

GUY'S &
St THOMAS' CHARITY

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**Regulations for setting
up and operating
Special Purpose Funds**

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Special Purpose Funds**

November 2007

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1. INTRODUCTION

- 1.1.1 The Trustees of Guy's and St Thomas' Charity and other related charities ("the Trustees") are appointed to manage funds in accordance with section 51 of the National Health Service Act 2006. This Act gives the Trustees the power to hold and administer any property on trust for the purposes of Guy's and St Thomas' NHS Foundation Trust ("GSTT") or for all or any purpose relating to the health service.
- 1.1.2 The largest fund for which the Trustees are responsible is the Guy's and St Thomas' Charity ("the Charity"), which comprises funds held for general and specific purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital. The Trustees also manage a number of other charitable funds related to Guy's and St Thomas', ("the other related charities"), which are registered with the Charity Commission (together with the Charity) under charity number 251983.
- 1.1.3 The Trustees are responsible for all donations made to these funds, whether to the Charity or to one of the other related charities. They are accountable to the Charity Commission and other regulatory bodies and must ensure that all legal and procedural requirements are met.
- 1.1.4 Special Purpose Funds arise when funds are donated to the Trustees for specific purposes. These may be within the charitable objects of the Charity, but with more restrictive application - for example, when donors indicate that they should be applied for the welfare of staff of a particular department or for a particular type of research. These funds are sometimes referred to as "restricted funds", but we also refer to them as Special Purpose Funds, consultant or departmental funds. The Trustees currently administer in excess of three hundred of these funds. These funds are of great benefit to GSTT.

- 1.1.5 Less often, but on occasion, some donations to the Trustees for specific purposes are additions to the other related charities (referred to in paragraph 1.1.2 above), or constitute separate charities in their own right, which are then registered with the other related charities and all grouped under the Charity's registration number.
- 1.1.6 The Trustees have set up a Special Purpose Funds Committee to oversee the management of all these funds, on behalf of the Trustees. It is common practice for a fundholder to look after the day to day operation of a particular fund. This person is likely to be a senior clinician or nurse.
- 1.1.7 This booklet sets out procedures and regulations to help the fundholder understand what is required of them, what they are entitled to do with the funds and when they should consult the officers who look after the Charity and other related charities on a day to day basis on behalf of the Trustees ("the Charity's officers").

2. GOVERNANCE

Fundholders are accountable to the Trustees via the Special Purpose Funds Committee

2.1 Special Purpose Funds Committee

The Committee is chaired by one of the Trustees and its members include senior GSTT management, clinicians and fundholders. The Committee is responsible to the Trustees for ensuring that fund operation complies with Charity Commission and other regulatory guidance. Its overall aim is to ensure that the funds are managed effectively. The Committee will concentrate its efforts on the largest funds but will take overall responsibility for the effective application of all funds. Fundholders are accountable to the Trustees and are subject to the oversight of the Special Purpose Funds Committee on the Trustees' behalf.

2.2 Setting up a Special Purpose Fund

- 2.2.1 It is in the Trustees' absolute discretion whether or not they will accept the responsibility for a particular Special Purpose Fund. A standard application form must be completed which is considered by the Special Purpose Funds Committee. The Trustees have to be sure that the fund is for charitable purposes within the scope of their statutory responsibilities and will be properly managed. Additionally, a check will be made to ensure that they do not already hold a fund to which the assets could be credited.
- 2.2.2 The Trustees may delegate their responsibility to an individual to manage charitable money held in a Special Purpose Fund on their behalf as fundholder. Normally, the Trustees will only delegate management of funds to employees of GSTT or to employees of King's College London (KCL) who hold honorary contracts with GSTT.
- 2.2.3 It is only in exceptional circumstances that an individual will be allowed to become the fundholder of more than one fund.
- 2.2.4 All fundholders may nominate a deputy fundholder. In exceptional circumstances, two deputies may be nominated. Deputies do not automatically succeed if a fundholder leaves.

2.3 Reporting requirements

- 2.3.1 Expenditure from funds is the legal responsibility of the Trustees. The Special Purpose Funds Committee, on their behalf, takes a proportional approach to reporting requirements so that, the larger the fund, the more information is requested. To ensure it properly monitors expenditure the Trustees will require fundholders of funds with larger balances to complete spending plans.

2.3.2 Reporting requirements are as follows

- For the largest ten funds:
Fundholders are asked to produce a detailed spending plan, giving measurable objectives against which performance will be evaluated.
- For funds with a balance of £80,000 upwards:
Fundholders are asked to produce a detailed spending plan.
- For funds with a balance between £20,000 and £79,999:
Spending plans will be requested.

2.3.3 Persistent failure to produce a spending plan or other reports for the Charity's officers will result in a fund being frozen until such time as the information is provided.

2.3.4 All fundholders are encouraged to report within their own department about the existence of the fund and ensure its use is discussed amongst senior colleagues.

2.3.5 A requirement for top ten funds is that a representative of the Charity's officers attends an annual departmental meeting to discuss the fund in question.

2.3.6 A revised or supplemental spending plan will be requested where a fund receives any single or multiple donations totaling £20,000 or more.

2.4 Reserves policy

2.4.1 The Charity's officers are aware that funds sometimes need to absorb setbacks or adapt to change and opportunity. Funds with a balance of £80,000 or more will be given the opportunity to include a reserves policy in their spending plan. As, normally, charitable funds must be applied within a reasonable time this may only be done in the following circumstances:

2.4.2 Reserves may only be held in support of specific projects or eventualities. This might include the need to accumulate funds to purchase a particular piece of equipment by a given date. A precise reserve figure and a timetable for monitoring and reviewing the policy must be given. The policy should take into account likely future donations to the fund and expenditure plans. If fundholders wish to keep reserves for more than three years, this must be explained giving a clear timetable for its application beyond this period.

