

## Policies, Procedures, Guidelines and Protocols

Document Details		
Title	Finance Procedure U1: Charitable Funds Administration	
Trust Ref No	816	
Local Ref (optional)		
Main points the document covers	Principles relating to charitable funds & the procedure for their administration	
Who is the document aimed at?	Staff involved in the administration of charitable funds	
Author	David Court Head of Financial Accounting	
Approval process		
Approved by (Committee/Director)	Deputy Director of Finance	
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No	Date	Amendment
1	November 2012	Minor amendments to terminology & remove references to PCTs
2	November 2015	Amend references to Resource & Performance Committee to say Charitable Funds Committee Appendix A: amend list of funds
3	July 2017	Para 4.8: letters of thanks also required for League of Friends Para 4.8 & 5.2: for donations/legacies in excess of £100k, a letter of thanks from the Chief Executive is required. Para 8.1: new section on receipt of vouchers Appendix A: amend list of funds. Appendix D: amended Gift Aid form
4	June 2020	Para 4.9 Donations over £100k for specific equipment with Trust before order made. Para 5.2 letter of thanks for Legacies
5	November 2023	Cash and Bank Sheets now in Excel and updated the list of Funds in Appendix A.

# Shropshire Community Health NHS Trust

## Finance Procedures

### Section U Charitable Funds U1 Charitable Funds Administration

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#### 1 – Introduction and background

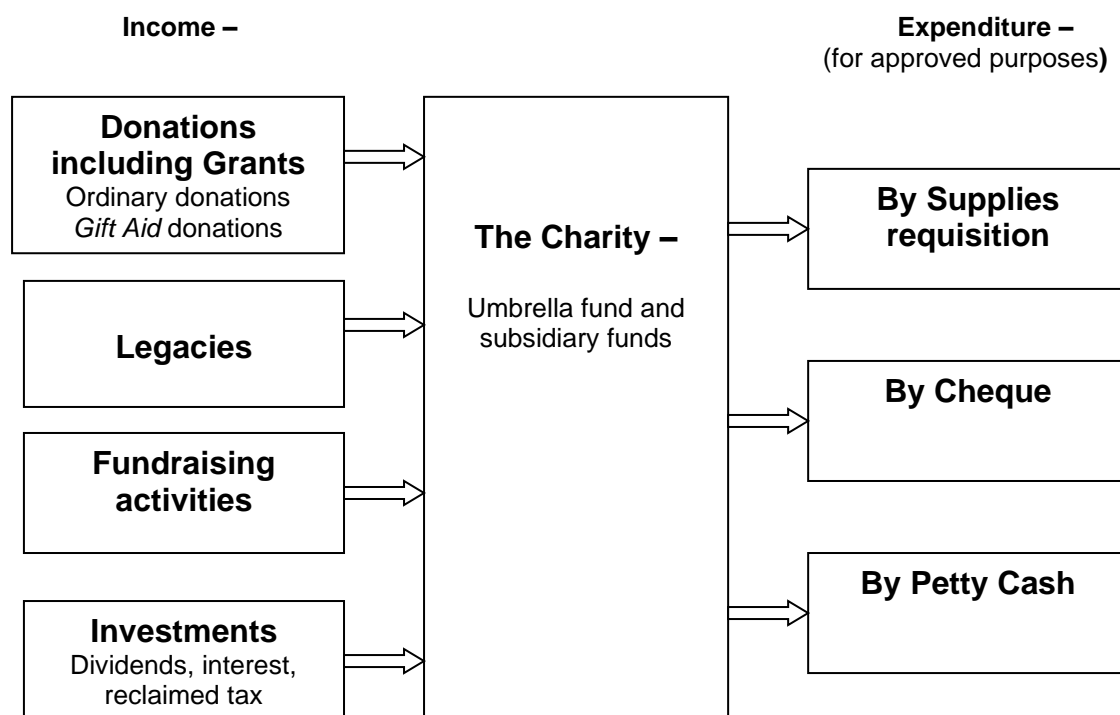
- 1.1 NHS charities must be registered with the Charity Commission. Shropshire Community Health NHS Trust Charitable Fund is registered with the Charity Commission under charity registration number 1056698. The charity is made up of one “umbrella” fund and a number of subsidiary funds. Each of these subsidiary funds has a governing document.
- 1.2 The corporate Trustee of the charity is the Trust Board, and the supervision of charitable funds affairs has been delegated to the Charitable Funds Committee of the Trust. The charity is made up of one “umbrella” fund and a number of subsidiary funds.

