. In circumstances where there is no expenditure for over a year and Fund Holders are not able to demonstrate future spending plans consistent with this policy then the trustees may re-assign funds to other purposes, subject to any restrictions imposed by gifts.

Fund Holders are encouraged to plan for the strategic use of their charitable funds, rather than building them up 'for a rainy day' and then turning to them on a reactive basis.

## Further explanation of criteria

### *Consistency with DBTH Charitable Objectives*

'Objectives' describe and identify the purposes for which a charity exists. DBTH Charitable Fund Objectives, which are defined by statute, are 'for the patients, staff and carers of Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust'.

These objectives are intentionally broad. Examples of expenditure they would **exclude** include:

- research which has little prospect of generating knowledge of relevance to the National Health Service within a short to medium-term timescale;
- healthcare undertaken in a non-NHS setting and not funded by the NHS.

Note that in these examples both research and healthcare are charitable purposes (see below) but this is not, in itself, sufficient. Expenditure must also fall within the DBTH Charitable Funds objectives.

### *For charitable purposes*

The Charities Act 2011 defines a charitable purpose, explicitly, as one that falls within one of thirteen descriptions of purposes and is for the public benefit. This statutory list of purposes includes three that are of likely relevance to expenditure of DBTH Charitable Funds.

- The advancement of health or the saving of lives
- The advancement of [the arts, culture, heritage or] science.
- The advancement of education.

In practice, most expenditure associated with the work of the hospital will fall under one or more of these headings, with the possible exception of some income-generating activities.

### *For public benefit*

There is no automatic presumption that expenditure with a stated aim that falls within one of the descriptions of purposes is charitable. To be a 'charitable purpose' it must also be for the public benefit. This has to be demonstrable in each case.

There are two aspects of public benefit: the 'benefit aspect' and the 'public aspect'. Both must be satisfied to pass the public benefit test.

To satisfy the **benefit aspect**, a purpose must be beneficial and any detriment or harm that results from the purpose must not outweigh the benefit.

Clinical research is an activity to which the benefit test is of obvious relevance because its outcomes are inherently uncertain and it has the potential to harm as well as to benefit. However, in practice, compliance with the research governance policies and processes of DBTH will ensure that this matter is scrutinised. For this reason, DBTH will seek to ensure that all expenditure on research has been subject to research governance. For other expenditure, DBTH will ensure that there has been adequate clinical governance, prior to Charitable Funds approving the expenditure.

To satisfy the **public aspect**, the purpose must benefit the public in general or a sufficient section of the public and not give rise to more than incidental private benefit. (Private benefit may accrue to either individuals or organisations).

Most of DBTH Charitable Funds' expenditure will benefit a section of the public, rather than the public in general, because it will support the healthcare of a group of people with a specific disease, injury or long-term condition living within the hospital's catchment area. In some cases, for example when dealing with rare diseases, the section of the public may be small in number. This satisfies the definition of 'a section of the public'.

Charity law prohibits the definition of a 'section of the public' with reference to specified criteria, such as skin colour. However the Equality Act permits charities to benefit people defined by reference to 'protected characteristics' provided this is justified with reference to the charities purpose. This is a complex area of law and Fund Holders are asked to contact the Charitable Funds Team where in doubt.

Personal (or 'private') benefit is 'incidental' where (having regard to both nature and amount) it is a necessary result or by-product of carrying out the purpose.

The question of incidental personal benefit may arise in relation to expenditure on professional education, training, development and attendance at conferences. In these circumstances, the public benefit (e.g. the advancement of education through the presentation of new knowledge to a conference) must be weighed against the private benefit (advancement of personal profile, networks and career prospects) and the former *must* outweigh the latter for the expenditure to be charitable.

The question also arises in the case of staff social functions, e.g. Christmas parties. The justification for subsidies to social functions is that it improves staff morale and thereby leads to better care of patients. In practice, this is hard to demonstrate. The DBTH Charitable Funds policy is to support to one event a year and not to use charitable funds for the purchase of alcohol, in line with Trust Expenses Policy.

### ***Consistent with the objectives of restricted fund***

In addition to the objects of DBTH Charity as a whole, the charity maintains a register of objects for restricted funds. These typically restrict expenditure to a particular ward, clinic, group of patients, field of research etc. Expenditure from restricted funds must be consistent with fund objects.

### ***Additional, enhanced and maintained services***

The Charity Commission says that NHS Charities should not fund items that the NHS body is legally bound to fund. In practice, this is a very limited exclusion. Although the Secretary of State is required by statute to promote a comprehensive health service, this requirement has consistently been interpreted by the courts with reference to the resources at his/her disposal. Despite this situation, the range and standard of services to be provided by an individual NHS Foundation Trust has become ever more tightly defined by the regulatory regime. Drawing an objective line as to what an NHS body is 'legally bound' to fund is, therefore, problematic.

