

CHARITABLE FUNDS POLICY	Type: Policy Register No: 05007 Status: Public
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4.1	Charitable funds Committee Update :line management, sample of expenditure, payment request form, gift aid	July 2016
5.0	Charitable funds Committee –replace authorising signatories for charitable funds to read the Managing Director and Site Director of Finance, and also increase levels of authority required for general expenditure.	20 March 2018

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1.0 Purpose

- 1.1 The purpose of this policy is to provide guidance to all members of staff relating to NHS charitable funds and how to use them. It contains the basic information required to operate charitable funds and advice to ensure that Mid Essex Hospital Services NHS Trust complies with its obligations as a registered charity.

2.0 Introduction

- 2.1 This guide contains the basic information required to operate the charitable funds, within Standing Financial Instructions and Trust, Charity and Common Law by which Mid Essex Hospital Services NHS Trust is bound.
- 2.2 Charitable property within the Trust is defined as all property received, held and administered by Mid Essex Hospital Services NHS Trust for any purpose related to the health service, which is not the statutory responsibility of health authorities and does not originate from the exchequer, nor part of Government funding.
- 2.3 All the members of the Trust Board are members of the Charitable Fund Committee as acting agents of the “corporate trustee”. One executive director and two non executive directors (one of whom will be appointed as chairman) will be appointed to act on behalf of the Committee. The appointed Committee members will also be able to appoint up to four additional non-voting members to give help and advice.
- 2.4 The charitable trust fund holder is nominated by Mid Essex Hospital Services NHS Trust to be responsible for the day to day running of the charitable fund. However, the ultimate responsibility for all such funds remains with the Charitable Funds Committee (a sub group of the Trust Board) and ultimately the Trust Board. It is an obligation of all charitable trust fund holders to spend the funds which they have been donated and not to accumulate large balances.
- 2.5 The following procedures should ensure our compliance with the regulations governing the administration of NHS Charitable Funds. To ensure that the Trust is protected from any criminal liability (failure to comply can result in legal action and fines), it is necessary to centralise all documentation appropriate to charitable activity e.g. letters of thanks, donations, requisitions, cheque requests, etc through the Charities Office.
- 2.6 Mid Essex Hospital Services NHS Trust Charitable Fund is registered with the Charities Commission under registration number 1048542
- 2.7 The following guidelines should ensure that the administration of both the income and expenditure from charitable funds complies with all legislation currently in force.

3.0 Scope

- 3.1 All donations received by staff in the course of their employment must be paid into an appropriate charitable fund.
- 3.2 Trust employees are prohibited from holding external funds and accounts for money received as a result of their employment by the Trust. No other bank, building society or other savings or deposit account may be opened in the name of the Trust, or any name that could be understood to be connected with the Trust.

3.3 Benefits which accrue to fund holders include:-

- VAT exemption on purchases of medical and surgical equipment and computer equipment to be used for research, training, diagnosis or treatment
- Tax paid on investment income is reclaimed from the HM Revenue & Customs
- Tax paid on appropriate donations is reclaimed from the HM Revenue & Customs.

4.0 Responsibilities

4.1 Trust Board

The ultimate responsibility for the appropriate management of charitable funds. The practical organisation and decision making devolved to the Charitable Funds Committee.

4.2 Charitable Funds Committee

Management of charitable funds and approval of all charitable activity Trust-wide.

4.3 Chairperson of the Charitable Funds Committee

Chair the meetings of the Charitable Funds Committee.

Take Chairman's Action on minor items of funding up to £2000 which is reported at the following meeting.

4.4 Head of Communications and Patient Engagement

Line management of all charities staff, however objectives will be set by the Charitable Funds Committee.

4.5 Charities Manager

Administration of all charitable funds activity on behalf of the Trust Board and Charitable Funds Committee.

4.6 Trust Fund Holders

Management of allotted funds on a day to day basis.

4.7 All Members of Staff

Any members of staff accepting donations both financial and/or goods. For details, please refer to Item 4 – Income.

5.0 How to Set up, Manage and Close a Charitable Fund

5.1 Fund-holders must be contracted employees of Mid Essex Hospital Services NHS Trust and funds may only be set up for charitable purposes, which are in the best interest of all patients and staff.

(Refer to Appendix 1 Procedure Flowchart: How to open a charitable fund)

5.2 Monies received for a specific purpose remain part of Mid Essex Hospital Services NHS Trust registered charity number 1048542. They are identified by an individual trust fund number and used solely for the purpose intended by the donor, for as long as that purpose can be fulfilled. If this is dormant for more than 4 years, the funds will be transferred to the general purpose fund which fulfils the purpose of the donation in accordance with Charity Law.

- 5.3 It is a requirement of the Charities Act 1992 that all charities must be registered with the Charity Commission. To facilitate this, anyone wishing to establish a charitable fund should contact the Charities Manager to discuss the requirements, suitability and compliance issues.
- 5.4 The charitable funds policy is issued to all new fund holders by the Charities Office.
- 5.5 Training and advice about how to use the charitable funds policy and clarification on all charitable funds activity is provided on an individual basis to all new fund holders by the Charities Manager. The fund holder should cascade this information to all members of staff, alternatively arrange for training to be undertaken by the Charities Manager. The charitable funds policy is available to all staff from the Charities Office or via the intranet.
- 5.6 The new fund holder must complete and return the Trust instrument form provided by the Charities Office. The Trust instrument will be used as the basis of the document ultimately sent to the Charity Commission.
- 5.7 The new fund holder must complete and return the sample signature form provided by the Charities Office. Sample signatures are kept on file by both the SERCO financial controls team and the Charities Office to ensure that all expenditure is appropriately authorised, and for no other purpose. All new funds are required to have two designated signatures. If the first signatory is a sister or department manager, then the second signatory should be a relevant consultant or general/divisional manager. When the first signatory is a lead nurse, then the second signatory will be a consultant or service director.
(Refer to Appendix 2 Procedure Flowchart: Expenditure – levels of authority required)
- 5.8 On completion all documents should be returned to the Charities Manager who will ensure that copies are forwarded to the appropriate offices. Once a fund has been established, it will be allocated a trust fund number and the first signatory will receive monthly statements detailing income and expenditure.
- 5.9 Designated fund-holders are responsible for the day to day running of their charitable funds and are obliged to spend the funds which have been allocated and not accrue large balances which are against NHS Charities Guidance section F.3.1. Accruals without current spending plans will be transferred to the general purpose fund which can meet the charitable aims of the donation.
(Refer to section 8 spending charitable funds and see Appendix 11 – spending plan form)
- 5.10 Mid Essex Hospitals Services NHS Trust charitable funds committee oversees the administration of all charitable monies donated to the Trust. Where funds are not used within maximum of four years, and do not have a current spending plan to justify any accruals, the Trustee reserves the right to allocate these funds to another fund holder for the charitable purpose intended.
- 5.11 All new fund codes after the 1st October 2013 will be allocated to accepted unrestricted funds only in line with Charity Commission guidance.
- 5.12 Fund codes issued prior to 1st October 2013 are for expenditure only unless the income is accepted by the Trustees as “restricted” use i.e. grant or legacy income.