#### 2 – General principles

- 2.1 The charity must adhere to: -
  - a) legislation laid down in the Charities Acts of 1992, 1993 and 2011
  - b) the Charities Statement of Recommended Practice (SORP)
  - c) Charity Commission regulations
  - d) advice and guidelines issued by the Department of Health
  - e) Inland Revenue rules concerning taxation matters for charities.
- 2.2 To be a charity an organisation must have purposes that are exclusively charitable. The law accepts four basic charitable purposes: -
  - a) the relief of those in financial need, those who are ill or handicapped
  - b) the advancement of education
  - c) the advancement of religion
  - d) other purposes beneficial to the community not falling under any of the other three headings.

Also, the purpose must be for the public benefit – it cannot be for a specific individual. Most NHS charitable funds fall under the first heading, either directly (for patients) or indirectly (for staff).
- 2.3 Staff welfare and amenity funds are charitable only because their immediate non-charitable purpose of providing benefits to employees is perceived as being conducive to the furtherance of the charitable purpose of the employer i.e., the relief of those who are ill. It is not necessary to distinguish between those employed in administration or support, and those directly involved in patient care. However, the benefits must not go beyond what a good employer would consider reasonable for its staff.
- 2.4 Charitable funds are intended to benefit the recipient. There must be no build-up of balances unless funds are donated for a specific future project.

### 3 – Income & expenditure within the charity



### 4 – Receipt of donations

- 4.1 At the time that a donation is made, an obligation to spend it in a particular way is established and cannot be subsequently amended. Therefore, it is important that any member of staff receiving any kind of donation follows the correct procedures. In most cases the staff will be General Office administration staff, but donations may be given directly to other staff e.g., those providing direct patient care.
- 4.2 Recipients will inform donors of the local charitable funds currently in existence and their purposes and encourage them to give only to those funds (listing at Appendix A). The creation of new funds is to be avoided as this requires the prior agreement of both the Trustees and the Charity Commission. If it is considered appropriate to open a new fund, the Head of Financial Accounting must be informed, and a justification prepared for approval.
- 4.3 Donors are also to be made aware of the Inland Revenue Gift Aid scheme and encouraged to donate by this method if appropriate. The charity will reclaim tax from the Inland Revenue at the basic rate, provided that the donor is already paying tax. An information leaflet is available from General Offices or the Finance Department, together with a simple Gift Aid Declaration form, also given at Appendix D.
- 4.4 For every donation received a three-part, pre-numbered “Donation Acknowledgement Receipt” form (copy at Appendix B) is completed. The exception is for the League of Friends who only receive a normal banking receipt. These forms are held by General

Office staff and senior nursing staff. Gift Aid Declaration forms are also available from these locations. Staff receiving donations will deposit them as soon as possible with one of the above people who will complete the form. The form is in triplicate: -

- The top copy is given or sent to the donor as a receipt.
- The second copy is sent to the Finance Department together with the donation.
- The third copy is retained in the book.

Donors querying the purpose of the form can be told that it is required to comply with the Charities Acts. By completing and signing the form, they are acknowledging that the donation is to form part of the charity's umbrella fund and is to be used for the purposes of the subsidiary fund that they have selected.

