

Charitable Funds Committee

Terms of Reference

1. Title

The Committee shall be known as the Charitable Funds Committee of the North Yorkshire and York Primary Care Trust (PCT).

2. Accountable To

The Committee shall be accountable to the Board of North Yorkshire and York PCT.

3. Reporting Arrangements

3.1 The Committee's Terms of Reference shall be agreed by the North Yorkshire and York PCT Board.

3.2 The minutes of the Committee shall be presented to the Board for ratification at the earliest practicable meeting, either in public or private session as appropriate.

3.3 The composition of the Committee shall be published in the Annual Report.

4. Duties

4.1 Constitution

4.1.1 North Yorkshire and York PCT was appointed as corporate trustee of the charitable funds by virtue of SI (3144, 3145, 3146 and 3147) and that its Charitable Funds Committee serves as its agent in the administration of the charitable funds held by the Trust.

4.1.2 The Committee has been formally constituted by the Board in accordance with its Standing Orders, with delegated responsibility to make and monitor arrangements for the control and management of the Trust's Charitable Funds and will report through the Trust Board.

4.2 Overview

- 4.2.1 The Charitable Funds Committee has been established by the Board to make and monitor arrangements for the control and management of the Trust's charitable funds.

4.3 Scope and Duties

- 4.3.1 Within the budget, priorities and spending criteria determined by the Trust as trustee and consistent with the requirements of the Charities Act 1993 (or any modification of that Act) to apply the charitable funds in accordance with their respective governing documents.

- 4.3.2 To ensure that the Trust policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way which both preserves their capital value and produces a proper return consistent with prudent investment and ensuring compliance with:

4.3.2.1 Trustee Act 2000

4.3.2.2 The Charities Act 1993

4.3.2.3 Terms of the Fund's Governing documents

- 4.3.3 To receive, at least twice a year, reports for ratification from the Director of Finance on investment decisions and action taken through delegated powers upon the advice of the Trust's investment adviser.

- 4.3.4 To oversee and monitor the functions performed by the Director of Finance as defined in Standing Financial Instructions in relation to charitable funds.

- 4.3.5 To monitor the Trust's scheme of delegation for expenditure for the levels above £500.

- 4.3.6 To approve all individual charitable fund expenditure in excess of £10,000.

- 4.3.7 Expenditure over £50,000 must have Trust Board approval.

4.4 Authority

- 4.4.1 The Charitable Funds Committee is empowered with the responsibility for:

- 4.4.1.1 The day to day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the trustee.

- 4.4.1.2 Appointing an investment manager to advise the Committee on investment matters and may delegate day to day management of some or all of the investments to that investment manager.
- 4.4.2 In exercising this power Charitable Funds Committee must ensure that:
 - 4.4.2.1 the scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;
 - 4.4.2.2 there are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently;
 - 4.4.2.3 they review regularly the performance of the person or persons exercising the delegated power;
 - 4.4.2.4 where an investment manager is appointed, that person is regulated under the Financial Services Act 1986;
 - 4.4.2.5 acquisitions or disposal of a material nature must always have written authority of the Charitable Funds Committee or the Chairman of the Charitable Funds Committee in conjunction with the Director of Finance;
 - 4.4.2.6 the banking arrangements for the charitable funds should be kept entirely distinct from the Trust's revenue funds;
 - 4.4.2.7 separate current and deposit accounts should be minimised consistent with meeting expenditure obligations;
 - 4.4.2.8 the amount to be invested or redeemed from the sales of investments shall have regard to the requirements for immediate and future expenditure commitments;
 - 4.4.2.9 the Charitable Funds Committee will establish and maintain an approved list of counter parties for investment activities;
 - 4.4.2.10 the Charitable Funds Committee will operate an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Charitable Funds Committee shall propose the basis to the Trust Board for applying accrued income to individual funds in line with charity law and the Charity Commission guidance;
 - 4.4.2.11 the Charitable Funds Committee will obtain appropriate professional advice to support its investment activities;
 - 4.4.2.12 the Charitable Funds Committee shall regularly review investments to see if other opportunities or investment managers offer a better return.

4.5 Delegated Powers and Duties of the Director of Finance

- 4.5.1 The Director of Finance has prime responsibility for the Trust's charitable funds as defined in the Trust's Standing Financial Instructions. The specific powers, duties and responsibilities delegated to the Director of Finance are:
 - 4.5.1.1 administration of all charitable funds;

- 4.5.1.2 provide guidelines in respect of donations, legacies and bequests, fundraising and trading income;
- 4.5.1.3 act as lead contact with Harrogate District Foundation Trust;
- 4.5.1.4 ensure appropriate banking services are available to the Trust;
- 4.5.1.5 prepare reports to the Trust Board including the Annual Accounts.

5. Membership

The Committee shall comprise of at least two Non Executive Directors and at least two Executive Directors.

6. Quorum

No business shall be transacted unless there is at least one Non Executive Director and one Executive Director present.

7. Attendance

The committee may require the attendance for advice, support and information routinely at the meetings from:

Charitable Fund Accountant
Trust Investment Advisor
Patient Representative
Staff Side Representative

8. Frequency (of meetings)

The Committee shall meet at least quarterly.

9. Review of Terms of Reference

The Committee shall review its Terms of Reference at least annually.

10. Review of Committee Effectiveness

- 10.1 The Committee shall undertake a review of its effectiveness at least annually.
- 10.2 The Committee shall be subject to any review of PCT committees as required.