Once the fund reduces to a zero balance, or can no longer be used for the purpose originally intended within the 4 year period recommended in the Charity Commission guidance, the account will be closed/ merged and funds transferred to the general purposes fund.

6.0 Income

- 6.1 All charitable income received by the Trust will in the first instance be paid into Mid Essex Hospital Services NHS Trust General Purpose Charitable Funds unless a specified area/ward/department is requested by the donor in writing.
- 6.2 Income may be received via departments and wards by members of staff. This can take the form of donations from patients, patient's relatives and friends, colleagues, fundraising events, or from voluntary groups. Where charitable income is intended for ward/ department purposes, these should be credited to general purpose or patients amenities charitable funds unless the donor specifically requests otherwise, i.e. for staff amenities funds.
- 6.3 Every donation received will be acknowledged by letter by the Mid Essex Hospitals Charitable Funds Committee. To ensure that this is done in a timely manner a donation slip must be fully completed with all the necessary information paying particular attention to the tax statement and the postcode requirement. Every ward/department is issued with a sequentially numbered donation paying in book as recommended by internal audit and external audit – further supplies of paying in books are obtained from the Charities Office.
- 6.4 All income received must be paid into the appropriate charitable fund at the cashiers office within three days and must not be held in any other way. A receipt will be issued by the cashier for cash transactions. It is illegal for any monies to be kept outside Mid Essex Hospitals charitable control, i.e. in cash, bank or building society accounts held elsewhere.
- 6.5 It is a Mid Essex Hospital Services NHS Trust requirement via the Conflict of Interest/Receipt of Hospitality Policy and also very clearly laid down in the Professional Codes of Conduct that staff should not accept or solicit gifts or money for personal use.
- 6.6 Gift Aid - This tax benefit will apply to any donation made by an UK taxpayer – no matter how large or small, regular or one off. For every £1 given, the Trust can claim an extra 25p (as at April 2016) for the particular charitable trust fund who will be benefiting from the donation. Donations generated as a result of fundraising events, or memorial collections are exempt. To enable us to benefit in this way, it is essential to demonstrate a clear audit trail from the donor to the donation.
- 6.6.1 Gift Aid can only be claimed on gifts of money from individuals, sole traders or partnerships, in any of the following forms:
- Cash
 - Cheque (only count as received once the cheque has cleared)
 - Direct Debit
 - Credit or debit card
 - Standing order or telegraphic transfer
 - Gifts of money made in sterling or any foreign current.

- 6.7. Payroll Giving – an employee makes an arrangement with their employer to make a pre-tax deduction payable to a charity.
(Further details of the above can be obtained from the Charities Office)
- 6.8 Completion of a Donation Slip - Donation slips must be fully completed and detailed with all information. If the donation is given in memoriam, please state the name of the deceased and the relationship to the donor. If there is a letter accompanying the donation, please attach a copy to the donation slip. If the ward/department would like to send a personal letter, this can either be sent separately or taken to the Cashier with the donation and donation details, to be forwarded by the Charities Office. NB The member of staff accepting the donation MUST sign the donation slip where indicated.
- 6.9 **Cashiers Office**
- 6.9.1 The donation slip should be fully completed and taken with the donation to the general office or cashier situated in the Atrium. A receipt will be provided by the cashier for any cash donations. When the cashier has recorded the donation, the donation slip and any accompanying correspondence will be forwarded to the Charities Office and the appropriate thank you letter and gift aid form will be generated. A copy of the acknowledgement will be sent direct to the charitable fund holder.
- 6.9.2 Where donations are received directly by the Trust, a donation slip will be completed by the cashier or charities office. It will be credited to the appropriate charitable fund and the relevant charitable fund holder advised via the monthly statement and the copy of the acknowledgement letter.
- 6.10 **Legacies**
- 6.10.1 The Site Director of Finance must be kept informed of all enquiries regarding legacies in order to maintain the appropriate records. The Trustees are responsible for ensuring that all legacies are applied as intended by the Testator and only the Site Director of Finance can give discharge to this effect to the Executors.
- 6.10.2 As well as being mandatory on all staff, being a Standing Financial Instruction, the requirement that all correspondence relating to legacies is dealt with by the Director of Finance also ensures a direct line of communication between the Trustees and the Executors.
- 6.11 **Fund Raising Appeals**
- 6.11.1 Before launching any fundraising appeals, the proceeds of which will be paid into a charitable fund, the Charities Manager must be informed so that discussion can take place on the operation of the appeal. All fundraising must conform to the Charities Act 1992.
- 6.11.2 It is incumbent upon fundraisers to ensure all guidance and legal requirements relating to fundraising events are adhered to. Further information can be obtained from the Charities Manager. This will apply equally to fundraising by members of the public and MEHT staff.