- 4.5 If appropriate, a Gift Aid Declaration form is given to the donor to complete and return.
- 4.6 Donations that have been acknowledged/receipted by staff other than General Office administration staff will be deposited as soon as possible with a cashier at the appropriate General Office, together with the second copy of the "Donation Acknowledgement/Receipt" form, and any Gift Aid Declaration. Outside General Office opening hours, donations and forms must be kept under lock and key until deposited with the General Office.
- 4.7 General Office staff will check that the amount of the donation matches the details on both the "Donation Acknowledgement/Receipt" form and any Gift Aid Declaration, then deposit the cash or cheque in the safe until banked. They record the following details on the cash collection and banking sheet in Excel: -
  - a) charitable fund name and number
  - b) donor's name
  - c) type of donation e.g., legacy, donation, fundraising proceeds. If the line entry relates to a Gift Aid donation, the words "Gift Aid Donation" must be clearly stated, as it is from this entry that the Charity will calculate the reclaim due.
  - d) amount of the donation
  - e) Donation Acknowledgement/Receipt number.
- 4.8 General Office/Departmental staff will prepare a letter of thanks for the donor, appropriately worded for the circumstances, and confirming both the use to which the funds will be put and the name of the fund. This is sent with the Donation Acknowledgement/Receipt form if the donor has not already been given it. Where the donation is in excess of £100,000 a letter of thanks from the Chief Executive is required.
- 4.9 Donations over £100,000 for specific equipment are required to be deposited with the Trust, before or at the point the Trust enters into a contractual obligation to purchase the equipment.
- 4.10 Charitable funds cash and cheques are banked at least weekly and at each month end into the Trust charitable funds bank account, via the local branch of the National Westminster Bank. The total of each banking is entered on the cash collection and banking sheet in Excel.
- 4.11 At the end of each month the General Office staff send the following to the Finance Department: -
  - a) the cash collection sheets
  - b) the second copy of the Donation Acknowledgement/Receipt form
  - c) Gift Aid declarations
  - d) copies of any letters of thanks
  - e) copies of any other supporting documentation

The Financial Accounting Assistant posts the receipts monthly via the Oracle Accounts Receivable sub-ledger to the appropriate fund in the General Ledger and files the documentation. Any missing documentation from the above list is followed up immediately.

## **5 – Legacies**

- 5.1 Any approach regarding a possible legacy must be passed immediately to the Head of Financial Accounting. Where it is necessary to obtain grants of probate or to make application for the grant of letters of administration to obtain the legacy, the Director of Finance will be the Trust's nominee for that purpose.
- 5.2 After receipt of a legacy the Finance Department will inform the relevant General Office/Departmental staff. The staff will then prepare a letter of thanks for the legacy, appropriately worded for the circumstances, and confirming both the use to which the funds will be put and the name of the fund.
- 5.3 Where the legacy is in excess of £100,000 a letter of thanks from the Chief Executive is required.

## **6 – Fundraising activities**

- 6.1 The charity does not itself generally engage directly in fundraising activities but is prepared to encourage and promote such actions by individuals and groups. By raising money and then donating to a particular fund(s) it is possible to take advantage of the Gift Aid scheme operated by the Inland Revenue (see 4.3 above).
- 6.2 Further income is generated from the proceeds of the Shropshire NHS staff lottery. The Trust's share of the proceeds is received into the General charitable fund.
- 6.3 Staff may run small raffles as part of an entertainment e.g., a dance, jumble sale, dinner, concert, sporting event etc. Refer to Appendix E.

## **7 – Expenditure from charitable funds**

- 7.1 Charitable funds must be used for the purposes for which they were donated and must be applied with complete fairness between those who are properly qualified to benefit from them. Expenditure requests must not be for goods or services for which funds are available from other sources e.g., statutory services financed through Exchequer Funds.
- 7.2 The value of an expenditure request must not exceed the fund's balance. If such a request is received by the Finance Department, it will be returned to the appropriate manager.
- 7.3 All expenditure requests are made by completing the duplicate "Charitable Funds Expenditure Request" (copy at Appendix C), authorised by the appropriate manager according to the Trust Scheme of Delegation. The top copy (white) is sent to the Senior Financial Accountant in the Finance Department. The bottom copy (blue) is retained in the book for reference. The form allows for the three standard methods of purchasing goods or services, listed in paragraphs 7.4 to 7.6 below.

