

LEEDS CARES

(Registered Charity Number: 1170369 and Registered Company Number: 10492128)

("Leeds Cares")

STANDING FINANCIAL INSTRUCTIONS

***Version 1.6 Approved by Finance & Audit Committee and Extra-ordinary meeting of the Board of Trustees, 13 March
2020***

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STANDING FINANCIAL INSTRUCTIONS

1 Introduction

- 1.1 Leeds Cares is responsible for its charitable funds and assets and for the management and stewardship of various charities and charitable funds associated with the hospitals (and former hospitals) of the Leeds Teaching Hospitals NHS Trust (**LTHT**):
- 1.2 This includes the charities and charitable funds identified in the Charity Commission Scheme dated 29 March 2017 (as amended). Other charities and charitable funds may be added from time to time. Leeds Cares is sole corporate trustee of some charities, and also holds charitable funds in its own right – these standing financial orders (**SFIs**) apply to all charitable assets held by Leeds Cares.
- 1.3 It is the responsibility of Leeds Cares to ensure that such charities and charitable funds are accepted, established, managed, invested, disbursed and accounted for (including by being entered onto the Register of Charities, where appropriate) in accordance with legislation and Charity Commission requirements.
- 1.4 To assist with meeting its obligations, Leeds Cares has appointed a Chief Executive and may enter into arrangements with third parties to assist for the provision of financial services in order to assist with the financial administration of Leeds Cares.
- 1.5 These SFIs shall have effect as if incorporated in Leeds Care's Standing Orders (**SOs**) and the stipulations and definitions in those SOs shall apply here.
- 1.6 The SFIs are intended to provide guidance to those involved with dealing with monies and other assets held by or on behalf of Leeds Cares.
- 1.7 Where the SFI's refer to the responsibilities and authority of the Chief Executive, these may be delegated in his/her absence to the Director of Finance & Corporate Services, with the exception of Clause 5.

2 Charitable Funds

- 2.1 The Trustees shall delegate the day to day financial administration of Leeds Cares' funds as they think fit. Such delegation shall include entering into arrangements with third parties to provide support to the Trustees and senior leadership team in relation to the financial administration of Leeds Cares. Such financial administration will be carried out in accordance with Charity Commission guidance, Charity SORP, Leeds Cares' policies in place from time to time and the categorisation of funds as detailed in the Schedule to these SFIs.
- 2.2 The Trustees shall review on a quarterly basis the funds in existence, and shall consider the potential for rationalisation of such funds within statutory financial guidelines. The relevant Officer within Leeds Cares or any third party providing financial administration support to Leeds Cares shall provide the Trustees with the necessary information in order for the Trustees to carry out such a review.

3 Existing Restricted Funds

The Trustees' shall ensure that a governing instrument (e.g. a Will, deed, letter, terms of an appeal etc.) exists for every Restricted Fund (whether or not such Restricted Fund is registered as a Linked Charity of Leeds Cares).

4 New Registered Restricted Funds (Linked Charities)

4.1 The Trustees shall, following a recommendation from the Chief Executive consider the creation of a new Registered Restricted Fund (Linked Charity) where funds and/or other assets are received in accordance with all policies with legally binding restrictions and which have, or will have, an income of £5,000 or more and will exist for more than the short-term.

4.2 If the Trustees decide to create a new Registered Restricted Fund (Linked Charity) the Chief Executive shall present the governing document to the Trustees for adoption and registration with the Charity Commission. Such a document shall clearly identify the objects of the new registered restricted fund and any conditions.

5 Sources of New Funds

5.1 In respect of new donations, the Trustees, via the Chief Executive shall be responsible for appointing an Officer who shall:

5.1.1 Provide guidelines to Officers and all NHS staff as to how to proceed when offered funds and gifts. These are to include:

- (a) the identification and recording of the donor's intentions
- (b) proper categorisation of donations at the point of receipt
- (c) where possible, the avoidance of new Restricted Funds
- (d) the avoidance of impossible, undesirable and/or administratively difficult objects
- (e) sources of immediate further advice
- (f) treatment of offers and personal gifts
- (g) procedures for ward receipts of cash

5.1.2 In respect of legacies and bequests, the Trustees, via the Chief Executive shall be responsible for appointing an Officer who shall:

- (a) be responsible to the Trustees, for the appropriate accounting treatment of all legacies and bequests.
- (b) provide guidelines to Officers covering any approach regarding the wording of wills and the receipt of funds/other assets from executors
- (c) where necessary and in the best interests of Leeds Cares, obtain grant of probate, or make application for grant of letters of administration in the name of Leeds Cares – this should only be done where there is not a more suitable person to obtain the grant of probate or letters of administration

the Chairman or his/her appointed nominee should be empowered to negotiate arrangements regarding the administration of a will with executors, and to discharge them from their duty

5.1.4 In respect of General Fundraising, the Trustees, via the Chief Executive shall be responsible for appointing an Officer who shall:

- (a) deal with all arrangements for fundraising and ensure compliance with all relevant statutes and regulations, the Code of Fundraising Practice, relevant Charity Commission guidance and Leeds Cares policies;
- (b) be empowered to liaise and negotiate with other organisations. The Chief Executive, or designated Officer, shall be the only Officer empowered to give approval for such fundraising, subject to the over-riding direction of the Trustees;
- (c) be responsible for alerting the Trustees to any irregularities regarding the use of their name or registration number;
- (d) be responsible for the appropriate treatment of all funds received from this source;
- (e) report back to the Trustees on fundraising at such intervals as the Trustees may require, including:
 - whether Leeds Cares was subject to an undertaking to be bound by any scheme for regulating fundraising, or any voluntary standard of fundraising in respect of fundraising activities on behalf of Leeds Cares, and, if so, what scheme or standard
 - any failure to comply with such a scheme or standard
 - whether Leeds Cares used any external fundraisers, and, if so, whom, and what steps were taken to ensure that such third parties complied with all relevant statutes and regulations, the Code of Fundraising Practice, relevant Charity Commission guidance and Leeds Cares' policy
 - the number of complaints received by Leeds Cares or anyone acting on its behalf about fundraising activities by Leeds Cares
 - what steps Leeds Cares is taking to avoid unreasonably intruding on a person's privacy
 - what steps Leeds Cares is taking to avoid unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property

5.1.5 In respect of Fundraising for Specific Appeals, the Trustees, via the Chief Executive shall be responsible for appointing an Officer who shall:

- (a) deal with all arrangements for fundraising and ensure compliance with all statutes and regulations, the Code of Fundraising Practice, relevant Charity Commission guidance and Leeds Cares policy
- (b) be empowered to liaise and negotiate with other organisations. The appointed Officer, or nominated deputy, shall be the only Officer empowered to give approval for such fundraising, subject to the over-riding direction of the Trustees
- (c) be responsible for alerting the Trustees to any irregularities regarding the use of their name or registration number

5.1.6 In respect of General Fundraising and Fundraising for Specific Appeals, the Trustees, via the Chief Executive shall be responsible for appointing an Officer who shall:

- (a) be responsible for the appropriate accounting treatment of all funds received from this source

5.1.7 In respect of investment income, the Trustees, via the Chief Executive shall be responsible for appointing an Officer (or any third party providing financial administrative support to Leeds Cares) who shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source.

6 Investment Management

The Trustees, via the Chief Executive, shall have the overall responsibility, supervision and direction and shall delegate the day to day function, including communicating the trustees' instructions to the investment advisers appointed by Leeds Cares, as they see fit.

7 Banking Services

The Trustees via the Chief Executive shall ensure that appropriate banking services are available.

8 Asset Management

The Trustees via the Chief Executive shall ensure that:

- 8.1 appropriate records of all assets owned are maintained and that all assets, at agreed valuations, are brought into account;
- 8.2 appropriate measures are taken to protect and/or (where appropriate) to replace assets. These to include decisions regarding insurance, inventory controls and the reporting of losses;
- 8.3 donated assets received shall be accounted for appropriately; and
- 8.4 all assets acquired from trust funds which are intended to be retained within the trust funds, are appropriately accounted for, and that all other assets so acquired are brought to account in the name of Leeds Cares.

9 Reporting

- 9.1 The Chief Executive shall ensure that regular reports are made to the Trustees with regard to the receipt of funds, investments and the disposition of resources, including a summary of expenses claimed.
- 9.2 The relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares) shall prepare annual accounts as required by the relevant guidance which shall be submitted to the Trustees within agreed timescales.
- 9.3 The Chief Executive shall prepare an annual Trustees' report and the returns required by the Charity Commission and Companies House for approval and adoption by the Trustees.