- 6.11.3 The charities office must be notified of all fundraising taking place on behalf of Mid Essex Hospitals to ensure that the Trustees are kept aware of all charitable activity for which they have responsibility.
- 6.11.4 Fundraising for staff benefit should not be undertaken by staff such as raffles at Christmas time.
- 6.11.5 No fundraising expenses will be paid by Mid Essex Hospitals unless these have been agreed in writing prior to the event.
- 6.12 **Protocol for the operation of outside Registered Charities on and off Mid Essex Hospitals sites**
- 6.12.1 Registered charities on and off site can join the MEHT Charity Forum and attend quarterly meetings. Membership will consist of any charity or philanthropic group whose mission is for the benefit of MEHT patients.
- 6.12.2 The group will actively seek collaborative projects and programmes for the benefit of MEHT patients through joint grant applications, communications, events and appeals
- 6.12.3 The group will consider sharing resources for best value of their organisations
- 6.12.4 The group will meet quarterly to refer requests for endorsement of grant applications, appeals, communications and fund raising events to the MEHT CF Trustees
- 6.12.5 Any bank accounts must not contain the wording “Broomfield”, “Broomfield Hospital” “St. John’s Hospital” “Mid Essex Hospitals” or Mid Essex Hospital Services NHS Trust” in the name of the account.
- 6.12.6 Any cheques received that have any of the above names included in the payee details must be forwarded to the Mid Essex Hospitals Charitable Funds Office.
- 6.12.7 Agreement must be sought and granted before any events/publicity can occur within the hospital site and is made through the MEHT Charity Forum, and referred, if necessary to the MEHT Trustees.
- 6.12.8 No pro-active fundraising/advertising can take place in any area other than the area/speciality directly benefiting from the charity; and this should be agreed prior to any action, and be in an agreed format Head of Communications
- 6.12.9 Priority will be given to MEHT CF, and members of the MEHT Charity Forum in times of dispute relating to events, venues etc.
- 6.12.10 Any major events taking place on Mid Essex Hospitals sites must be notified to the MEHT Charity Forum and taken, if necessary, to the MEHT Trustees before the event takes place.
- 6.12.11 The name of MEHT or Broomfield Hospital cannot be used without the express permission of Mid Essex Hospital Services NHS Trust. This must be granted by the Charitable Funds Committee or by delegated authority from the Charities Support Officer.

7.0 How to Obtain the Correct Authority

- 7.1 It is the responsibility of charitable fund-holders to obtain all required signatures on any expenditure forms (i.e. non-stock requisitions, cheque requests, petty cash, internal catering requirements) before forwarding these to the charities office for processing. All prices must be clearly shown.
- 7.2 Spending limits per calendar month apply:
- 7.3 Expenditure up to £500 requires fund-holder signatory only.
- 7.4 Expenditure from £501 and up to £2,500 requires fund-holder and second signatories.
- 7.5 Expenditure from £2,501 and up to £5,000 requires fund-holder and second signatories, plus an additional signatory from one of the following: Director of Finance, Director of Nursing or Chief Executive.
- 7.6 Expenditure over £5,001 and £99,999 requires fund-holder and second signatories, plus Charitable Funds Committee approval (Site Director of Finance), or three members of the Trust Board, one to be a non-executive director.
- 7.7 Amounts over £100,000 requires fund-holder and second signatory, plus full Trust Board Approval
- 7.8 The cashiers office, internal catering and medical photography should ensure that appropriately signed copies of expenditure are provided to the Charities Office. Training and advice about how to use the charitable funds policy and clarification on all charitable funds activity is provided on an individual basis by the Charities Support Officer. The charitable funds policy is available to all staff from the Charities Office or via the intranet.

8.0 Spending Charitable Funds

- 8.1 The traditional role of the Charity since 1948 has been to pay for what is additional to those services provided by the NHS. The sort of expenditure will vary greatly but as a rule should not include those items that should rightfully be provided by statutory means. Charitable monies should not be used to replace statutory funding or to offset shortfalls in budgets but rather to supplement what is already provided from revenue funding.
(Refer to Appendix 3 – Flowchart: Spending Charitable Funds)
- 8.2 All charitable income received by the Trust will in the first instance be paid into Mid Essex Hospitals General Purpose (accumulated) fund unless otherwise stated/specified by the donor in writing.

8.3 Patient Amenities Funds

8.3.1 The following list is not comprehensive but rather a guide to the sort of items that may be purchased from these funds. They may include:

- Medical and nursing equipment (this should not include replacement of existing medical equipment purchased with NHS Funds)
- Furniture and fittings (over and above basic requirements)
- Redecoration of day rooms
- Day room furniture and soft furnishings
- Patient chairs
- Video and audio equipment
- Plants, pictures, etc
- Recreational equipment
- Improvement to patient/visitor environment
- Water coolers/coffee machines
- Christmas hospitality - presents, decorations etc
- Aquaria/pets expenses
- Beauty treatment and Aromatherapy (subject to consultant agreement)
- Plaques and inscriptions

8.3.2 Items that could not be purchased include replacement of existing medical equipment purchased with NHS Funds. This includes medical and surgical consumables, i.e. bedpans, dressings, test tubes, chest drainage tubes, etc, and as a general rule - office equipment and stationery (other than for fundraising purposes).

8.3.3 No item may be purchased which will have a revenue consequences i.e. such as running costs, electricity, maintenance charge or consumables, unless these can be met from the trust fund itself or from the user's revenue funded operational budget.

8.3.4 Items that cannot be cleaned in line with the Trust's Infection Prevention Policies may not be purchased.

8.4 Fundraising Expenses

8.4.1 No fundraising expenses can be claimed from Mid Essex Hospital Services NHS Trust without prior agreement from the Charitable Funds Committee.

8.5 Staff Amenities Funds

8.5.1 These funds can be used for the benefit of all staff in a particular ward or department and are usually made up of unsolicited gifts and donations from patients and their relatives. Expenditure that can be met from these funds may include:

- Hospitality - limit being set for social events during anyone year (including Christmas functions) is £20 per head per annum.
- Further education, conferences or research projects.
- Funding for complementary training courses and accompanying expenses.
- Books and professional magazines
- Improvements to staff areas

- Additional furniture for staff areas

8.5.2 One of the purposes for which charitable funds may not be used is to supplement remuneration directly or indirectly for staff. Charitable funds cannot be used for the personal benefit of any individual member of staff. This includes gifts, vouchers, money or the funding of retirement parties (the funding for retirement hospitality is covered further on in this document)

8.6 Special Charitable Funds

8.6.1 These funds are established for a particular specialty or department and are governed by the Charitable Trust Instrument used to set up the fund, i.e. Cancer Research, Neonatal Unit.