- 7.4 If remote working “Charitable Funds Expenditure Request” forms will be copied by the Finance department and sent via email for completion.
- 7.5 Ordering through the Oracle electronic requisitioning system  
This is the preferred method, as laid down in the Trust Standing Financial Instructions. An Oracle requisition is raised once the Charitable Fund Expenditure Request is authorised.
- 7.6 Request for the issue of a cheque  
A cheque may be requested only when use of the requisitioning system is impractical. The request form must be accompanied by adequate supporting documentation, including where the cheque is to be sent and why ordering this way is necessary.
- 7.7 Use of petty cash  
This is used for small items costing less than £50, generally purchased to improve the environment. Cash is released by the General Office on the production of the authorised request form. If the item has not yet been purchased, a temporary receipt is issued to the recipient who has 48 hours to return with evidence of expenditure and any unspent cash. A permanent receipt is then issued. The General Office staff, when completing the usual petty cash claim, will include this in charitable funds expenditure. Note that there is no separate charitable funds petty cash float. Funds are issued from the main float and a recharge made at the end of the accounting period.

## **8 – Receipt of Vouchers**

- 8.1 Where a voucher is received instead of a cash donation, a “Charitable Fund Expenditure Request Form” should still be completed for the items purchased with the voucher. The Senior Financial Accountant in the Finance Department should be given all the details to enable accounting records to reflect both the income and the expenditure by means of journal transfer.

## **References & associated documents**

Charity Commission’ “NHS Charities Guidance” (February 2012) available at:  
[http://www.charitycommission.gov.uk/Charity\\_requirements\\_guidance/Specialist\\_guidance/NHS\\_charities/nhsguidance.aspx](http://www.charitycommission.gov.uk/Charity_requirements_guidance/Specialist_guidance/NHS_charities/nhsguidance.aspx)  
Charities SORP  
Leaflet on “Making A Donation To Charitable Funds”

Reviewed By \_\_\_\_\_

Date \_\_\_\_\_

Authorised By \_\_\_\_\_

Date \_\_\_\_\_

# Shropshire Community Health NHS Trust

## Finance Procedures

### U1 Charitable Funds Administration

#### Appendix A List of Charitable Funds

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Fund Number	Fund Name
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#### General Funds

GEN3	Shropshire Community Health Trust General Fund
SCL3	Ludlow Hospital ZH Legacy Fund

#### Patient Welfare Funds

PCN1	North Locality Patient Welfare Fund
PCS1	South West Locality Patient Welfare Fund
PCW1	S&A Locality Patient Welfare Fund
PCE1	Telford/South East Locality Patient Welfare Fund
SCB1	Bridgnorth Hospital Patient Welfare Fund
SCL1	Ludlow Hospital Patient Welfare Fund
SCS1	Bishops Castle Hospital Patient Welfare Fund
SCW1	Whitchurch Hospital Patient Welfare Fund
PC25	Shropshire Community Physio Patients Welfare Fund
PC27	Oswestry Primary Care Centre Patient Welfare Fund
PC28	APCS Patient Welfare Fund
PC30	DAART Patient Welfare Fund
CEC1	Children's Directorate Patient Welfare Fund
PC33	Respiratory Patient Welfare

#### Staff Welfare Funds

SCB2	Bridgnorth Hospital Staff Welfare Fund
SCL2	Ludlow Hospital Staff Welfare Fund
SCS2	Bishops Castle Hospital Staff Welfare Fund
SCW2	Whitchurch Hospital Staff Welfare Fund
PCN5	North Locality Staff Welfare Fund
PCS4	South Locality Staff Welfare Fund
PCW2	S&A Locality Staff Welfare Fund
PC29	Oswestry Primary Care Centre Staff Welfare Fund
PC32	APCS Staff Welfare
PCE2	Telford/South East Locality Staff Welfare
PC34	Respiratory Staff Welfare