2.5 Ceasing to be a fundholder

2.5.1 The Trustees will cease to delegate their authority to a fundholder if they believe that any of the regulations in this document are not met. In this case they will either take direct control of the fund or delegate authority to an alternative fundholder.

2.5.2 If donations to a fund are not being spent, and are simply accumulating, the fundholder will be asked to prepare details of their plans for charitable expenditure of the funds. If the Charity's officers believe that funds are not being used to the best advantage because of a lack of application on the fundholders part, or there has been no expenditure for two years or more without good reason, the Charity will take charge of the funds.

2.5.3 If a fundholder retires from or leaves employment with GSTT or KCL they will cease to be a fundholder. Honorary contracts do not entitle individuals to continue to be fundholders unless they are also employees of GSTT/KCL. Normally, donations may not be transferred to follow a former fundholder to a new employer. A flowchart showing the procedure when a fundholder leaves or retires is shown in Appendix 2.

2.5.4 If a fund falls below £1,000 and there is no evidence of significant new donations to the funds, the fundholder will be asked to decide on appropriate application of the remaining funds and the fund will be closed. Funds with a balance of £500 or less with no ongoing

donations must be spent within a short period or the Charity's officers may take action to close the fund.

3. INCOME

3.1 General

3.1.1 The acceptance of money as a charitable donation is entirely at the Trustees' discretion. The Charity's officers will only accept contributions which are made towards the charitable objectives described in the introduction. It is important that any contributions to the funds do not carry any conditions which fall outside the charitable objectives. Where there is doubt whether the gift falls within the terms of the trust, or concerning any conditions attached, the Charity's officers should be consulted prior to acceptance. All income received by fundholders must be entered on the standard donation form (CF01) before it is sent to the Charity's officers.

3.1.2 Individual items of income received over £5,000 will be reported on a quarterly basis to the Special Purpose Funds Committee.

3.2 Donations and Gift Aid – see also Appendix 1

3.2.1 Donors who are UK taxpayers can make donations using the Gift Aid scheme.

3.2.2 Our donation form (CF01) has a section for Gift Aid giving and GSTT staff should make every effort to encourage donors to give by Gift Aid as every penny claimed goes to support the chosen fund.

3.2.3 Thanking donors:

- In order to acknowledge donations, GSTT staff should always try to obtain the names and addresses of donors. This is important as the Charity's officers can write to the donor and invite them to sign a Gift Aid declaration if they have not already done so.

- When a donation is sent directly to a GSTT department the department may acknowledge the donation and thank the donor. The top copy of the donation form (CF01) is the receipt copy which should be also sent to donors along with a thank you letter.
- Where a thank you letter is sent, a copy should be sent to the Charity's officers along with the cheque and appropriate carbon copy of the donation form (CF01).
- The Charity's officers will acknowledge donations and send a thank you letter where the donor's address is available.

3.3 Fundraising income

- 3.3.1 Joint GSTT/Trustees' policies on fundraising are issued in a separate booklet. This covers fundraising appeals and fundraising activities on GSTT premises. Please contact the Special Purpose Funds Manager for advice in the first instance.
- 3.3.2 Fundholders should let the Charity's officers know about any fundraising events or initiatives to benefit the fund they manage. Use of the Charity's (or fund) name must be approved in advance by the Charity's officers (please see paragraph 5.4.1).
- 3.3.3 The Charity's officers can help anyone who wishes to raise money for your fund by supplying a fundraising guidance pack, including a sponsorship form.
- 3.3.4 The Charity's officers can supply a standing order form to any donor interested in making regular donations to a fund.

3.4 Trading activities - goods and services

- 3.4.1 The Trustees take the view that where employees are engaged in generating income through either selling goods or providing services, e.g. laboratory fees, then this income should be paid to their employer, either GSTT or KCL, as it is normally their facilities that are being used. This means that the Charity's officers will not usually administer any income that arises from the provision of services or goods. Fundholders must seek the permission of the Charity's officers if they intend to credit a fund with income from any trading activities.
- 3.4.2 The Trustees will normally only accept voluntary income i.e. donations and legacies. Fundholders who receive grant income, sponsorship income or income from any commercial activity must check with the Charity's officers in advance that the income is acceptable to the Trustees and must also provide adequate backup information in respect of such income. Income arising from the aforementioned activities may be subject to tax and therefore it is important that the Charity's officers have specific information regarding these activities.
- 3.4.3 The Charity's officers will contact donor companies when it suspects that income is from a trading activity. If the Charity's officers are in receipt of income that the Trustees do not wish to hold, they will either return this to the donor or pass it to GSTT or KCL as appropriate.

3.5 Conferences

- 3.5.1 Special Purpose Funds may not normally be used to organise conferences where delegates are charged a fee. This is because conferences are a commercial activity, fees paid by delegates and most sponsorship income is subject to VAT. Please see section 3.4 on "Trading activities" for further advice. Conferences may usually be organised through GSTT budgetary procedures.

3.6 Income from educational activities

- 3.6.1 It is required by GSTT that income and expenditure for any activities (including, but not limited to, educational activities) that use GSTT's resources (staff, space or equipment), must be accounted for through them. The exception to this would be where no GSTT resources (staff, space or equipment) are being used. In these cases, once a statement confirming this position has been signed by the Clinical Director for the area concerned, the following rules apply:
- 3.6.2 If the charitable object of a fund includes the support of education, a fund may be used to accept fees or payments for one off or occasional study days organised by a department. This must be agreed in advance by the Charity's officers by providing full details of the activity and proposed charges, together with the declaration signed by the Clinical Director.
- 3.6.3 In addition, any proceeds of the course or study day may only be used to support education, otherwise a tax liability may be created.