8.7 General Purpose Charitable Funds

8.7.1 General purpose funds comprise money that is given for no specific purpose, its use therefore is at the discretion of the Trustees. These general funds are usually held for specific hospitals and therefore have limitations as to which hospital can benefit from the gift. These funds are administered by the Charitable Funds Committee, which meets quarterly to consider applications for these funds. Anyone wishing to apply for funding from the General Purpose Charitable Funds should ask for an application form from the Charities Office – see appendix 9: sample of funding request from general purpose funds. This application must be supported by a detailed business case which clearly outlines the benefit to the Trust and its patients.

8.7.2 Projects which have been funded by the Charitable Funds Committee include:

- Grant towards the NHS Fellowship
- Refurbishment of the bereavement suite and service
- Development of specialised gardens for elderly and dementia patients
- Grant to Hospital Radio
- Improving the courtyard gardens for children's ward
- Hospital Christmas trees
- Retirement grants
- Creating and improving the grounds and gardens
- Surgical equipment for bariatric patients

8.7.3 Expenditure of charitable funds shall always be conditional upon:-

- The correct designated signatory is appropriate for the fund.
- That the expenditure is within the charitable purpose of the fund.
- That the funds are available (no unauthorised overdrawn balances)

8.7.4 Goods purchased from the charity are deemed to have been donated to the Trust and remain the property of the Trust.

8.8 Non-Stock Requisitions

This method should be used for all orders. See Appendix 4 Procedure Flowchart : Non-Stock Requisitions

8.8.2 To ensure that all expenditure complies with statutory regulations, e.g. health and safety, product liability, etc; orders should be placed via the Trusts Procurement Department and follow guidance adopted by the Trust to ensure that suppliers of medical equipment and sundries are on the approved Manufacturer's Registrations List. NHS Supplies will also ensure that:-

- VAT exemption certificates accompany orders for medical equipment purchased from charitable funds.
- Fire regulations on furniture, curtains and soft furnishings are met.
- BME are made aware of electrical equipment being purchased.
- Entries are made on the Asset Register.

8.8.3 On completing a non-stock requisition the following information must be included, if information is omitted it will take longer for the equipment to arrive as the information has to be ascertained prior to ordering.

- **Hospital/Department** - complete details as requested, this information will be the delivery instructions to the supplier and goods receiving officer.
- **Non Stock Requisition Number** - each order is identified by an individual requisition number. Once the requisition has been processed by the procurement office, a copy of the order is provided indicating the Trust's official order number. If a copy is not received, the originator should contact the procurement office direct.
- **Quantity** - indicate the quantity required clearly, if in boxes or packets, please state. Should more than one item of any kind be required, then please ensure that this is reflected in the total amount of the order.
- **Description** - please ensure that as much information as possible is given regarding the items required, if the manufacturer has details or code numbers, please state. Please attach a copy of the estimate or quotation if possible. .
- **Date Required** - please complete a realistic delivery date, some manufactured items can take 6-12 weeks.
- **Budget Sum** - indicate prices if known
- **Expenditure Code** - items being ordered through charitable funds must be coded with the appropriate charitable fund number. This is inserted in the expenditure code section.
- **Line of Authorisation** - for equipment valued over £5,000, ensure the form has been signed by the appropriate authorised signatures and that the Capital Planning Group and Procurement Office have agreed purchase.

8.8.4 Once signatures are obtained, the requisition should to be forwarded to the Charities Manager, Charities Office, Broomfield Hospital.
(Refer to Appendix 10: sample of non-stock requisition form)

8.9 Guidelines for the purchase of medical equipment valued over £7,000 funded from charitable funds

8.9.1 All purchases of medical equipment over £5,000 should be approved by the Investment Group. In order to comply with the Charity Commission and audit guidelines, all equipment purchased should not be to replace equipment previously purchased from exchequer funds or items that would normally be purchased from exchequer. Charitable funds should not be used to offset shortfalls in budgets.

8.9.2 All requisitions for charitable funding will need to be processed by the charities office to ensure compliance with the following guidelines and procedures:

- Requisitions for medical equipment over £5,000 where there is an appropriate charitable fund and sufficient money available will require approval from the Investment Group. It will be checked against any outstanding issues to ensure the equipment is a priority for the department.
- Where money is given by a donor who has requested that it be used towards the purchase a specific piece of equipment, the requisitioner will also require approval by the Investment Group.
- Where the equipment is to be purchased by one of the voluntary groups who support the hospitals such as the League of Friends, WRVS etc permission should be sought from the Investment Group before the equipment is requested.
- Bids for the General Purpose Trust Funds for each hospital must be channelled through the Capital Planning Group to be considered alongside the requests/business cases from exchequer funds. This will ensure that priority is given to areas in most need, revenue consequences are investigated and repair and maintenance issues are addressed.
- In the event of an urgent request – this must be agreed and signed off by the Site Director of Finance before being presented to the Committee.

8.10 Medical Equipment Purchase

8.10.1 This form is to be used as an aide memoir when buying medical equipment to ensure that the requirements of the National Health Service Litigation Authority (NHSLA) are being met. The NHSLA requires that the Trust has a robust system in place to identify any equipment for which the operator requires specialist training to ensure that they have a sufficient understanding of its use to enable them to use it in a safe and effective manner.

NHSLA Requirement	YES	NO	Responsibility of
Have BME Department been asked to ensure equipment is from preferred provider?			Requesting Department
Has a pre-purchase questionnaire (PPQ) been requested from the provider and received back for checking by BME?			Requesting Department/ Procurement Office
Has the PPQ been approved by BME?			BME
Has the provider been asked to give “on the job			Requesting Department

training” to the end user?	
Has the provider been asked to provide the necessary technical training for routine maintenance etc?	Requesting Department/BME
Have the operational and maintenance manuals been provided?	To be checked once goods received by requesting department
Have costings for maintenance service contracts been asked for and received?	Procurement Office
Has a spare parts list and prices been supplied by the provider?	Procurement Office
Has the purchaser identified all relevant costs eg purchase maintenance, revenue including revenue costs such as utility costs?	Procurement Office

8.11 Payment Requests

8.11.2 Where a non-stock requisition is not suitable a payment request may be used. (Refer to Appendix 5 Procedure Flowchart: Cheque Requests)

8.11.2 Cheque requests should always be accompanied by supporting paperwork, either a receipt or evidence of spend and should wherever possible be made payable directly to the organisation, manufacturer or educational establishment concerned. If however on those rare occasions when a payment must be payable to the charitable fund holder, an additional third signature will always be required and receipts for the items must be submitted to the value agreed.

