

**Charitable Funds Committee**

**Terms of Reference**  
ratified – ~~27 February 2020~~

<b>Document details:</b>	Terms of Reference for the Charitable Funds Committee
<b>Version:</b>	<del>6</del> 7
<b>Approved by:</b>	Charitable Funds Committee
<b>Date approved:</b>	
<b>Ratified by:</b>	Trust Board
<b>Date ratified:</b>	
<b>Title of originator / author:</b>	Director of Corporate Affairs
<b>Title of responsible Director:</b>	Non-Executive Chair of the Charitable Funds Committee and Director of Finance, Contracting and Facilities
<b>Date issued:</b>	
<b>Review date:</b>	February 2023
<b>Frequency of review:</b>	Annual
<b>Where is previous copy archived: (if applicable)</b>	<del>Director of Corporate Affairs</del> Within the Charitable Funds Committee electronic files
<b>Amendment Summary (changes highlighted in red):</b>	<ul style="list-style-type: none"> <li>• Consistent change of Director of Finance, Contracting and Estates</li> <li>• Additional wording relating to treatment of Interim directors</li> <li>• Inclusion of Head of Charity and Volunteering, and Fundraising Officer as regular meeting participants</li> <li>• Change of secretariat support to the Corporate Governance Team</li> </ul>

## 1 Name of group / committee

Charitable Funds Committee (Committee).

## 2 Composition of the Committee

### Members: full rights

Title	Role in the group / committee
Non-executive Director	Committee Chair
Non-executive Director	Non-executive Director
Non-executive Director	Non-executive Director
Director of Finance, Contracting and <b>Facilities Estates</b>	Executive lead for finance and resources. Assurance and escalation provider to the Charitable Funds Committee.
Chief Operating Officer	Executive lead with day-to-day responsibility for operational delivery of services. Assurance and escalation provider to the Charitable Funds Committee.
Chair of the Trust	Additional Non-Executive member (attendance at meetings will be dependent on the agenda items being discussed).
Chief Executive	Accountable Officer (attendance at meetings will be dependent on the agenda items being discussed).

There may be occasions where the Executive and Non-Executive Director posts have been filled on an interim basis. Where this arrangement is in place, the interim post holder will be considered a member of this group for the period they hold the interim position.

Any Executive and Non-Executive Director can attend a Board sub-committee meeting because of the position that they hold. When carrying out this duty they will assume full member rights.

There will also be the involvement of a service user representative, together with attendance of the Director of Corporate Affairs, ~~and~~ the Head of Financial Accounting, **Head of Charity and Volunteering, and the Fundraising Officer**. In addition to anyone listed above, the Chair of the Committee may also request individuals to attend on an ad-hoc basis to provide advice and support for specific items from its work plan when these are discussed in the meetings.

Other Trust Directors, Managers and Clinicians will be required to attend to address specific issues as they arise. The Committee may choose to invite external organisations and individuals to present issues and reports from time to time. The Trust's brokers will attend the meetings to provide professional advice on the Charity's investment portfolio as required.

## 2.1 Governor Observers

The Committee welcomes and encourages governors to attend its meetings. The role of a governor at Board sub-committee meetings is to observe the work of the Committee. The governor observes Board sub-committee meetings in order to get a better understanding of the work of the Trust and to observe Non-Executive Directors appropriately challenging the

Executive Directors for the operational performance of the Trust. At the meeting the governor observer(s) will be required to declare any interest they may have in respect of any of the items to be discussed.

## 3 Quoracy

**Number:** The minimum number of members for a meeting to be quorate is three, one of whom must be a Non-Executive Director, and one of whom must be an Executive Director. Attendees do not count towards quoracy.

If the Chair is unable to attend the meeting, and if otherwise quorate, the meeting will be chaired by the other Non-Executive Director.

**Deputies:** Where appropriate members may nominate deputies to represent them at a meeting. Deputies do not count towards the calculation of whether the meeting is quorate except if the deputy is representing the member under formal “acting up” arrangements.

A schedule of deputies, attached at appendix 1a, should be reviewed at least annually to ensure adequate cover exists.

**Non-quorate meeting:** Non-quorate meetings may go ahead unless the Chair decides not to proceed. Any decisions made by the non-quorate meeting must be reviewed at the next quorate meeting.

## 4 Meetings of the Committee

**Frequency:** Meetings will be held quarterly. There will be further meetings if required by the Committee or Trust Board. All Committee members will be expected to attend at least one meeting a year.

**Urgent meeting:** Any member of the Committee may request an urgent meeting.

**Minutes:** The Committee Secretariat will be provided by the ~~Executive Support Corporate Governance~~ Team.

**Assurance and Escalation (Alert, Advise, Assure – AAA) Reporting:** The Chair of the Committee will provide an update of key issues arising from the meeting to the next Board of Directors meeting.

**Voting:** It is at the discretion of the Chair of the meeting to call a vote during a meeting. When voting, decisions at meetings shall be determined by a majority of the votes of the Executive and Non-Executive Directors present and voting. In the case of any equality of votes, the person presiding shall have a second or casting vote.

## 5 Authority

**Establishment:** The Charitable Funds Committee is a standing committee of the Trust Board. It will continue to meet in accordance with these Terms of Reference until the Trust Board determines otherwise.

**Powers:** Its powers, in addition to the powers vested in the executive members in their own right, are detailed in the Trust's Scheme of Delegation.