3.7 Funds supporting courses of study

- 3.7.1 Where an application to open a fund devoted to the support of courses of study is approved by GSTT and the Special Purpose Funds Committee special provisions exist. These courses of study may lead to professional qualifications or continuing education.
- 3.7.2 A standard financial report must be produced by GSTT (or the fundholder) in accordance with the requirements of the Charity's officers. This would show, for example, the number of delegates and fees paid.
- 3.7.3 Due to the labour intensive nature of administering the courses, the Charity's officers may charge an administrative fee of up to 20 per cent of turnover.

3.7.4 Assurances should be given to the Charity's officers on behalf of GSTT concerning professional and quality standards of the courses:

- the GSTT Director of Postgraduate Education must be a fundholder on each fund;
- the Special Purpose Funds Committee must receive an annual report from GSTT confirming that the governance and quality standards of the courses are appropriate.

3.8 Income from private patients' fees, consultancy and ad hoc income - see also Appendix 1

3.8.1 All payments to the Charity must be a matter of voluntary donation. Patients seen privately must have no legal obligation to make payments to the Charity. Therefore, no action should be taken (such as rendering an account in the name of the Trustees or the Charity to private patients for them to make a payment to the Charity in lieu of fees) which would lead the patient to believe that he or she is under an obligation to make any payment to the Trustees or the Charity.

3.8.2 It is at a consultant's discretion whether or not he/she chooses to pay any of his or her personal income into a particular fund. Consultants may pay their private income into a fund, but this is deemed to be a donation from the consultant free of any obligation to the consultant.

3.8.3 This income and any income that is received by a consultant in respect of a service is taxable in the hands of the consultant. However, consultants should be able to receive tax relief by making such donations under the Gift Aid scheme. Consultants can claim this tax relief by the completing the appropriate form. Advice and documentation on the scheme is shown in appendix 1. If Gift Aid is claimed, the consultant cannot obtain personal benefit from the fund.

3.8.4 Where a fund receives donations of private patients' fees from the consultant, there must be a second fundholder who will either be a

line manager or clinical director. This control is in place to ensure that personal benefit is not being gained by the donor/fundholder. Any claim forms relating to personal activities of the donor/fund holder will have to be countersigned by the second signatory.

3.9 Research

- 3.9.1 All research and development projects to which a fund contributes, for example through the support of salaries or consumables, must be registered with the GSTT Research and Development Office. The registration number must be notified to the Charity's officers.
- 3.9.2 This requirement also applies where a project is supported by a fund but does not use Trust resources, for example the work may be based in a KCL non-clinical laboratory.

Charitable research

- 3.9.3 Charitable research funds that can be held by the Trustees are those where a donor makes a gift for an area of research, for example, cancer, cardiac, renal, etc. The donor has no rights over the ownership or publication of the research. Any research work that is funded from charitable income from a Special Purpose Fund must be approved in advance by GSTT or KCL.
- 3.9.4 The useful benefits of such research must be published in such a way that the public will benefit from the advancement of medical science. There must be no arrangement to provide preferential access to research findings for funders or any other third party.

Commercial research

- 3.9.5 Research is defined as commercial if the contributor (normally a pharmaceutical company) does any one of the following:
- Where any service agreement, understanding, or contract is entered into (either written or unwritten).

- Retains any rights over the ownership of the results of the research.
- Holds the rights over the publication of the results of the research.

3.9.6 The Charity's officers will not administer commercial research funds or accept any income from companies as payment for a service that has been provided. Commercial research funds should be held and administered by GSTT or by KCL. Details of the contact of each organisation, and more advice on this issue, can be obtained from the Charity's officers.

Research grants received from external bodies

3.9.7 The Charity's officers will not manage research grants receivable from external bodies (e.g. MRC, Wellcome Trust) for research activities. These grants should be managed by GSTT or KCL.

3.10 Legacies

3.10.1 The Charity frequently receives income from legacies. Often the terms of the will specify a particular Special Purpose Fund, appeal or target. If it was the legatee's wish that a legacy is credited to a Special Purpose Fund managed by a fundholder, then the following will happen:

- The fundholder will be informed about the details of the legacy.
- The fundholder will be asked to identify within three months of receipt of the legacy how he/she intends to apply the legacy within the fund's objects.
- Arrangements will be made between the Charity's officers and the fundholder to keep the deceased's next of kin and/or executor informed about how the legacy is being used, as appropriate.

3.10.2 The Charity's officers have information to help anyone interested in leaving a legacy to help your fund or area of the hospital.

3.11 Donation administration

3.11.1 Donation by cheque

Cheques should be made payable to “Guy’s and St Thomas’ Charity”.

The Charity’s officers will then be responsible for allocating it to the correct fund (whether a Special Purpose Fund within the Charity or one of the other related charities).

3.11.2 Paying in donations

3.11.2a All donations should be accompanied by a Special Purpose Fund donation form (CF01). Fundholders should always try to persuade the donor to complete this in order to take advantage of Gift Aid (see paragraph 3.2). If this is not possible, the fundholder should complete the lower section of form CF01 indicating the donor’s intention.

3.11.2b If donations are received directly by the Charity’s officers, unless a specific wish is stated to the contrary, the Charity’s officers will credit such donations to the Charity’s general purpose funds. Otherwise they will follow similar procedures to fundholders, either requesting donors to fill in a donation form or preparing one on their behalf.

