

Charitable Funds Committee

Terms of Reference

1. Committee name and purpose

- 1.1. The Committee is named as the 'Charitable Funds Committee'. It is formed by the Board, acting as the Directors of the Corporate Trustee.
- 1.2. The Committee is formed to-
 - 1.2.1. Have oversight, on behalf of the Board of the Corporate Trustee, of the operation of the Charity
 - 1.2.2. Approve applications for the use of charitable funds in accordance with the approved Scheme of Delegation
 - 1.2.3. Consider the future strategy of the Charity, and make recommendations to the Board of the Corporate Trustee accordingly
 - 1.2.4. Consider proposals for major fundraising campaigns, and make recommendations to the Board of the Corporate Trustee accordingly.
- 1.3. The *General Orders for Committees* form part of these Terms of Reference.

2. Membership and quorum

- 2.1. The Committee is formed of the following who will have voting rights:
 - 2.1.1. Three Non-Executive Directors
 - 2.1.2. The Director of Finance
 - 2.1.3. The Chief Medical Officer
 - 2.1.4. The Director of Strategy, Research and Innovation
 - 2.1.5. The Chief Executive
- 2.2. The following are expected to regularly attend meetings of the Committee but they will not have voting rights
 - 2.2.1. The Director of Governance
 - 2.2.2. The Associate Director of the Charity
 - 2.2.3. The Charitable Funds Accountant
 - 2.2.4. The Trust Secretary
- 2.3. The Board may appoint Associate Non-Executive Directors to attend the meeting but they will not have voting rights.
- 2.4. The Board may appoint up to 3 additional lay members to the Committee to serve a term of no more than 3 years where the Community, Staff or Patient representative furthers the interests of the Charity and brings an independent perspective or skills to enhance its governance. Lay members will receive agendas and papers at the same time as other members but will not have voting rights. Lay members are required to commit to the minimum attendance of 80% of meetings in any financial year.
- 2.5. The Director of Governance will be the lead Executive Director for the Committee.
- 2.6. The Chief Executive retains voting rights and is invited to all Committee meetings but is not required to attend on a regular basis.

- 2.7. The Committee has the right to exclude some or all non-members from its meetings should it judge that to be convenient.

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 Charitable Funds Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion invested in, or exercised, by the Committee.

3. Meetings

- 3.1. The Committee shall meet at least six times a year, to a schedule agreed in advance as part of the annual calendar of meetings.
- 3.2. The Committee shall also meet for the purpose of consideration of business cases only, to a schedule agreed in advance as part of the annual calendar of meetings.

4. Chair's Decision Making Outside of Meetings

- 4.1 The Chair has the authority to exercise a decision outside of the Charitable Funds Committee for expenditure requests between £5,001 and £25,000. The Chair will take the following actions:
 - 4.1.1 Email all voting Committee members requesting their input/view by a given date.
 - 4.1.2 Where requests for further clarification or information are received by the given date, the decision will be deferred until all facts are known or for consideration at the next Committee meeting.
 - 4.1.3 Provided that the Committee quorum of at least three members, one of which must be a Non-Executive Director and one must be an Executive Director, agree with the decision, the Chair may take Chair's action on requests outside of Charitable Funds Committee meetings.
 - 4.1.4 Decisions taken by Chair's action will be reported at the next meeting of the Committee.
 - 4.1.5 The Chair does not have authority to consider requests above £25,001 but may convene an additional Committee meeting where an urgent decision is required, ensuring that quorum is reached.
- 4.2 Where further clarification or information is sought on a matter as a result of discussion at Charitable Funds Committee, the Committee may delegate authority to the Chair to approve the request outside of the Charitable Funds Committee once all outstanding enquiries have been responded to in a satisfactory manner.

5. Specific duties and responsibilities

- 5.1. Approval of policies and procedures pertaining to the management of charitable funds, including fundraising, acceptance and expenditure of funds, charity safeguarding, charity reserves and investment of funds.
- 5.2. Consider any internal or external audit reports of charitable funds, (including the adequacy of any management response) in liaison with the Audit and Risk Committee; and advise the Board of the Corporate Trustee accordingly.

- 5.3. Adhere to the principles and responsibilities of trusteeship as defined by the Charity Commission; and ensure that the Trust's charitable funds are managed in line with the rules and guidance provided by the Commission. Full guidance for those that have a formal or informal role in the management of NHS Charities here [NHS charities guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/nhs-charities-guidance).
- 5.4. Oversee relationships with other charities and other bodies.
- 5.5. Assess the available assurance that procedures ensure all donations and legacies are appropriately accounted for, and that any terms and conditions attached to them are complied with.
- 5.6. Approve the establishment of all new designated charity funds.
- 5.7. Review and approve expenditure plans where required under the ESNEFT policy for the management of charitable funds.
- 5.8. Approve expenditure requested for charitable funds over £5,001 and under £250,000; and make recommendations to the Board of the Corporate Trustee on all requests at or over £250,000. The Committee must seek assurance prior to approval that the ESNEFT business case framework and processes have been completed particularly where capital and revenue cases may present a future potential employment or financial liability to the NHS Trust and be assured that ESNEFT has agreed to including these future liabilities and future risks in their future business planning.
- 5.9. Ensure that expenditure requests for charitable funds are of a charitable nature and would not more appropriately be met from Exchequer funding. In accordance with Charity Commission guidance, for corporate NHS trustees the underlying issue is not that certain types of spending are automatically ruled out with regard to the charitable funds. The Committee on behalf of the Corporate Trustee must be able to demonstrate that, before applying charitable funds towards service delivery, there has been a clear and open decision- making process. The public and patient benefit test, additionality and public perception tests should also be met. That process must be independent of ESNEFT's decisions concerning the use of its exchequer funds.
- 5.10. Review the investment strategy for the Charity, and monitor the performance of investments; and appoint and monitor the performance of any investment advisors.
- 5.11. Receive and review regular financial monitoring reports for the Charity.
- 5.12. Receive and consider the annual report and accounts for the Charity, prior to submission to the Board of the Corporate Trustee for approval.
- 5.13. To consider any other return required by the Charity Commission or other regulatory body for the Charity.
- 5.14. Receive and review the fundraising strategy for the Charity; and review regular fundraising reports.
- 5.15. Review policies and procedures for internal control arrangements operating for charitable funds.
- 5.16. Approve fundraising appeals or projected fundraising requests between £5,001 and £250,000; and make recommendations to the Board of the Corporate Trustee for appeals or projected requests targeting more than £250,000.

Committee review: 23 July 2024

Approved by Board: 5 September 2024 TBC

Next review: July 2025