8.11.3 Ward funds - an extra signature is required from the Matron or Consultant.

8.11.4 Consultant/Special Funds - an extra signature is required from the Chief Executive, Trust Site Director of Finance or Trust Director of Nursing.

8.11.4 All payment requests must have the appropriate signatures. When completed they should be forwarded to the Charities Manager, Charities Office, Broomfield Hospital.
(Refer to Appendix 8: sample of payment request form for cheque or BACS payments)

8.12 Petty Cash

8.12.1 Petty cash forms are available from cashiers in general office - this facility should only be used in cases of urgency and up to £150 may be drawn from the charitable fund per month. The petty cash form should be verified by the Charities Office before collecting payment from the Cashiers Office in the Atrium. This facility should preferably be one of reimbursement with receipts/paperwork accompanying the claim. Only in exceptional circumstances will petty cash be paid in advance with receipts being produced retrospectively.
(Refer to Appendix 6 Procedure Flowchart: Other methods of expenditure)

8.13 Estates Department

8.13.1 Work to be undertaken by the estates department for example the refurbishment of a dayroom, enhancing a ward or staff area should be priced out and an estimate provided and agreed by the Charities Office before commencing the work. If the estimate is acceptable it should be signed off in accordance with the necessary level of authority. Copies of the signed estimate should be sent direct to the works department and the Charities Office.

(Refer to Appendix 6 Procedure Flowchart: Other methods of expenditure)

8.13.2 The removal of any pieces of art donated to the Trust and relating to the Broomfield Arts Project should be undertaken by the estates department and reported to the Charities Office.

8.14 Catering

8.14.1 If refreshments are required from the catering department, contact the catering manager direct to request a detailed quotation. If acceptable, ensure that the request for refreshments is ordered by the current signatory for the fund – this can be done via email which should be verified by the Charities Office.

(Refer to Appendix 6 - Procedure Flowchart: Other methods of expenditure)

8.15 Medical Photography

8.15.1 For the production of posters/printing/photography by medical photography, the details must be verified by the Charities Office via email prior to the work being undertaken.

(Refer to Appendix 6 - Procedure Flowchart: Other methods of expenditure)

8.16 Internal Transfer

8.16.1 When services are purchased from another trust fund, i.e. attendance at a course, the most appropriate method of payment is by internal transfer. To obtain a form, please contact the Charities Office. Ensure that the form is signed with the necessary level of authority for the amount involved and forwarded onto the Charities Office.

(Refer to Appendix 6 - Procedure Flowchart : Other methods of expenditure)

9.0 Research

9.1 Any research funded from charitable funds must be charitable in purpose. Principles laid down by the courts for distinguishing between charitable and non-charitable have as their basis the requirement that, to qualify as charitable, research has to be carried out with the aim of achieving a public benefit. Dissemination of research results is usually sufficient to satisfy this requirement.

9.2 All research proposals regardless of value or proposed expenditure of value or proposed expenditure on research related equipment must be consistent with Mid Essex Hospital Services NHS Trust R&D Policy, copies of which can be obtained from the Research and Development Department Office, Broomfield Hospital in the first instance. Furthermore, research can only proceed when the researcher has a letter of Trust Approval. The Trust's Research and Development Co-ordinator is

able to offer a wide range of expertise which may be useful, please contact the R&D office to discuss any ideas at the earliest opportunity.

9.3 Fund holders will be asked to certify that the proposed expenditure is in line with the stated purpose of the fund and is charitable in nature, which means that:

- The research falls within the scope of their charity's purposes and its powers, and is an effective way of fulfilling those charitable purposes;
- The research is well managed and cost-effective
- The research is of good quality
- The research is carried out with the aim of achieving a public benefit
- Results of the research should be published and made available to the public.

9.4 Research that can be construed as commercial research is that where income is derived from income-generating activities by Trust staff on Trust premises using Trust patients or resources – these monies cannot be placed into Charitable funds and must be received into the Trust's revenue account.

9.5 Further clarification can be obtained from the Research and Development Office.

10.0 Use of charitable funds for Staff Leaving, Retiring and Long Service

10.1 Refer to HR Policies: Long Service Awards Policy

10.2 Charitable funds will not be provided towards cash/cheque/gifts in respect of staff leaving, retiring and/or long service.

10.3 Staff retiring with 25 years service will be awarded a £40 contribution towards catering costs in respect of the leaving function.

10.4 Retirement and Long Service Certificates, signed personally by the Chairman of the Trust Board, will be provided by Human Resources for presentation to the individual at an appropriate ceremony or celebration.

11.0 Monitoring and Audit

11.1 Expenditure is monitored on a monthly basis by the Charities Office, and any significant variances reported to the Charitable Funds Committee.

11.2 The Charities Office monitors expenditure for compliance/audit purposes. Any expenditure forms, which do not comply with these procedures, will be referred to the appropriate General Manager/Director, with a copy to the Trust Director of Finance.

11.3 Charitable trust fund holders can monitor funds through monthly statement of accounts, any discrepancy should be reported to the charities office immediately.

- 11.4 Financial information is received by the Charitable Funds Committee from SERCO (financial controls) at the quarterly meetings.
- 11.5 A charitable trust fund holder is nominated by the Charitable Funds Committee to be responsible for the day to day running of the charitable fund, although the ultimate responsibility for all such funds remains with the Committee. There is an obligation of all charitable trust fund holders to spend the funds which they have been allocated and not to accumulate large balances. If this obligation is not appropriately fulfilled, the Charitable Funds Committee may appoint another trust fund holder.
- 11.6 Any suspected theft/fraud must be reported immediately to Counter Fraud.
- 11.7 In the event of theft/fraud a risk event form must be submitted to the Risk Manager immediately and the LSMS informed.
- 11.8 Risk assessment reviews to be undertaken quarterly by the Charitable Funds Committee, trends identified and improvements implemented.

12.0 Administration Costs

- 12.1 The Trust is required to show all administration costs and interest earned on all individual funds. This is a result of Charity Law, which the Trust must adhere to.
- 12.2 The administration costs will be allocated on the average balances per fund, as will interest.