3.11.2c If funds have been raised following a fundraising event or a collection, when a large number of small donations are made, it would be impossible to expect all the donors to fill in a donation form. In this case it is the responsibility of the fundholder to ensure that the funds raised by the fundraising event are properly detailed on a donation form.

3.11.2d Any cash should be delivered in person to the Charity’s officers or the GSTT Cashiers.

3.11.3 Donating via the Charity's website

3.11.3a Donations may be made over a secure link through the Charity's website, www.gsttcharity.org.uk

4. EXPENDITURE

As charitable funds, expenditure should be reasonable and not lavish

4.1 General

4.1.1 All expenditure from Special Purpose Funds must be in accordance with the particular charitable objectives of the fund. There are also additional requirements that need to be fulfilled to ensure that expenditure remains charitable and has charitable status for tax purposes. A framework to help fundholders administer expenditure from the funds correctly is given below.

4.1.2 The Charity recommends that all expenditure is made using GSTT's Procurement Department. All medical equipment must be purchased in accordance with GSTT's procedures in consultation with Medical Physics.

4.2 Salaries and expenses

4.2.1 All salaries and expenses must be allowable under the objectives of the fund. Salaries can only be charged to the fund if the staff member concerned is undertaking work which falls within the purposes of the fund.

4.2.2 The following procedures should be followed:

- All salaries or payments to employees need to be paid through the GSTT or KCL payroll because PAYE and NIC (employers and employees) need to be deducted and paid to the Inland Revenue.

- Before staff appointments can be made using Special Purpose Funds to finance them, details of the appointment should be sent to the Charity's officers for authorisation on the Charity's request to fund staff salary form (CF03).
- It is the responsibility of the fundholder to make the necessary arrangements regarding contracts etc. with the relevant Personnel and Payroll Departments. They will then charge the cost of the salary directly to the Charity.
- The Charity's officers will check the estimated salary amount on the salary form with the proposed employer (GSTT or KCL). The entire salary cost will be debited to the fund, so that this amount is set aside for recharges. This will be shown on the fund's quarterly statement.

4.2.3 All expense claims must be made using the Charity's officers' standard request for payment claim form (CF02) supported by (original) receipts.

4.3 Travel, subsistence, accommodation and other related expenses

4.3.1 General provisions

4.3.1a Expenses must fall within the charitable purposes of the fund from which they are claimed.

4.3.1b Fundholders should endeavour to obtain value for money for expenditure and obtain every possible benefit from discounted arrangements and inexpensive travel and accommodation when possible.

4.3.1c All expense claims must be completed using the approved Charity's expense form (CF02) and be authorised by a fundholder. Receipts will be required to support all claims. Failure to provide bona fide

(original) receipts will result in non-reimbursement. Fundholders are expected to give and obtain accurate details of the journeys - the use of the word 'home' is not acceptable.

- 4.3.1d The sum paid shall not exceed the amount spent by the individual. In all cases individuals will be expected to support each claim with appropriate details of the journey and its purpose. Authorising fundholders must satisfy themselves that the claim was necessary.
- 4.3.1e The Charity's officers have a nominated travel agent – please contact them for more information.

4.3.2 Travelling expenses – motoring and taxi

- 4.3.2a Mileage allowances will be paid in accordance with GSTT mileage rates.
- 4.3.2b Subject to the production of receipts, individuals using vehicles on an official journey shall be refunded all reasonable car parking, toll and ferry charges. There will be no reimbursement of parking fines or other motoring fines.
- 4.3.2c Taxi or cab fares and any reasonable gratuity (up to 10per cent of the fare with a maximum of £2.00) shall be payable only in cases where such transport is reasonably required.

4.3.3 Travelling expenses – air travel and rail

- 4.3.3a Payment of travel by air shall be permitted if it is cheaper than other forms of travel or where it minimises time travelling and where travel by other means would reduce the effectiveness of the individual in the performance of their duties. Individuals must fly Economy/Tourist class on journeys within the continent of Europe. Business class is allowable on flights to other parts of the world. First Class air travel will not be funded.

4.3.3b First Class rail travel will not be permitted for journeys of less than one hour.

4.3.4 Meals and sundry expenses

4.3.4a Receipts will be required to support all claims. Reimbursement will be made only up to the value of the receipt and in the case of meals to the limit of the rates shown in paragraph 4.3.6.

4.3.4b Fundholders should be aware that Special Purpose Funds are charitable funds and that expenditure on accommodation and meals should be reasonable and not lavish. Expenditure will only be reimbursed within the allowances shown in paragraph 4.3.6.

4.3.4c A lunch and evening meal allowance is payable when an individual is carrying out fund-related activities and is necessarily absent from home or away from GSTT. Details of the allowances are set out in paragraph 4.3.6.

4.3.4d See paragraph 4.5 for advice on meals for groups of individuals and/or third parties.

4.3.5 Stays in hotels and commercial accommodation

4.3.5a When an individual stays overnight in a hotel, guest house or other commercial accommodation, expenses will be reimbursed on the production of receipts. The Charity will not usually reimburse expenditure on five star accommodation unless it has been agreed in advance and relates to a conference or meeting that is taking place at that five star accommodation.

Travelling overnight in a sleeping berth (rail or boat)

4.3.5b The costs of a sleeping berth (rail or boat) and meals will be reimbursed on the production of receipts within the limits of paragraph 4.3.6 for meals.

4.3.6 Meals allowances

4.3.6a The following allowances pertain to meals funded from Special Purpose Funds:

Breakfast allowance to maximum of £8.00

Lunch allowance to a maximum of £8.00

Evening meal allowance to a maximum of £32.00

4.3.6b These allowances apply to all persons eligible to benefit from meals allowances, whether as a member of GSTT staff or as a recipient of hospitality (see 4.5).

