

## **TERMS OF REFERENCE**

### **CHARITABLE FUNDS COMMITTEE**

#### **1. CONSTITUTION**

- 1.1 The East Kent Hospitals University NHS Foundation Trust (the Trust) is the Corporate Trustee and holds assets belonging to the charity. In addition, Part 9 s177 of the Charities Act 2011 defines ‘charity trustees’ as ‘the persons having the general control and management of the administration of the charity’. The directors of the Corporate Trustee are not Trustees; however, they act on behalf of the Corporate Trustee. The Charity is separate from the Trust and independent of it, but the Trustees always aim to work closely with the Trust. The Corporate Trustee can delegate certain powers to agents and/or employees but will always retain the ultimate responsibility for the management of the Charity.
- 1.2 The Board of Directors has set up a committee, to be known as the Charitable Funds Committee in accordance with its Standing Orders. The Charitable Funds Committee will oversee the charity’s operation on behalf of the Corporate Trustee. The Committee will apply scrutiny and constructive challenge to the Charity’s financial information and systems of control, including the Annual Accounts, to provide assurance to the Board of Directors that the administration of charitable funds is distinct from its exchequer funds and compliant with legislation and Charity objectives.

#### **2. PURPOSE**

- 2.1 The purpose of the Committee is to maintain a detailed overview of the Charity’s assets and resources in relation to the achievement of the agreed Charity Strategy, specifically:-
- 2.1.1 Develop the strategy and objectives for the charity for consideration by the Board of Directors
  - 2.1.2 Oversee the implementation of an infrastructure appropriate to the efficient and effective running of the charity
  - 2.1.3 Oversee the charity’s expenditure
  - 2.1.4 Oversee the charity’s investment plans

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- 2.1.5 Monitor the performance of all aspects of the charity's activities and ensure it adheres to the principles of good governance and all relevant legal requirements
- 2.2 In order to comply with Charity Commission regulations the Committee can only act in an advisory capacity and cannot be an approving body. The Board of Directors must retain responsibility for strategic decisions and operational activities.<sup>1</sup> The practical application of this guidance is covered under section 6: Authority

### **3. OBJECTIVES**

The Committee has the following specific duties and functions.

- 3.1 Develop the strategy and objectives for the charity for consideration by the Board of Directors
- 3.1.1 Monitor achievement of the Strategy and objectives. Consider annually whether any updating is to be recommended.
- 3.1.2 Ensure the Charity's strategy and objectives are consistent with the strategic direction of the Trust.
- 3.1.3 Review and submit the Annual Business plan and budget
- 3.1.4 Provide assurance that the activities of the Charity function do not cause conflict with those undertaken by others supporting East Kent Hospitals University NHS Foundation Trust, e.g. Leagues of Friends
- 3.2 Oversee the implementation of an infrastructure appropriate to the efficient and effective running of the charity
- 3.2.1 Agree and make recommendations for the establishment of an appropriate internal infrastructure for the charitable function including suitable office space; equipment; charity database; cash handling; banking ; insurance and legal services etc
- 3.2.2 Review the infrastructure and resourcing requirements as necessary
- 3.3 Oversee the development and delivery of the fundraising strategy
- 3.3.1 Agree and recommend any change to the Brand and logo of the Charity and sub branding for Major Appeals.
- 3.3.2 Agree and recommend a comprehensive 3 year Fundraising strategy to be incorporated within the Charity Strategy
- 3.3.3 Review and recommend all Fundraising policies and activities

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<sup>1</sup> Charity Commission Guidance 86 B3 & Trustee Act 2000 Section 11

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- 3.3.4 Review and approve marketing materials for both the external and internal market place.
  - 3.3.5 Oversee the development of the Charity website for public access.
  - 3.3.6 Oversee all projects for Major Appeals
  - 3.4 Oversee the charity's expenditure
    - 3.4.1 Review policies and procedures for the identification of projects for charitable funding
    - 3.4.2 Review approval thresholds for expenditure from the Charity's funds
    - 3.4.3 Receive and recommend proposals for major fundraising appeals
    - 3.4.4 Oversee the rationalisation of existing funds
    - 3.4.5 Review all expenditures to ensure these meet objectives of the Charity
    - 3.4.6 Review proposals for annual commitments and capital projects for ratification by the Board of Directors
  - 3.5 Oversee the charity's Investment Plans
    - 3.5.1 Review investment strategies for the Charity's funds
    - 3.5.2 Oversee the periodic retendering of the investment management contract in line with EU regulations.
    - 3.5.3 Monitor investment data and make recommendations to ensure investment performance is maximised. Report on the performance of Investments
  - 3.6 Monitor the performance of all aspects of the charity's activities and ensure it adheres to the principles of good governance and all relevant legal requirements
    - 3.6.1 Monitor the effectiveness of fundraising spending and investment activities via a set of agreed metrics
    - 3.6.2 Ensure implemented policies are consistent with Charity Law and the Department of Health legislation and guidelines.
    - 3.6.3 Approve the annual report and accounts prior to Audit Committee approval and ratification by Board of Directors