13.0 Communication and Implementation

- 13.1 Training and advice about how to use the charitable funds policy and clarification on all charitable funds activity is provided on an individual basis to managers and new fund holders by the Charities Manager. The fund holder should cascade this information to all members of staff, alternatively arrange for training to be undertaken by the Charities Manager. The charitable funds policy is available to all staff from the Charities Office or via the intranet.
- 13.2 Staff are notified of how to obtain a copy of the charitable funds policy on the website, internal intranet and staff magazine.
- 13.3 Monthly statements are issued to all to trust fund holders showing fund movements and provide information on how to access the charitable funds policy either via the intranet link or direct from the charities office.
- 13.4 How to access the charitable funds policy is attached to trust fund holders paying in book, payment request forms and change of signatory forms.

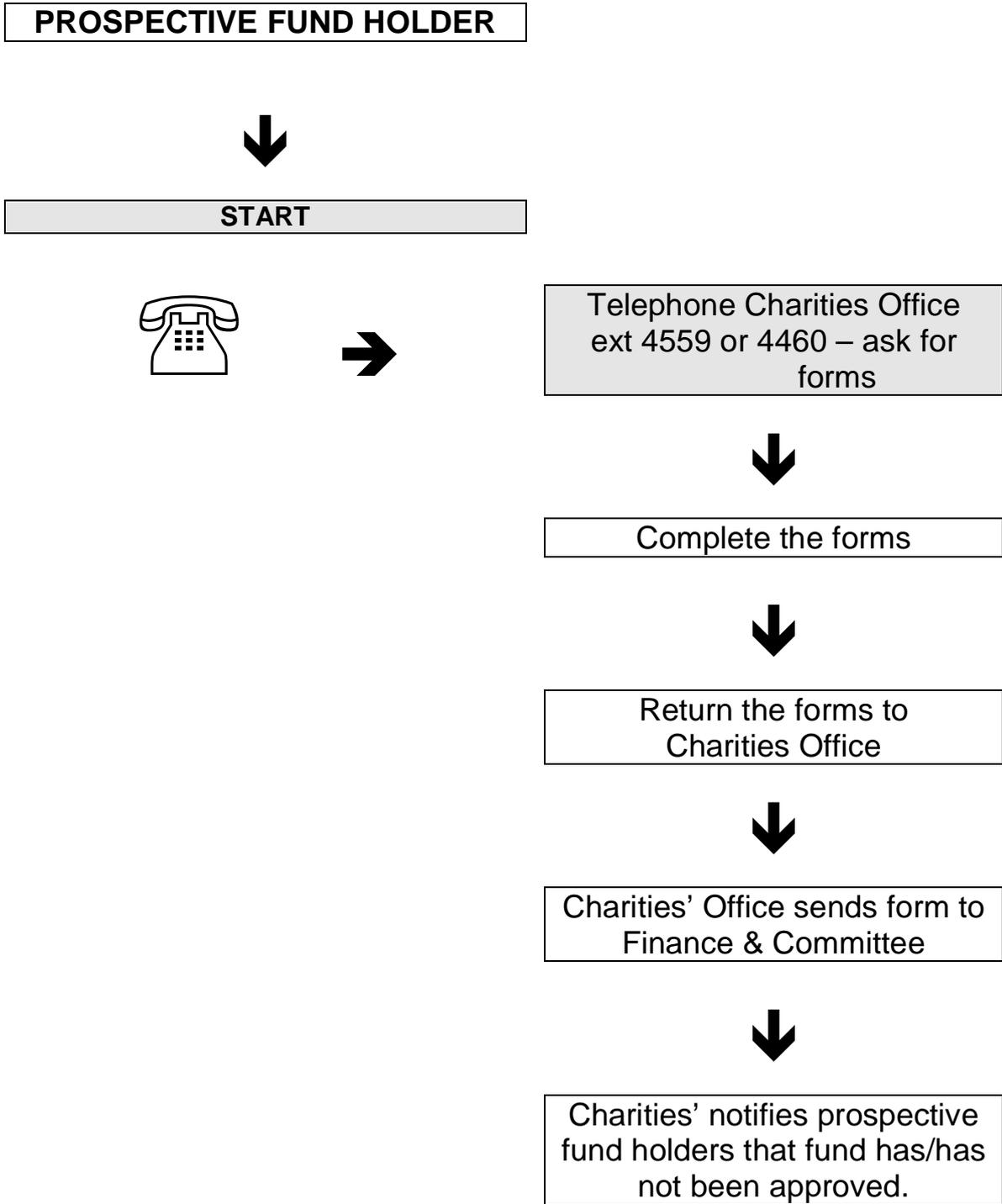
14.0 References:

Standing Order: <http://meht-intranet/documents/corporate-strategic-policies/finance/>
Standing Financial instructions: <http://meht-intranet/documents/corporate-strategic-policies/finance/> /
Charities Acts: www.charity-commission.gov.uk

Statement of Recommended Practice (SORP): www.charity-commission.gov.uk

Appendix 1 – Flowchart: How to Open a Charitable Fund

HOW TO OPEN A CHARITABLE FUND



**THE LEVELS OF AUTHORITY REQUIRED FOR
EXPENDITURE OF CHARITABLE FUNDS
BY A TRUST FUND-HOLDER**

CHARITABLE FUNDS



AMOUNT PER CALENDER MONTH

No more than £500	Over £500	Over £5,000	Over £7,000	Over £100,000
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Fund-holder	Fund-holder plus 2 nd signatory	Fund-holder plus 2 nd signatory plus Site Director of Finance	Fund-holder plus 2 nd signatory plus Charities Foundation Approval, or three site Trust Board members (one to be non-executive)	Fund-holder Plus 2 nd signatory plus Full Trust Board approval
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SPENDING CHARITABLE FUNDS

**When the designated signatory
is requesting funds ?**



**Check - does the
expenditure meet the
criteria for a
charitable purpose ?**



**Check - are sufficient
funds available?**



If yes, use one of the following methods

Complete a Non Stock Requisition	Complete a Cheque Request form	Petty Cash	Works Department	Catering	Internal Transfer	Medical Photography
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NON STOCK REQUISITIONS

Complete a Non Stock Requisition form



Seek approval from Investment Group for items £7,000 and over



Obtain authorising signatures on requisition form



Send authorised requisition to the Charities Office



Charities Office verifies details and sends the requisition to the procurement office