4.3.7 Expenses general

4.3.7a In the event that expense claims exceed the limits outlined in these guidelines, the Charity will reimburse individuals up to the relevant limits, but it will be the responsibility of individuals to meet the difference. For example, in the event that an individual chooses to travel first-class, the individual will be required to meet the difference between first-class travel and the fare for the appropriate class of travel.

4.4 Employee welfare and entertaining

4.4.1 Certain funds provide for employee welfare and entertaining and other funds reimburse the cost of staff salaries. In these cases employee welfare and entertaining may be allowable.

4.4.2 Staff entertaining is not itself a charitable purpose. However, by virtue of the fact that the employee's work falls within the charitable purposes of the fund, provision of appropriate benefits and rewards may be viewed as furtherance of the charitable purpose of the fund.

4.4.3 The benefits should not go beyond what a good employer would normally provide. Fundholders should use the subsistence allowances as a gauge to the maximum level of expenditure that is allowable per head, see paragraph 4.3.6.

- 4.4.4 Christmas parties are normally allowable for funds covered by 4.4.1.
- 4.4.5 Staff retirement or leaving parties will not normally be supported from Special Purpose Funds. However, the Charity funds a staff retirement and leaving gift scheme for all staff who retire after more than ten years continuous service.
- 4.4.6 Any staff entertaining must be accessible to all staff who are eligible to benefit from the fund.
- 4.4.7 Unless the fund's primary object is staff entertaining we would not normally allow more than one event per annum.
- 4.4.8 We strongly advise that details of any payments under this category should be checked with the Charity's officers before they are committed.

4.5 Hospitality

- 4.5.1 Hospitality is defined as the friendly reception and entertainment of guests, visitors or strangers. It covers expenditure relating to a person who is not a member of GSTT or KCL staff and whose work might normally fall within the objects of the fund.
- 4.5.2 Hospitality is only normally allowable if express permission has been given in advance by the Charity's officers.
- 4.5.3 The only exception to 4.5.2 is if hospitality costs total £20 or under in total. This may be claimed retrospectively if adequate explanation as described below is provided with the claim.
- 4.5.4 Hospitality would only be allowable if it can be shown to provide tangible benefits in furtherance of the objects of the funds. This might include, for example, payments for visiting researchers or lecturers who provide research or educational value in connection with the purpose of the fund.

- 4.5.5 Hospitality must be connected to bona fide meetings or seminars which disrupt normal meal arrangements, or may be provided in circumstances where it would be discourteous to fail to offer hospitality.
- 4.5.6 Before agreeing to meet hospitality costs, the Charity's officers will require sufficient details to justify the expenditure. This must include:
- the name(s) of the person(s) receiving the hospitality
 - the reason that the fundholder considers the hospitality desirable
 - the likely cost of the hospitality.
- 4.5.7 Fundholders should use the existing subsistence allowances to gauge the cost of hospitality per person that is acceptable to the Charity's officers, please see paragraph 4.3.6.
- 4.5.8 In no circumstances will the costs of expenditure for partners, friends and family be reimbursed.

4.6 Gifts and presents

- 4.6.1 In the case of certain funds, for example, those for staff and patient welfare, it may be appropriate to use donations for the purchase of gifts. In the case of patients, modest gifts for all patients entitled to benefit from the fund may be purchased at times of celebration, such as Christmas.
- 4.6.2 In the case of staff, gifts should be consistent with what a good employer would normally provide and should also be modest. Gifts may not be awarded to selected individuals, but must be for all staff of a certain grade/group eligible to benefit from the fund. Retirement or leaving gifts may not be purchased from Special Purpose Funds.
- 4.6.3 Gifts must not cost more than £10 per person. Gifts must be items and not in the form of cash (gift tokens count as cash).

4.7 Research expenditure

- 4.7.1 Research expenditure will only be allowed if it is within the objects of the fund.
- 4.7.2 As long as the materials and services (chemicals, analysis of samples etc.) for which payment is requested are applied to the primary objective of the fund they will be qualifying expenditure.
- 4.7.3 Items such as attendance at training courses and conferences, and subscriptions can be included with research expenditure as they are means of increasing knowledge which can be applied in carrying out research. Payments for this expenditure will qualify under the heading of research expenditure. Further advice appears in paragraphs 4.8 and 4.9 below.

4.8 Subscriptions

- 4.8.1 Subscriptions fall into two categories: publications and subscriptions to institutions.
- 4.8.2 As long as the publication is related to the main objective of the fund it will be a qualifying expense.
- 4.8.3 Institutions to which subscriptions are made must provide some form of educational assistance to the individuals and fall within the main objective of the fund.

4.9 Conference expenses

- 4.9.1 This section relates to individual attendance at conferences. The topic of the conference must relate to the charitable objects of the fund. If you are not sure please check with the Charity's officers. Related expenses may also be charged to the fund but these must be paid within these regulations.

4.9.2 Any claims relating to attendance at a conference should be accompanied by a copy of the conference programme as well as receipts/invoices etc for the expenses.

4.9.3 Payments in respect of friends, family members or accompanying employees or consultants will not be met by the funds.

4.9.4 Detailed guidelines are shown in paragraphs 4.3 and 4.5.

4.10 Equipment

4.10.1 Some funds may provide for expenditure on equipment. The Charity recommends that all equipment should be purchased through GSTT's Procurement Department. All medical equipment must be ordered in consultation with Medical Physics.

4.10.2 **Equipment purchased becomes the property of GSTT/KCL.** Charity officers will report any equipment purchased costing over £5,000 to the Special Purpose Funds Committee. Equipment which does not become the property of GSTT/KCL will not be allowable expenditure.

