



# **King's College Hospital Charity Designated Funds Operating Instructions**

## **January 2019**

King's College Hospital Charity ('the Charity') is a Registered Charity (charity number 1165593) and a Company Limited by Guarantee (company number 09987908).

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# 1 Introduction

## 1.1. Purpose of these Operating Instructions

Designated & restricted funds arise when money is donated for specific purposes. These purposes will be within the scope of the charitable objects of the Charity, but with the donor having expressed a wish, or placed a specific legal restriction on the way their gift is to be used.

The Charity is responsible for managing funds donated for specific purposes and ensuring that the donor's wishes are discharged.

This document sets out the processes by which such funds are managed and describes the respective roles and responsibilities of the Charity Trustees & staff and the Fund Advisers who are appointed for each fund to advise the Charity how best to spend the monies for the benefit of patients and to respect the donor's wishes.

The Trustees may replace a Fund Advisor at their discretion if they believe that any of the guidelines in this document are not being met.

## 1.2. The Charity's Mission

The Charity's mission is to work for the benefit of patients and service users of King's College Hospital NHS Foundation Trust across all its sites, and, where considered appropriate, other bodies relating to the NHS in England, by enhancing services and facilities; supporting research and development; and improving the working environment for staff.

The Charity seeks to enhance the work done by the FT, by funding goods or services which the NHS would not normally be able to fund itself and are 'over and above' statutory provision.

***The Charity's ultimate aim is to benefit present and future patients and this is the basis of its public benefit, which underlies its charitable status.***

## 1.3. What are Special Purpose Funds / Designated Funds

Where a donor of a gift or legacy has expressed a preference that they wish their gift to be used for a named clinical speciality or hospital ward or to fund a specific activity;

- a **Designated Fund** is created as a practical way of 'ring-fencing' monies given by donors who express a wish that their donation be spent on a particular purpose, to ensure that the monies are subsequently spent on that same purpose.
- but where the where the donor has imposed a written instruction on the purpose to which the money may be put and what the money can be spent on a **Restricted Fund** is created.

Expenditure from each Fund should be:

- consistent with the purpose for which the Fund was established;
- comply with these Operating Instructions; and
- not be used in ways that risk losing the support of donors or other stakeholders or may damage the reputation of the Charity.

Funds are not independent - all monies held within a Fund legally belong to the Charity, which retains ultimate control and decision-making. The Charity is transparent about the funds that it holds. It does not consider activity on Designated Funds to be confidential and will, for example, publish information about them in the statutory Annual Report and Accounts, which are then filed with the Charity Commission. Donations and legacies are allocated to

## 1.4. Roles and Responsibilities for the effective use of designated funds

### 1.4.1 Designated Fund Advisors

The role of Fund Advisors is to use their knowledge and expertise to advise the Charity how best to spend the monies held within the Fund for the benefit of patients.

Specific responsibilities are as follows:

- to use Funds proactively and hold full and open discussions about the activities of Designated Funds with colleagues, so that Funds may be used to benefit patients of the Foundation Trust.
- to support the charity in encouraging grant applicants to provide all the information requested by the Charity for grant performance and impact reporting.
- to comply with all relevant policies, procedures, systems and processes of the FT in relation to grant expenditure and ensuring only charitable income is paid to the Charity. **See section 3 for further details.**

Application forms for appointing Fund Advisors can be found on the intranet [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity).

Two Fund Advisors should be appointed for each fund in order to ensure they can challenge each other's decisions if required. Fund Advisors should manage any conflicts of interest and be senior employees of, or have an honorary contract with, King's College Hospital NHS Foundation Trust. If a Fund Advisor retires or leaves FT employment, they cease to be a Fund Advisor.

Fund Advisors are encouraged to contact the Finance Team for information and advice – contact details are on the intranet [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity).

### 1.4.2 The Charity's Trustees and Staff

The Charity retains ultimate control over all Funds. It is responsible for:

- providing governance over the effective and efficient raising and spending of funds;

- keeping these Operating Instructions up-to-date and in line with best practice;
- authorising fund expenditure after receipt of advice from the Fund Adviser;
- monitoring income and expenditure

The Charity retains the right to veto transactions of any value deemed to be inappropriate, even if reimbursement is being sought for payments already made.

The Trustees delegate the day to day discharge of these responsibilities to the Charity's Chief Executive and staff. Contact details for day to day matters are provided on the hospital's intranet [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity).

## **1.5. Opening and Closing Designated Funds**

### **1.5.1. Setting up a New Fund**

New Funds are opened at the discretion of the Charity, where it can be demonstrated that there is a genuine need. Before agreeing to open a new Fund, the Charity will therefore consider whether there is an existing Fund which already covers the proposed purpose.

An application form must be completed to open a new Fund - the form is attached in Appendix 1. Applications will be considered by the Charity's Chief Executive and applicants will be informed of the outcome.