A copy of the official order will be copied to the requisitioner by email

PAYMENT REQUESTS

Complete a Payment Request Form



To pay an individual



Obtain authorising signatures on Payment Request form



If the Trust fund-holder is the payee (beneficiary) an additional signature is required, i.e. Matron or consultant or Site Director of Finance

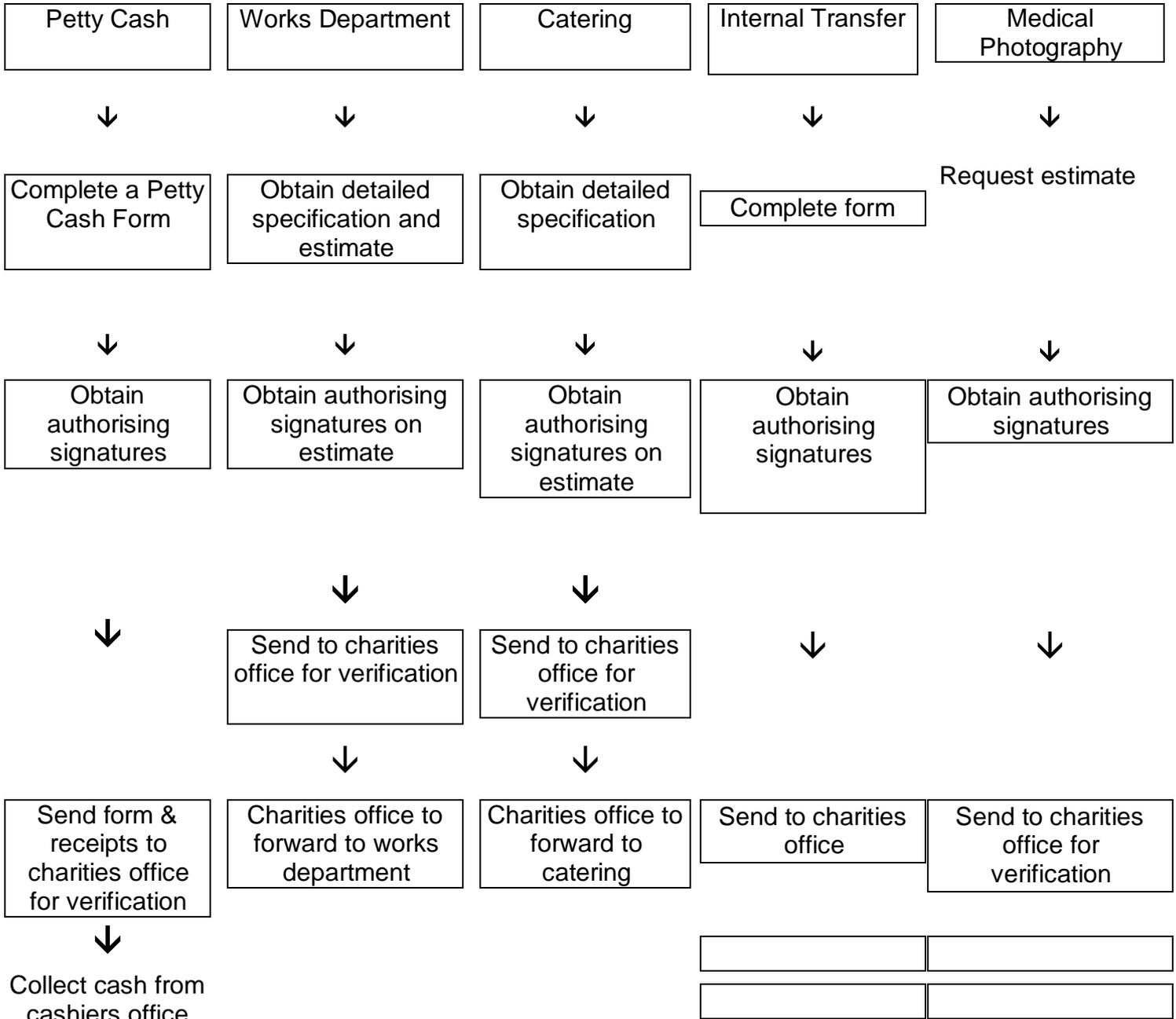
Supporting documents must accompany the request, i.e. proof of payment, copy statement, receipts.