10 Accounting and Audit

- 10.1 The relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares) shall maintain all financial records to enable the production of reports as above, and to the satisfaction of internal and external audit.
- 10.2 The relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares) shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year. They will liaise with external audit and provide them with all necessary information.
- 10.3 In line with their responsibilities the Chief Executive and relevant Officers within Leeds Cares shall monitor and ensure compliance, as appropriate, with Leeds Cares' policies on fraud and corruption.

11 Administration Costs

The relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares) shall identify all costs directly incurred in the administration of trust funds and, in agreement with the Trustees, shall charge such costs to the appropriate trust fund accounts.

12 Taxation and Excise Duty

The relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares) shall ensure that any liability to taxation and excise duty is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.

13 Delegated Limits

13.1 The Trustees will be responsible directly or by delegated authority for approving all expenditure requests.

For budgeted expenditure:

Authority for any expenditure contained within an overall budget already approved by the Board of Trustees is delegated to the Chief Executive (or in his/her absence the Director of Finance & Corporate Services), with the exception of where a single project or payments to a single supplier will exceed £10,000. In the case of a project where the value is in excess of £10,000 a business case must be presented to and approved by the relevant Committee (e.g. Finance & Audit Committee) and where this is in excess of £50,000 by the Board of Trustees.

In the case of payments to a single supplier exceeding £10,000 in any one year this must be clearly included in the budget and approval explicitly sought, or it will be brought for authorisation to the Finance & Audit Committee if this occurs during the financial year.

For non-budgeted expenditure:

Delegated authority to approve expenditure out with budget has been granted as follows:

Up to £10,000 – Any two of the senior leadership team, but at least one of the signatories shall always be the Chief Executive or Director of Finance & Corporate Services.

£10,001 to £50,000 - Chief Executive (or in his/her absence the Director of Finance & Corporate Services) and one Trustee.

£50,001 and over - Chief Executive (or in his/her absence the Director of Finance & Corporate Services) and the majority decision of a quorum of the Board of Trustees.

Leeds Cares will be responsible for designing and maintaining systems to receive and evaluate expenditure requests.

The Trustees via the Chief Executive will maintain records of officers authorised to request expenditure from the Trustees.

14 Authorised Signatories for Banking Transactions

- 14.1 All such transactions will be signed in accordance with the relevant bank mandate, a copy of which will be kept on file and available for viewing by internal and external audit officers.
- 14.2 All banking transactions will be signed by authorised signatories who may or may not be Trustees of Leeds Cares.
- 14.3 Any new signatories added to the bank mandate will be authorised by two existing signatories, one or both of whom will be a Trustee of Leeds Cares.
- 14.4 Internal Transfers between Leeds Cares' bank accounts, including stockbroker accounts, will be requested by the relevant Officer within Leeds Cares (or any third party providing financial administrative support to Leeds Cares). Transactions will be authorised by the Chief Executive.

Last reviewed and approved by the *Finance & Audit Committee and Extra-ordinary meeting of the Board, 13 March 2020*

Schedule

Categorisation of Funds

Leeds Cares' funds may be categorised as:

- (a) Unrestricted;
- (b) Unrestricted but designated;
- (c) Restricted (as to purpose);
- (d) Expendable Endowment (but unrestricted/designated as to purpose);
- (e) Expendable Endowment and restricted as to purpose;
- (f) Permanent endowment (but unrestricted as to purpose); and
- (g) Permanent endowment and restricted as to purpose.

Where there is no evidence of donor intention, the fund should be classified as unrestricted (but may be designated by the trustees at their discretion).

Where written evidence from a donor exists (or ought to exist) but only expresses a desire or wish and nothing more, the fund should be classified either as unrestricted or unrestricted but designated. Where funds are unrestricted but designated, the designation has been put in place by the Trustees and as such the designation can be removed by the Trustees at any time.

Where written evidence from a donor exists which imposes a legally binding condition the fund should be classified as:

- (a) Restricted (as to purpose) if the condition specifies the charitable purpose on which the donation(s) must be spent;
- (b) Permanent Endowment where the donor has imposed a condition that only allows the income but not the capital to be spent;
- (c) Permanent Endowment and restricted as to purpose where there is both a condition that only allows the income to be spent and a condition specifying the charitable purpose on which the income must be spent.