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## **4. MEMBERSHIP AND ATTENDANCE**

### **Members**

- 4.1 The membership of the Committee shall consist of three Non-Executive Directors, together with the Chief Executive, the Director of Finance and Performance, Director of Strategic Development and the Medical Director. The committee meetings shall be open to all members of the Board of Directors.
- 4.2 A Committee Member must make a declaration of interest at the start of meetings and must absent himself or herself from any discussions in which it is possible that a conflict may arise between his or her duty to act solely in the interests of the Charity and any personal interest (including but not limited to any personal financial interest).
- 4.3 The Chair of the Committee will be a Non-Executive Director appointed by the Board of Directors. If the Committee Chair is absent from the meeting, the directors present shall choose one of the other Non-Executive Director members to preside for that meeting.

### **Attendees**

- 4.4 The Fundraising Manager and Charitable Funds Manager shall normally attend meetings of the committee. Others may be invited to attend meetings and or be co-opted onto the committee as and when the committee members feel it is necessary. Also the committee may invite specialist advisors such as the investment managers etc to attend meetings or parts of meetings, as deemed appropriate by the Chair.

### **Quorum**

- 4.5 At any meeting of the Committee, at least two Non-Executive Directors and one Executive Director must be present. If the Chair is in attendance, this will count towards the quoracy.

### **Attendance by Members**

- 4.6 The Chair or their nominated deputy of the Committee will be expected to attend 100% of the meetings. Other Committee members will be required to attend a minimum of 80% of all meetings and be allowed to send a Deputy to one meeting per annum.

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### **Attendance by Officers**

- 4.7 Other staff may be co-opted to attend meetings as considered appropriate by the Committee on an ad hoc basis

### **Voting**

- 4.8 When a vote is requested, the question shall be determined by a majority of the votes of the members present for the item. In the event of an equality of votes, the person presiding shall have a second or casting vote.

## **5. FREQUENCY OF MEETINGS**

- 5.1 Meetings of the Committee shall be held four times a year. The Chair may call additional meetings to ensure business is undertaken in a timely way.

## **6. AUTHORITY**

- 6.1 The 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 member of staff and all members of staff are directed to co-operate with any request made by the Committee.

- 6.2 The Committee is authorised by the Board to make decisions which are not of a significant nature. Reference should be made, as appropriate to the Standing Orders and Standing Financial Instructions of the Trust. In practice, what is significant will depend on the judgement of members but committees must refer the following types of issue to the Board of Directors:

6.2.1 Change the strategic direction of the Trust Charity.

6.2.2 Conflict with statutory obligations.

6.2.3 Contravene national policy decisions or governmental or Charity Commission directives.

6.2.4 Have significant revenue, capital or cash implications as determined by the Trust's Standing Financial Instructions.

6.2.5 Have significant governance implications.

6.2.6 Be likely to arouse significant public or media interest.

- 6.3 The Committee will review expenditure decisions made under delegated authority to officers, to ensure compliance with the charity's objectives and strategies.

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- 6.2 A committee may set up permanent groups or time limited working groups to deal with specific areas of work or projects. Precise terms of reference for these shall be determined by the committee. However, Board committees are not entitled to further delegate their powers to other bodies, unless expressly authorised by the Trust Board (Standing Order 5.5 refers).
- 6.3 A special meeting may be called at any time by the person elected to chair meetings of the Trustees or by any two Trustees. Not less than four days' clear notice must be given to the other Trustees of the matters to be discussed at the meeting. A special meeting may be called to take place immediately after or before an ordinary meeting.
- 6.3 The Committee is authorised to investigate any activity within the terms of reference and to seek any information it requires from any employee and all employees are directed to co-operate with any request which in the opinion of the Chair of the Committee is properly made by the Committee.
- 6.4 The Committee is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary. Legal advice should normally be arranged through the Trust Secretary.

## **7. SERVICING ARRANGEMENTS**

- 7.1 The Trust Board Secretary shall ensure an appropriate officer attends meetings to take minutes. Agendas and papers shall be distributed one week prior to the meeting.

## **8. ACCOUNTABILITY AND REPORTING**

- 8.1 The Committee is accountable to the Board of Directors.
- 8.2 Chair reports will be provided to the Board of Directors to include: committee activity by exception; decisions made under its own delegated authority; any recommendations for decision; and any issues of significant concern.
- 8.3 Approved minutes will be circulated to the Board of Directors. Requests for copies of the minutes by a member of public or member of staff outside of the Committee membership will be considered in line with the Freedom of Information Act 2000.

## **9. MONITORING EFFECTIVENESS AND REVIEW**

- 9.1 A survey will be undertaken by the members on an annual basis to ensure that the terms of reference are being met and where they are not either; consideration and agreement to change the terms of reference is made or an action plan is put in place to ensure the terms of reference are met.

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9.2 The terms of reference will be reviewed and approved by the Board of Directors on an annual basis.