4.10.3 The equipment must be used solely for the purpose of the Special Purpose Funds and equipment purchased for other purposes cannot be charged to the funds.

4.10.4 Any equipment purchased for work carried out at home premises or locations other than those of the GSTT/KCL must comply with GSTT/KCL procedures for removal of equipment. Such equipment remains the property of the GSTT/KCL.

4.10.5 GSTT does not accept donations of televisions and telephones for ward areas, unless previously agreed with GSTT.

Tax relief on equipment

4.10.6 There are tax advantages in ordering certain types of equipment through Special Purpose Funds. When certain equipment is purchased by the Trustees through a fund and donated to GSTT, it is zero rated for VAT purposes, giving a saving of 17.5 per cent compared to the cost paid by an NHS body. Medical, scientific, computer, video, sterilising, laboratory and refrigeration equipment qualify as long as the item is used for medical research, training, diagnosis or treatment. Equipment should be ordered through GSTT Procurement.

4.11 Building works/refurbishment

4.11.1 All buildings works and refurbishment to be funded from a Special Purpose Fund must be carried out through GSTT's Capital and Estates Department.

4.12 Education and training

4.12.1 Provided the expenditure falls within the fund's purposes, costs related to education and training will be allowed. These include course fees, cost of travel, subsistence etc.

4.12.2 If the fund is being used to support formal research training, e.g. a PhD or MD, then prior approval must be given by the GSTT R&D Office.

4.12.3 All payments of fees to GSTT/KCL staff should be paid under the deduction of tax and if appropriate NIC. These should be paid through the GSTT/KCL salaries departments.

4.12.4 See paragraphs 3.6 and 3.7 for advice on using funds to accept in come from educational events.

4.13 General office expenditure

4.13.1 Costs incurred which are incidental to the main purpose of the fund will be allowable.

4.14 Administration of expenditure

4.14.1 All invoices or requests for payment from external suppliers must be sent directly to fundholders and not the Charity's officers and should be addressed as follows:

- Guy's and St Thomas' NHS Foundation Trust
Insert the name of your department...
c/o Guy's and St Thomas' Charity
Insert your departmental address...
- It is important that invoices are invoiced to GSTT, as the Trust will be able to reclaim VAT on certain contracted out services.

4.14.2 Original copies of invoices and supporting documentation should be attached to the Charity's payment claim forms (CF02) and then forwarded to the Charity's officers for payment. Payment will not be made on receipt of purchase orders, suppliers' statements, photocopied or faxed documents.

4.14.3 Payment forms (CF02) must be signed by an authorised fund signatory. **No payment will be made without a covering claim for payment form.** Fundholders should keep a copy of the form to trace payments on quarterly statements.

4.14.4 In the event of a dispute with a supplier over an invoice payment, fundholders should forward the invoice to the Charity's officers marked HOLD. We will then hold payment whilst the dispute is resolved. Please do not retain unpaid invoices as the suppliers may contact us.

4.14.5 All GSTT catering invoices are sent directly to the Charity's officers and are paid and charged to funds without prior authorisation. Fundholders should check their statements and inform the Charity's officers if they have any queries regarding these paid invoices.

4.14.6 If goods are purchased from internal supplies, invoices or orders should be sent to the fundholder not directly to the Charity's officers.

5. OTHER MATTERS

5.1 Patient groups

5.1.1 A number of the funds which the Trustees hold have objects which relate to support for particular patient or user groups and their friends and families affected by the patient's condition. The regulations set out above all apply to these funds – especially relating to fundraising, reporting back to the Charity's officers etc. All such funds must have a fundholder who meets the requirements set out in paragraph 2.2.2.

5.1.2 In addition, however, such funds raise especial issues, which require attention. If a fundholder of one of these patient or user support funds is at any stage in any doubt about anything to do with the fund (in particular in connection with any of the matters discussed below), the fundholder must apply to the Charity's officers for further guidance:

5.1.2a Where the patient support fund will have a role outside GSTT – for instance in relation to patients of other hospitals and to educating the wider public about the relevant disorder – it must always be clear how the work of the Fund relates to the purposes of GSTT and its hospital services, as well as to the NHS. The fundholder must brief the Special Purpose Funds Committee about the Fund's functions and obtain its authority to the involvement of non-GSTT / KCL health professionals. The fundholder remains responsible at all times to the Trustees for the management and use of the fund.

5.1.2b In relation to production of literature (including web-based material), the fundholder must ensure relevant statements and disclaimers are included. Depending on the content and siting of the literature, this will usually include, at least, a statement that its text is for information purposes only; that it does not constitute professional

advice for medical diagnosis or treatment and that no responsibility is accepted for its content.

5.1.2c In organising direct support for beneficiaries, the fundholder must set clear limits (agreed in advance with the Special Purposes Funds Committee) as to the scope of that support – whether it be emotional support, medical advice or welfare provision:

- Advice and support given, if medically related or emotional, will usually be generic and information based, and organised in a way which can be therapeutic for those affected by the disorder but not specific to particular cases.
- Whether given in discussion groups or one-to-one, it must be expressly established that it is not a substitute for diagnosis, treatment, or information from a medical care provider, and does not constitute formal counselling.
- Care must be taken to ensure compliance with data protection and confidentiality rules.
- In relation to one-to-one support, the fundholder has particular responsibility for selecting, briefing and monitoring the individuals who will offer that service, with a view always to safeguarding the individuals themselves and the patients and others affected by the patient's condition, as well as minimising any possibility of criticism of or liability for the Trustees or the Charity's officers.

