

Charitable Funds Committee

Terms of Reference

1. Aim

The Charitable Funds Committee (CFC) has been established to exercise Hillingdon Hospital NHS Trust's functions as the sole corporate trustee of The Hillingdon Hospital NHS Trust General Amenities Fund (registered charity number 1056493) by virtue of Statutory Instrument (SI) 2002 (2271).

The CFC is a sub-committee of the Trust Board and acts as its agent in the administration of the charitable funds held by the Trust; within limits outlined both within this terms of reference and as outlined in the charitable funds section of the Standing Financial Instructions and Scheme of Delegation. It reports directly to the Trust Board.

2. Objectives

- To develop the strategy and objectives of the Charity
- To oversee the implementation and ongoing management of an appropriate infrastructure to the efficient and effective running of the Charity
- To oversee the expenditure of the Charity (including all approved projects and schemes), ensuring expenditure is in furtherance to the Charity objectives and in accordance with Standing Orders, Standing Financial Instructions and Scheme of Delegation.
- To oversee the Charity's investment plans
- To monitor the performance of all aspects of the Charity's activities and ensure that it adheres to the principles of good governance and complies with all relevant legal requirements.
- To oversee submission of the Charity Annual Report and Accounts and ensure these are submitted in the appropriate form and within the required legislative timetable

3. Membership

3.1 Voting members

The voting members shall be appointed by the Trust Board and will comprise:

- Two Non-Executive Directors one of who shall act as the (Chair) and another (Vice Chair)
- Two Executive Directors

In the event of a tied vote the Chair shall have the casting vote.

Any member of the Trust Board, not being a member of the committee, has the right to attend meetings and access papers, but will not hold voting rights.

3.2 Non-voting members

Up to two further members with relevant experience can be appointed by the CFC as Non-Voting members; these would normally be:

- The Director of the Charity
- The Executive Lead for Charitable activities

3.3 Regular attendees

- Charitable Fund accountant
- Deputy Director of Finance
- Trust Secretary – Executive lead for Corporate Governance

Other Charity and or Trust officers may be asked to attend when the CFC is discussing areas that are the responsibility of that individual.

A member of the Council of Governors will be invited to attend as an observer.

The CFC may also invite external advisors to attend for appropriate items, especially if items require detailed knowledge in areas such as fundraising or investment such as the Trust Investment Advisor

Secretariat support - Assistant Trust Secretary

4. Quorum

4.1 The quorum of the meeting shall be not less than one Non-Executive and one Executive member of the committee.

5. Frequency

5.1 Meetings shall be held not less than two times in any financial 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 1993 (or any modification of Act) to apply the charitable funds in accordance with their respective governing documents.

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 compliances with:

- Trustees Act 2000
- The Charities Act 1993
- Terms if the Funds 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 monitor the progress of any charitable appeal funds.

- To monitor the Trust's scheme of delegation for expenditure levels:
- Up to £499
- Between £500 and £15,000
- Between £15,001 and £50,000

The Charity Director can approve expenditure up to £10,000, the Chair of the Committee up to £25,000 and the Trust Board over £25,000.

6.6 To approve the Annual Trustees Report and Accounts prior to submission to the Trust Board for formal endorsement in advance of submission to the Charities Commission.

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 Act 1986.
- 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.

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

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

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

8.5 The CFC will establish and maintain an approved list of counter-parties for investment activities.

8.6 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.

8.7 The CFC will obtain appropriate professional advice to support its investment activities.

8.8 The CFC shall regularly review investments to see if other opportunities or investment managers offer a better return.

9. Reporting

9.1 A report from the Chair of the CFC will be provided to the next available Trust Board meeting.

9.2 The Minutes of the CFC will be submitted to the next available Trust Board Meeting.

9.3 The Trust Board will approve the Annual Trustees Report and Accounts of the charity prior to submission to the Charity Commission.

10. Monitoring, compliance and effectiveness

10.1 In order to support the continuous improvement of governance standards, the CFC, as a Sub-Committee of the Board is required to annually:

- Complete a self-assessment of the effectiveness of CFC
- Review the Terms of Reference of CFC, reaffirming its purpose and objectives
- Recommend approval of the Annual Trustees Report and Accounts at a public Board meeting
- Submit the Annual Return and summary and information to the Charity Commission by the required deadline after approval by the Board

Reviewed by Charitable Funds Committee – 7 July 2020

Approved by Trust Board – 28 July 2020

Review Date- July 2021