DBTH Charitable Funds must consider the perceptions of donors when approving expenditure. Many supporters have an expectation that their gifts will fund items or activities that are 'over and above'

the 'core service' that should be funded from exchequer sources, regardless of the difficulty in establishing precisely what an NHS body is legally bound to fund. Unless these supporter expectations are met, gifts will not be forthcoming and so expenditure decisions must also take into account the subjective views of donors, in so far as these can be discerned and generalised.

Charitable funds may therefore be used to:

- provide a new **additional** service or facility where DBTH has no obligation to provide the service or facility and no exchequer resource to do so; or
- **enhance** an existing service or facility (where exchequer funds provide a certain level of service but additional funding could improve the level and quality of the provision); or
- **maintain** an existing service or facility on a time limited basis, normally of no more than one year. This might be to 'bridge' a gap in research or service programme or for a 'pilot project' where there is a reasonable prospect of securing long-term exchequer funding.

Every spending decision should be patient-focussed and should address patient needs as directly as possible, although not every piece of spending will be directly on patient services or facilities.

The Trustees will always consider the following issues, and expect those acting under delegated authority to do likewise:

- How far the spending is removed from the patients and the needs that have brought them into the care of the NHS body. Links to patient benefit from the proposed spending must not be tenuous.
- The value for money to be achieved by the proposed spending.
- Fit with donors' reasonable expectations of how their donations would be used. Would donors view some spending as substituting for exchequer funding, especially for core services? Or as frivolous or unlikely to be effective in benefiting patients?

**APPENDIX 5 – EXPENDITURE REQUEST FORM FOR THE CHARITABLE FUNDS DEVELOPMENT COMMITTEE**

Name of Project:

Prepared by:

(name)

(contact details)

Department:

Reference number:

(to be provided by Charitable Funds team)

Amount requested:

Estimated timeframe of spend:

Description of project:

Which site(s) does the project relate to?

How would it benefit patients over and above what is ordinarily expected?

How would it benefit staff over and above what is ordinarily expected?

Have quotes/costings been provided or are they estimates? (if estimates, the Charitable Funds Development Committee may seek costings on a case-by-case basis)

Please provide a breakdown of the estimated costs (please seek advice regarding VAT)

Are there any ongoing costs that are expected? Who will be meeting those costs?

Has the expenditure been approved in principal (if relevant) by:	
	Yes/No/Not Applicable
Division	
IMT Group	
Medical Equipment Group	
Estates Group	

Have any ward/department Trust funds been approached for funding? If so, what was their response?



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Has any fund raising taken place for the expenditure, or is planned? (Please note that this is not a prerequisite for funding)
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This form will be submitted to the Charitable Funds team within Finance, who may ask for additional information or clarification prior to the next Above and Beyond Committee meeting, which are held on a monthly basis.

## APPENDIX 6 - EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/ Strategy	Division	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
CORP FIN 8 v4	Finance	Matt Bancroft	Existing	27/9/22
<b>1) Who is responsible for this policy?</b> Name of Division/Directorate: Finance				
<b>2) Describe the purpose of the service / function / policy / project/ strategy?</b> Sets out Trust process fro charitable funds				
<b>3) Are there any associated objectives?</b> Comply with Standing Orders, Standing Financial Instructions and the Bribery Act 2010. Also to accord with NHS England guidance				
<b>4) What factors contribute or detract from achieving intended outcomes?</b> – None				
<b>5) Does the policy have an impact in terms of age, race, disability, gender, gender reassignment, sexual orientation, marriage/civil partnership, maternity/pregnancy and religion/belief?</b> Details: [see Equality Impact Assessment Guidance] - No				
<input type="checkbox"/> <b>If yes, please describe current or planned activities to address the impact</b> [e.g. Monitoring, consultation] –				
<b>6) Is there any scope for new measures which would promote equality</b> N/A				
<b>7) Are any of the following groups adversely affected by the policy?</b> No				
<b>Protected Characteristics</b>	<b>Affected?</b>	<b>Impact</b>		
a) Age	No			
b) Disability	No			
c) Gender	No			
d) Gender Reassignment	No			
e) Marriage/Civil Partnership	No			
f) Maternity/Pregnancy	No			
g) Race	No			
h) Religion/Belief	No			

i) Sexual Orientation	No	
<b>8) Provide the Equality Rating of the service / function /policy / project / strategy – tick (✓) outcome box</b>		
<b>Outcome 1</b>		
<i>*If you have rated the policy as having an outcome of 2, 3 or 4, it is necessary to carry out a detailed assessment and complete a Detailed Equality Analysis form – see CORP/EMP 27.</i>		
<b>Date for next review:</b>		
<b>Checked by:</b>	<b>Alex Crickmar</b>	<b>Date: 27/9/2022</b>