5.1.2d Some of these funds have committed supporters. In at least one case, these may have been 'members' of the fund's predecessor charity. It is important for the fundholder to be clear - both for the fundholder and the supporters - about their role and functions. These may differ in relation to different funds – eg donors, 'buddies' etc. They do not, however, have power to commit the use of the assets of the fund or have any constitutional authority over it. That is the Trustees' responsibility, acting through its delegates – either the Special Purposes Funds Committee or the fundholder.

5.1.2e Some of these funds have separate governing instruments; (i.e. they constitute one of the “other related charities” for which the Trustees are responsible). This affects the statements required to be made when fundraising. Please refer to the Charity’s officers for further information, if this applies to your Fund.

5.2 Conflict of interest

5.2.1 A conflict of interest is any situation in which a fundholder’s personal interests, or interests which they owe to another body, and those of the fund arise simultaneously or appear to clash. This may be because the fundholder, or another person or body closely associated with him/her, may profit from the fund in some way. The Trustees realise that conflicts can arise, and their concern is that these should be managed in a way that protects the integrity of a fundholder’s role as manager of charitable donations.

5.2.2 Fundholders should comply with their employer’s policy on disclosure of interests. In addition, all fundholders (including deputy fundholders) must disclose to the Charity’s officers any interests relevant to management of their fund. This includes involvement in any body which is (or likely to) make donations or receive payment or any other benefit from the fund. Fundholders should notify the Charity’s officers if they (or any close members of their family) hold a position in any organisation donating to (or likely to donate to) or doing business with (or likely to do business with) the fund managed.

5.2.3 Although not an exhaustive list, positions with such organisations might include:

- Directorships in private companies or PLC’s
- Ownership or part ownership of private companies, businesses or consultancies
- Majority or controlling shareholdings in organisations
- A post of authority in a charity or voluntary organisation.

- 5.2.4 Conflict of interest may also arise where a fundholder's family members or friends are personally supplying services relevant to the fund's charitable object and the fundholder wishes to pay them from the fund. The fundholder should notify the Charity's officers of this in advance, if approved their expense claims must be countersigned by the fundholder's line manager.
- 5.2.5 Any disclosures of interest will be reported to the Special Purpose Funds Committee. The Committee will take a view as to whether the competing interest is permissible so that any conflict of interest is properly and openly managed. The Charity's officers will maintain a register of any fundholder interests which will be reviewed annually by the Special Purpose Funds Committee.
- 5.2.6 In the event of the Charity's officers becoming aware of any breach of these provisions, a report will be made to the Special Purpose Funds Committee, which may decide that the person concerned should be removed as fundholder. This step would be taken if a fundholder had put personal or other interests ahead of those of the fund in order to derive significant benefit at the fund's expense.

5.3 Acknowledgement and publicity

- 5.3.1 Any publication, presentation or poster produced by the fundholder, or by a member of staff in the benefiting department, must acknowledge any significant contribution from the Fund and include the Charity's logo. Branding guidelines describing how to use the logo are available from the Charity's officers or can be downloaded from the Charity's website.
- 5.3.2 Fund holders should contact the Charity's Communications Department before publicising in the media or NHS publication any project which has received a significant contribution from a Special Purpose Fund.
- 5.3.3 Major building works or equipment purchased from Special Purpose Funds should display a plaque indicating the fund's support. Please

notify the Charity's officers in advance of any planned launch or opening to allow time for them to ensure appropriate representation.

5.4 Use of the Trustees' / Charity's / fund name or logo

5.4.1 Any plans to refer to the Trustees or to use the Charity's name, logo or a fund name in any publication, website, mailshot or other vehicle should be approved by the Charity's officers in advance. This applies to fundraising initiatives in particular (please see para graph 3.3).

5.5 Intellectual property

5.5.1 If as a result of a project supported by a fund, ideas, processes or products of potential medical, scientific, commercial or other value are generated, the fundholder and GSTT and/or KCL (and/or any other organisations involved) will enter into a separate agreement with the Trustees on:

- patents, design or copyright protection and ownership;
- disclosure of information acquired or obtained;
- sharing of financial returns.

5.6 Investment of the funds

5.6.1 Interest will be added to the funds quarterly; the amount earned depends on the monthly balance in the fund and the interest rate prevailing at the time. The Charity's officers will apportion part of its management costs against each fund; this will be charged by deduction from the interest before it is credited to the fund.

5.6.2 If fundholders' spending plans show that significant levels of money will be held in the fund for several years, then some of the funds may be invested in more long-term investments such as equities. Gains and losses will be apportioned to these funds as appropriate.

5.7 The regulations

5.7.1 Any updates to the regulations will be notified to fundholders and posted on the Charity's website.

Appendix 1

THE GIFT AID SCHEME

This appendix is divided into two sections. The first section details the provisions of the Gift Aid scheme which allows the Charity's officers on behalf of the Charity or Trustees' other related charities to claim back tax on donations made to the charitable funds. The second section details the specific arrangements, which the Charity's officers will put in place for consultants and other staff to donate private patient income and other fees they receive to the Funds.

1. THE GIFT AID SCHEME

1.1 Introduction

Charities can recover income tax on donations made to them by UK taxpayers under the Gift Aid scheme. Income tax is recovered at the basic rate and this recovery increases the value of the donation to the Charity. Higher rate taxpayers can recover further tax relief by recording any Gift Aid donations on their annual tax return. Therefore, there is a significant benefit to the Charity and sometimes to the donor.

1.2 How the Gift Aid scheme works

The Gift Aid scheme is remarkably simple. All the donor needs to do is to sign a Gift Aid declaration and give it to the Charity's officers. The scheme is so simple that the donor can either sign the declaration each time he or she makes a donation, or simply sign a single declaration in respect of all future donations. The Charity's officers have a standard form (CF04) for this purpose.