**Cessation:** The Committee is a standing Board sub-committee in that its responsibilities and purpose are not time limited. However, the Committee has a responsibility to review its effectiveness annually.

## 6 Role of the committee

### 6.1 Purpose of the committee

The Trust Board hereby resolves to establish a Committee of the Board to be known as the Charitable Funds Committee. The purpose of the Committee is to give additional assurance to the Board that the Trust's Charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales. It does not remove from the Board the overall responsibility for this area but provides a forum for a more detailed consideration of Charitable matters and allows for direct contact with the Charity Commissioners **via the Trustees of the Charity** when necessary.

The Charitable Funds Committee's key objectives are to:

- monitor all aspects of charitable activity within the Trust, as set out within its Terms of Reference; and
- obtain, as and when required, external independent professional advice through normal business processes and to secure the attendance of outside parties with relevant experience and expertise if this is considered to be appropriate.

### 6.2 Guiding principles for members (and attendees) when carrying out the duties of the Committee

In carrying out their duties members of the Committee and any attendees must ensure that they act in accordance with the values of the Trust, which are:

- we care
- we listen
- we deliver.

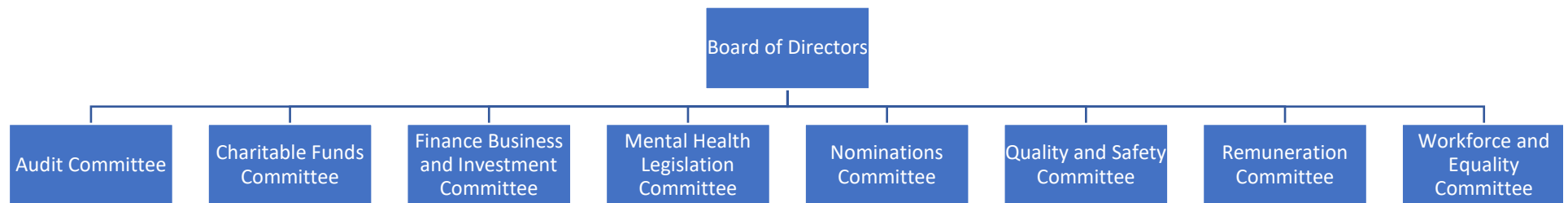
## Duties of the Committee

The Charitable Funds Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

In particular the Committee shall:

- ensure that the Charity complies with current legislation;
- review new legislation and its impact on the charity (i.e. Trustees Act 2000, SORP 2005 & the Charities Act 2006, Charities Act 2011);
  
- set and review an investment policy for the charity;
- appoint brokers to manage the charitable funds (if deemed appropriate);
- review the performance of the charities investments as managed by its brokers;
- set and review an expenditure policy including the use of investment gains;
- review individual fund balances within the overall charity on a regular basis;
- seek expenditure plans from individual fund holders where funds are currently not being used;
- agree guidance and procedures for fund holders (current delegated approval limits established as up to £1,000 for Fund Managers, up to £10,000 for Director of Finance, Contracting and **Facilities Estates**, and over £10,000 by the Charitable Funds Committee itself);
- review audit recommendations;
- review the Annual Report and Accounts for the Charity;
- oversee the development of the strategy and objectives for the Charity (including a fundraising plan);
- oversee the implementation of the infrastructure appropriate to efficient and effective running of the Charity;
- encourage a culture of income generation and raise the profile of the Charity within the Trust and local population; and
- approve promotional material of the Charity on behalf of the Trustees to ensure that material used will not place the Charity's reputation at undue risk.

## 7 Relationships with the Board of Directors



The Committee does not have any sub-committees. It is linked to the Trust’s operational groups as an assurance receiver and provides a route of escalation to the Board of Directors.

There are no formal lines of accountability between the Charitable Funds Committee and other Trust Committees. The Charitable Funds Committee interacts with other Trust Committees through cross attendance.

## **8 Duties of the Chair**

The Chair of the Committee shall be responsible for:

- agreeing the agenda in partnership with the Director of Finance, Contracting and Facilities
- directing the meeting ensuring it operates in accordance with the Trust's values whilst ensuring all attendees have an opportunity to contribute to the discussion
- giving direction to the secretariat and checking the draft minutes
- ensuring the agenda is balanced and discussion is productive
- ensuring sufficient information is presented to the Board of Directors in respect of the work of the Committee.

## **9 Reviews of the terms of reference and effectiveness**

The terms of reference shall be reviewed by the Committee at least annually and be presented to the Board of Directors for ratification.

It will be the responsibility of the Chair of the Committee to ensure that it carries out an assessment of effectiveness annually, and ensure the outcome is reported to the Board of Directors along with any remedial action to address weaknesses. The Chair will also be responsible for ensuring that the actions to address any areas of weakness are completed.

### Schedule of deputies

It may not be necessary or appropriate for all members (or attendees) to have a deputy attend in their absence. If this is the case, please state below “no deputy required”.

Full member (by job title)	Deputy (by job title)
Non-executive Director Chair	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Director of Finance <del>and Deputy Chief Executive Contracting &amp; Estates</del>	Deputy Director of Finance
Chief Operating Officer	General Manager
Chair of the Trust	Deputy Chair of the Trust
Chief Executive	Another Executive Director

Attendee (by job title)	Deputy (by job title)
Head of Financial Accounting	Senior Finance Manager
Director of Corporate Affairs	Corporate Governance Manager
<del>Head of Charity and Volunteering</del>	<del>Fundraising Officer</del>