SEND TO CHARITIES OFFICE FOR VERIFICATION AND PROCESSING

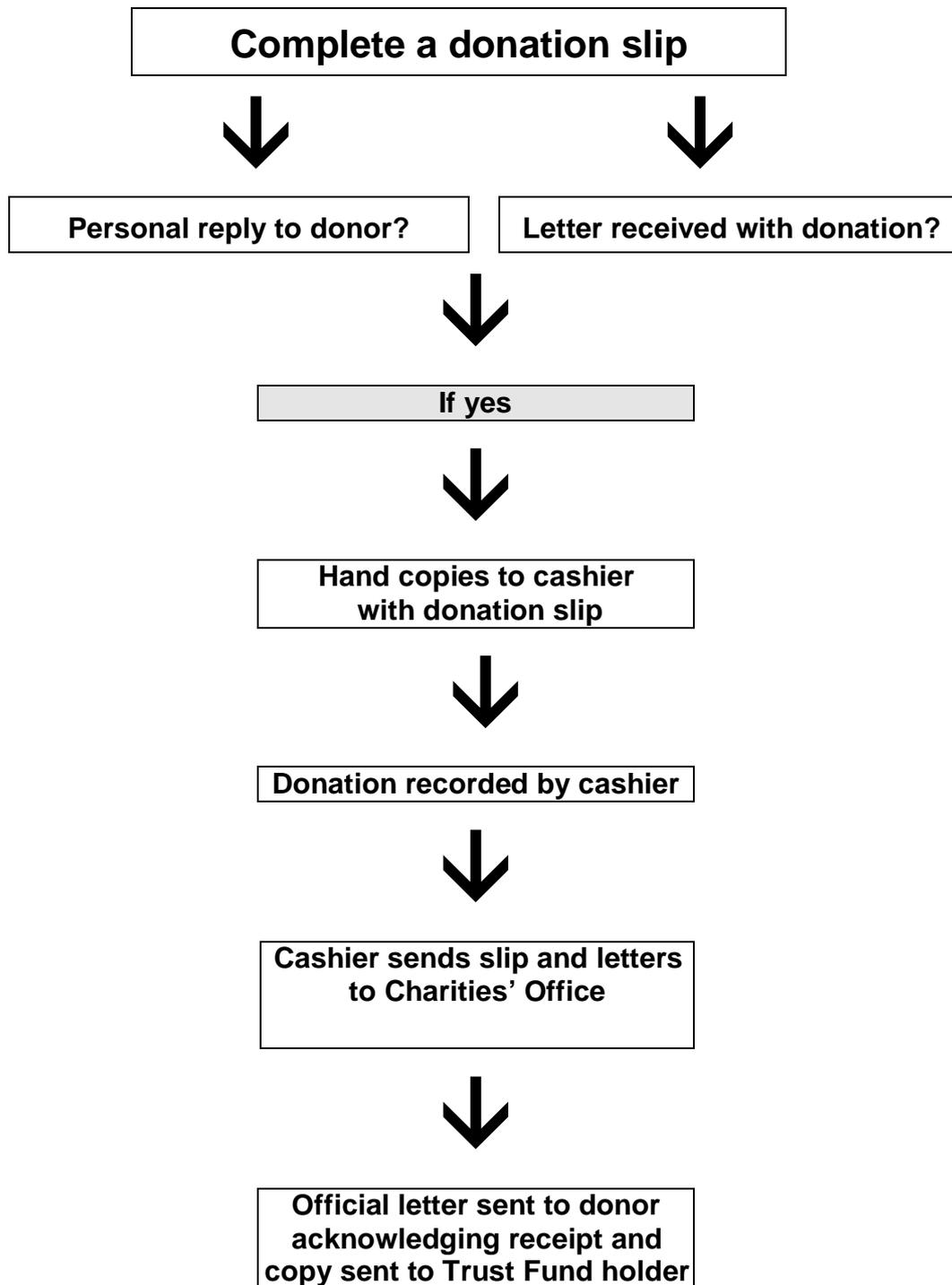
Appendix 6 – Flowchart: Other Methods of Expenditure

OTHER METHODS OF EXPENDITURE



Appendix 7 – Flowchart: Processing Donations

PROCESSING DONATIONS



Appendix 8 – Payment Request Form



Client	Mid Essex Hospital NHS Trust CHARITABLE FUNDS
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Accounts Payable – Payment Request Form

Please ensure that all mandatory fields* are typed and fully completed. Any hand written or incomplete forms will be returned. Supporting documentation should also be attached.

Requested By: *	Department *	Contact Number *	Backing documents are required (receipts, invoices)

Supplier Ref (where known)	
Supplier Name *	
Supplier Address *	
Town/City *	
Postcode *	

Document Reference * (20 characters max)	Please add a reference by using the first three digits of the surname /company name and the amount with no decimal points eg. Payment to Smith for £26.13 would be SM12613		
Reason for payment *			
Cost Centre *	Expense Head *	Analysis Code (if applicable)	Total *
Document total: *			

Authorisation level 1 *	Print name *	Date *

Authoriser level 2 (exceeding £500)	Print name	Date

When completed please forward to: The Charities Office, Broomfield Court, Broomfield Hospital, Chelmsford, Essex CM1 4YY

Validated By Charitable Funds *	Print name *	Date *

Appendix 9 – Sample of Request for funding

MID ESSEX HOSPITALS CHARITABLE FUNDS COMMITTEE REQUEST FOR FUNDING FROM THE GENERAL PURPOSE FUNDS

The Charitable Funds Committee meets quarterly in January, April, July and October. In order for the committee to consider this application, it must be submitted at least three weeks prior to the meeting. For any advice before submitting this bid, please contact the charities office on extension 4559.

Any capital expenditure over £5,000 should be submitted with a business case to the Capital Planning Group prior to making a request from the Charitable Funds Committee. For further details, please contact the assistance Site Director of Finance on extension 6530.

Notification will be requested from the charities office if the bid has been successful. Details will be passed to the commercial services procurement team to ascertain whether further quotations or waiver is required. For further details, please contact the procurement team on extension 4376.

**Please complete the following details and return to:
Charities Office, Broomfield Court Annexe, Broomfield Hospital**

Hospital

Ward/Department

Details of the item or activity requested:

What are the on-going costs, if any, and how are these to be met:

NOTE: Charities monies should not be used to replace statutory funding or to offset shortfalls in budgets, but rather to supplement what is already provided from revenue funding – for further information, please refer to the charitable funds guidance note 4.1

Total amount requested excluding VAT £

Does the ward/department have it's own charitable fund YES/NO If Yes please state amount £

NOTE: Please note that additional revenue implications cannot be provided by charitable funds – for further information, please refer to the charitable funds guidance note 4.3.iii

Benefit of Purchase (please continue on a separate sheet if required)

NOTE: Please state how this purchase will benefit patients and/or staff.

Signature of Applicant

Name Signature Date

Approval

Please obtain Divisional/General Manager's approval

Please confirm that any additional revenue implications relating to this bid will be met from ward/department budget YES/NO

Name Signature Date

Please obtain business case approved from the Capital Planning Group

Applications for capital over £5,000 plus must be submitted to the Capital Planning Group, together with a business case – for further details, please contact the assistance Site Director of Finance extension 6530

Name Signature Date

Before submitting this bid, please confirm with Commercial Services procurement team that the bid meets all procurement requirements – for further details, please contact Pauline Baker extension 4376

Name Signature Date

Appendix 11 – Sample of Spending Plan Form

SPENDING PLAN FORM

Name of fund

Name of fund holder

Fund code

Fund balance at 31 March 20____ £

Briefly say how you intend to spend your charitable funds in the next financial year

Staff amenities []

Patient amenities []

Staff training []

Equipment []

Please give brief details:

Are you planning to buy any items/amenities costing more than £5,000

No /Yes

If yes, *please give brief details:*

Item

Price £.....

Are you planning to do any fundraising? No/Yes

If yes, *please give brief details:*

Do you need any fundraising advice or help? No/Yes

If yes, *please say if you require any help or advice from the Charities Office.*

Please return to the Charities Office by 30 April 20_____

Address: MEHT Charities Office, Broomfield Court Annexe, Broomfield Hospital.