Charitable Funds Committee  
Terms of Reference

1. Introduction

1.1 The Charitable Funds Committee is a formally constituted committee of the Trust Board (the Board) to assist the Trust in its role as corporate trustee for The Hillingdon Hospitals NHS Foundation Trust charity. It is established to make and monitor arrangements for the control and management of the Trust’s charitable funds.

2. Constitution

2.1 The Hillingdon Hospitals NHS Foundation Trust was appointed as corporate trustee of The Hillingdon Hospitals NHS Foundation Trust charities (registered charity number 1056493) by virtue of Statutory Instrument (SI) 2002 (2271) and its Trust Board serves as its agent in the administration of the charitable funds held by the Trust.

2.2 The Trust Board, in accordance with its Standing Orders, has formally constituted the Charitable Funds Committee (The Committee) with delegated responsibility to make and monitor arrangements for the control and management of the Trust’s Charitable Funds.

2.3 The Committee is a standing committee of the Board and has only those powers specifically delegated in these terms of reference.

3. Membership

3.1 The Committee shall be appointed by the Board from the Non-Executive and Executive Directors of the Trust. It shall consist of not less than three Non-Executive Directors and not less than two Executive Directors, one of which shall be the Finance Director.

3.2 A quorum shall be at least two members, including at least one Non-Executive and one Executive Director. Given the Committee’s status as a Committee of the Board, it is expected that members should make every effort to attend Committee meetings and will attend every meeting unless there are good reasons preventing attendance.

3.3 The Board will appoint one of the Non-Executive Directors as Chair of the Committee.

4. Attendance

4.1 The Committee may require the routine attendance, for advice, support and information, at meetings from:

- The Trust’s lead for communications and Public Relations
- The Trust’s lead for Patient and Public Involvement
- The Charitable Fund Accountant
- The Head of Financial Accounting
4.2 The Trust Secretary shall ensure that the Committee is appropriately supported and that minutes of the meeting are taken.

5. Frequency

5.1 The Committee shall be held not less than two times per year.

6. Scope and Duties

6.1 Within the budget, priorities and spending criteria determined by the Trust as trustees and consistent with the requirements of the Charities Act 2011 to apply the charitable funds in accordance with their respective governing documents, and to ensure that funds are used in accordance with the charity’s objectives.

6.2 To ensure that the Trust policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their capital value and produces a proper return consistent with prudent investment and ensuring compliance with:

- Trustees Act 2000
- The Charities Act 2011
- Charity Commission regulations
- Terms of the Fund’s Governing documents

6.3 To receive at least two times a year reports for ratification from the Finance Director of investment decisions and action taken through delegated powers upon the advice of the Trust’s investment adviser.

6.4 To oversee and monitor the functions performed by the Finance Director as defined in Standing Financial Instructions.

6.5 To formulate and advise trustees on the strategy of fundraising and to monitor the progress of any charitable appeal funds.

6.6 To approve all individual charitable funds expenditure in excess of £25,001 prior to Board approval.

7. Delegated Powers and Duties of the Director of Finance

7.1 The Finance Director has prime responsibility for the Trust’s Charitable Funds as defined in the Trust’s Standing Financial Instructions. The specific powers, duties and responsibilities delegated to the Finance Director are:

- Administration of all existing charitable funds
- To identify any new charity that may be created (of which the Trust is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity
- Provide guidelines in respect of donations, legacies and bequests, fundraising and trading income
- Responsibility for the management of investment of funds
- Ensure appropriate banking services are available
- Prepare reports to the Trust Board including the Annual Report and Accounts

8. Authority

8.1 The Charitable Funds Committee (CFC) is empowered with the responsibility for:

- Day-to-day management of the investments of charitable funds in accordance with the investment strategy set down from time to time by the trustees and the requirements of clause 6.4, provided that: the CFC shall have the power to appoint an investment manager to advise it on investment matters and may delegate day-to-day management of some or all of the investments to that investment manager. In exercising this power the CFC must ensure that:
  
  I. The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it.
  
  II. That there are in place adequate internal controls and procedures, which will ensure that the power is being exercised properly and prudently.
  
  III. That they review regularly the performance of the person or persons exercising the delegated power.
  
  IV. That where an investment manager is appointed, the person is regulated under the Financial Services & Markets Act 2000 and Financial Services Act 2012.
  
  V. That acquisitions or disposal of a material nature must always have written authority of the CFC or the Chairman of the CFC in conjunction with the Finance Director.

- The banking arrangements for the charitable funds should be kept entirely distinct from the Trust’s NHS other funds.

- Separate current and deposit accounts should be minimised consistent with meeting expenditure obligations.

- The amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments.

- The CFC will establish and maintain an approved list of counterparties for investment activities.

- The CFC will operate an investment pool when this is considered appropriate to the charity in accordance with charitable law and the
directions and guidance of the Charity Commission. The CFC shall propose the basis to the Trust Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance.

- The CFC will obtain appropriate professional advice to support its investment activities.
- The CFC shall regularly review investments to see if other opportunities or investment managers offer a better return.
- The CFC shall be responsible for overseeing fund-raising activities taking place, and considering requests to launch new fund-raising campaigns.

9. **Reporting**

9.1 Agenda and papers of the Committee meetings will be circulated no less than five working days prior to the meeting. The Chair of the Committee shall draw to the attention of the Board any issues that require the attention of the full Board.

9.2 The Trust Board will approve the annual report and accounts of the charity.

10. **Other Matters**

10.1 These Terms of Reference will be reviewed annually.

10.2 The Trust Secretary shall ensure that the Committee has administrative support, which will include:

- Agreement of agenda with Chairman and attendees and collation of papers
- Organising the attendance of appropriate persons to meetings (other than those who would usually attend)
- Taking the minutes and keeping a record of matters arising and issues/ actions to be carried forward
- Advising the Committee on pertinent matters.

10.3 The Committee will review its effectiveness and compliance with these terms of reference each year, and report the outcomes of this review to the Board.