**SHROPSHIRE COMMUNITY HEALTH NHS TRUST**

**Donation Acknowledgement/Receipt**

**Registered Charity No. 1056698**

I \_\_\_\_\_

**Donor's name**

of \_\_\_\_\_

**Donor's address**

\_\_\_\_\_

donate to Shropshire Community Health NHS Trust  
Charitable Funds

the sum of £ \_\_\_\_\_ for the general purposes of that  
charity

**Amount of donation**

Without imposing any trust, I desire they use this donation  
to benefit

\_\_\_\_\_ fund

**Fund name**

reference no. \_\_\_\_\_

**Fund number**

Donor's signature \_\_\_\_\_

Date \_\_\_\_\_

Recipient's signature \_\_\_\_\_

Recipient's name \_\_\_\_\_



**Shropshire Community Health NHS Trust****Charitable Funds Expenditure Request Form**

Charitable Fund Name : \_\_\_\_\_ Fund Number : \_\_\_\_\_

Please tick as appropriate :-

1. [    ] Oracle requisition number : \_\_\_\_\_
2. [    ] Please issue a cheque payable to : \_\_\_\_\_
3. [    ] Please issue cash (receipt for purchases and/or unspent cash to be passed to General Office within 48 hours)

Items to be purchasedCost (£.pp)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Requested by : \_\_\_\_\_ Authorised by : \_\_\_\_\_ Date : \_\_\_\_\_

Notes

1. Authorisation limits are as follows :-

Budget holder	Up to £20,000
Budget manager	Up to £3,000
Resource manager	Up to £1,000
2. Top copy of completed form to be sent to the Finance Department at Mt. McKinley

**Shropshire Community Health NHS Trust Charitable Fund****Registered Charity No. 1056698****Gift Aid Declaration Form**

Using Gift Aid means that for every pound you give, we can get an extra 25 pence from the Inland Revenue, which helps your donation to go further e.g. £10 can be turned into £12.50 just so long as donations are made through Gift Aid.

So if you want your donation to go further, Gift Aid it. Just complete this form and hand it back to us.

**My Details**

*I want the donation I made on \_\_\_\_\_ for £ \_\_\_\_\_ to be Gift Aid*

*First name* \_\_\_\_\_ *Surname* \_\_\_\_\_

*Address* \_\_\_\_\_

\_\_\_\_\_

*Postcode* \_\_\_\_\_

*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.*

*giftaid it*

# Shropshire Community Health NHS Trust

## Joint Financial Procedures

### U1 Charitable Funds Administration

#### Appendix E Organisation of Raffles

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1. To protect the general public from fraud, all lotteries and raffles, even very small ones, are subject to complex rules under the Lotteries & Amusements Act 1976 and the National Lotteries Act 1993. Staff wishing to raise income for any of the charitable funds administered by the Trust may be involved in only two forms of raffle; the Shropshire NHS staff lottery and small raffles incidental to an entertainment e.g. a dance, jumble sale, dinner, concert, sporting event etc.
2. A notice must be displayed at the event stating the purpose of the fundraising activity, detailing the prizes, and showing the name of the person promoting the raffle.
3. No monetary prizes are allowed.
4. Tickets may only be sold on the premises, at the event.
5. The result must be announced during the event.
6. All tickets must be the same price. No discount for quantity.
7. The maximum amount that may be deducted from the proceeds of the entertainment (including the proceeds of the raffle itself) to pay for raffle prizes is £250.
8. The raffle must not be the only or main inducement to persons attending the event.

If there is any doubt at all about the procedures for conducting a raffle, or any other fundraising event, contact the Financial Accounting section of the Finance Department for guidance.