The Charity's officers will recover the tax from HM Revenue and Customs on the donation, but the donor need take no further action. If the donor is a higher rate taxpayer, payments made under the Gift Aid scheme should be entered on their tax return.

2. SPECIAL PROVISIONS FOR CONSULTANTS AND OTHER STAFF DONATING PRIVATE PATIENT INCOME TO THE FUND

2.1 This appendix should be read in conjunction with paragraph 3.2 of the regulations

Some consultants and members of staff have, perhaps justifiably, been under the misapprehension that by simply paying private patient income into one of the Trustees' charitable funds, they are released from any tax liability. It is important to understand that this is not so. The Trustees have agreed a scheme with HM Revenue and Customs to allow private patient income to be paid into the Trustees' funds and remain tax neutral.

2.2 How the Scheme works

All private patient income should be paid over to the Charity using form CF04. This income will not be credited directly to the Fund but to a separate private patient income account. The Charity's officers will provide the consultant with a quarterly statement detailing the funds in the account. Every six months, the Charity's officers will transfer the total to the fund, provide a statement detailing the amount that should be recorded on the consultant's tax return and forward a cheque to the consultant to cover the exact amount of the tax liability incurred on that income. The Charity's officers will recover an equivalent amount of tax from HM Revenue and Customs under the Gift Aid scheme.

2.3 Gift Aid declaration

For this scheme to become operative, the Gift Aid declaration detailed on form CF04 must be signed.

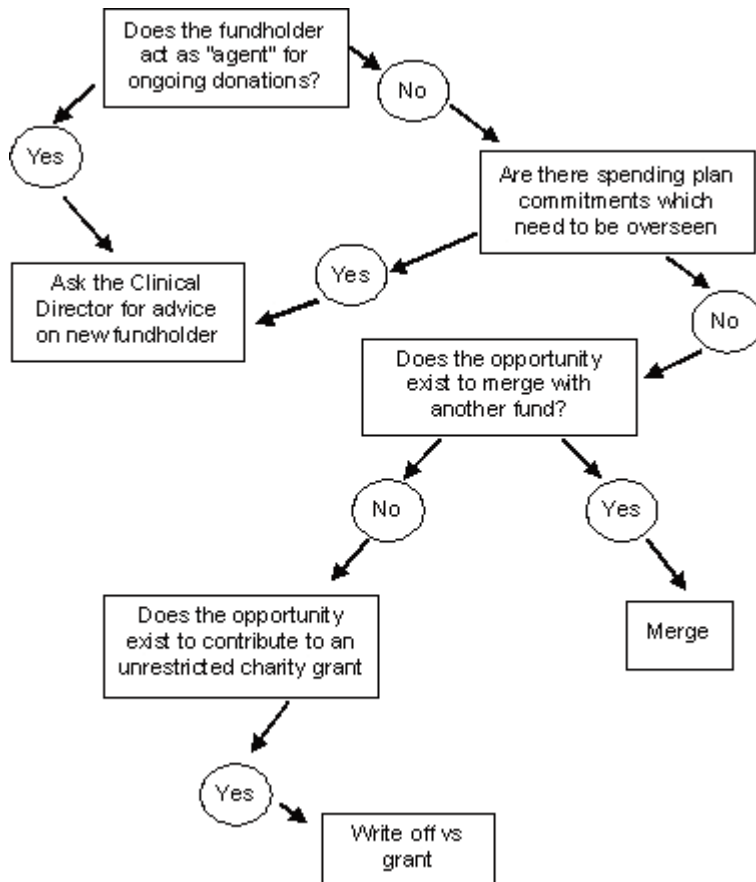
2.4 Right to refuse patient income not paid under the Gift Aid scheme

The Charity's officers are particularly worried that consultants may be incurring tax liabilities without realising it. Therefore, in normal circumstances the Charity's officers will refuse to accept private patient income unless paid under these arrangements.

3. QUERIES

If you have any queries at about this Gift Aid scheme, please contact the Charity's officers (see Appendix 3).

Appendix 2 Flowchart – Fundholders who leave or retire



- 1) Excludes funds for which the fundholder is a ward manager (unless fund has a balance of £20,000 +)
- 2) Where a fund is supporting a PhD studentship or KCL contracted research post, ensure that the fundholder's role as supervisor is recognised and supported by the Head of the relevant KCL Division.

Appendix 3

CONTACTING THE TRUSTEES OF THE GUY'S AND ST THOMAS' CHARITY AND OTHER RELATED CHARITIES

1. The following staff administer Special Purpose Funds:

Ruth Bishop, Special Purpose Funds Manager
Tel: (020) 7188 1204 (internal ext. 81204)
Email: ruth.bishop@gsttcharity.org.uk

James Varley, Director of Finance
Tel: (020) 7188 1232 (internal ext. 81232)
Email: james.varley@gsttcharity.org.uk

Kate Dawson, Head of Communications
Tel: (020) 7188 1218 (internal ext.81218)
Email: kate.dawson@gsttcharity.org.uk

Robert Scarff, Special Purpose Funds Accountant
Tel: (020) 020 7188 1211 (internal ext. 81211)
Email: robert.scarff@gsttcharity.org.uk

Henrietta Palmer, Supporting Special Purpose Funds Accountant
Tel: (020) 020 7188 1193 (internal ext. 81193)
Email: henrietta.palmer@gsttcharity.org.uk

2. The address for the Trustees and the Charity's officers is:

1st Floor, West Wing, Counting House,
Guy's Hospital, St Thomas Street
London SE1 9RT

Fax: (020) 7378 0030.

3. Information for fundholders appears on the Charity's website:
www.gsttcharity.org.uk



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1st Floor, West Wing
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