### **1.5.2 Closing Funds**

The Charity reserves the right to close any Fund or to merge it into another Fund, if it considers this to be in the best interests of the Charity. Funds will be closed if:

- There has been no spend for two consecutive financial years, having warned the Fund Advisor in writing after the first financial year or
- There is a balance of less than £500 with no spend for one financial year

The Charity will also periodically review all Funds in existence and make recommendations to the Trustees regarding the potential for rationalisation within statutory guidelines.

The outstanding balance on any closed Fund will be assigned to General Funds.

### **1.5.3 Maintaining a Credit Balance**

In line with the Charity's Financial Standing Orders, all Funds must remain in credit at all times and must not go overdrawn. Expenditure will not be allowed if the balance available is insufficient to meet it.

In order to protect unspent balances on Designated Funds from stock volatility, each year Funds are credited by the Charity with a sum that corresponds to the prevailing Bank of England interest rate, with the Charity's general funds absorbing any investment risk.

It is current Charity policy not to levy an administration charge.

## **1.6. Reporting**

### **1.6.1. Financial Reporting**

The Charity will provide quarterly statements of Fund financial activity and balances to Fund Advisors. The Charity's Finance office can answer ad hoc queries at other times

The Charity aims to take a proportional approach to requiring information and reporting from Fund Advisors. However, the Charity reserves the right at any time to request that a Fund submits a plan for future expenditure. This helps the Charity to ensure that Funds are effectively used and enables the Charity to plan its future cash flow more accurately. The larger the Fund the more information the Charity will require about spending plans.

The Charity should be updated regularly on spending plans. This is particularly true when Fund Advisors wish to temporarily earmark income within their Fund for a specific purpose e.g. item of equipment/function. Fund Advisors should keep the Charity's Accountant informed of the size, purpose and the time period involved.

### **1.6.2. Impact Reporting**

Fund Advisors may be asked to provide an Impact Report, describing the measureable impact that the expenditure incurred on their Fund has had on the lives of patients. This may be for internal use or for inclusion in external publications such as the website or the Annual Report and Accounts.

### **1.6.3. Biennial meetings**

Fund Advisors of Designated Funds with balances above £90k will be asked to attend a meeting with charity staff every year to discuss current and future use of charitable funds.

### **1.6.3. Conflicts of Interest**

Fund Advisors should comply with the requirements of the FT's Standards of Business Conduct and Conflicts of Interest in relation to the raising and spending of charitable funds. Perceived conflicts of interest can arise in several ways. A list of some examples of conflicts (not exhaustive) is given below:

- If the Fund Advisor or another person closely associated with him/her may benefit in some way from expenditure that the Fund Advisor wishes to authorise. For that reason, no Fund Advisor may authorise expenditure from which they, or others linked to them in a personal capacity, will benefit. Any payment to a Fund Advisor must be authorised by the other Fund Advisor.
- Where a Fund Advisor holds a position in any body making donations to a Fund (e.g. a Director in a private company or Trustee in a charity). This should be disclosed for review by the Charity.
- Where a Fund Advisor's family members or friends are personally supplying services relevant to the Fund's charitable objective and the Fund Advisor wishes to pay them from the Fund. In this instance, the Fund Advisor should notify the Charity in advance and, if approved, their expense claims/invoices should be signed by the other Fund Advisor.

Steps must also be taken to avoid the potential for undue influence that could come from gifts and hospitality.

If a Fund Advisor is unsure, please contact the Charity's CEO for further advice.

## **2. Income**

Fund advisers should ensure that any income paid to the fund through them are charitable donations and is paid to the Charity promptly. They are also required to respect the ethical policies of the charity which may affect gift acceptance.

### **2.1. Accepting Income**

#### **2.1.1. Is it Charitable?**

Income can only be accepted by the Charity if it fits the definition of a charitable donation i.e. it is a gift freely given with no benefit accruing to the donor, and the purpose for which it is given is consistent with the Charity's overall objective and the particular purpose of the Fund.

Charitable donations can be made in many ways – as a legacy or donation from an individual, as a grant from a Trust/Foundation or as a donation, or sponsorship, from a commercial company. Sometimes the donor might request recognition for their gift (e.g. a plaque) or a report on the impact their donation has made – these are reasonable requests and do not constitute a benefit.

The Charity needs to be satisfied that a donation is charitable and not commercial: - where the individual or organisation paying the money expects a benefit in return. Money earned, as opposed to donated, belongs legally to the FT. Commercial income may comprise payments received:

- for sponsorship of a conference or event;
- in return for data, medical reports, laboratory results or exclusive access to research findings, or other services;
- for goods purchased from charitable funds with the objective of reselling them.

Income from Events such as fund-raising dinners, balls and raffles or charitable commercial sponsorship can be received but only with prior agreement and input from fundraising staff in the Charity.

Designated Funds may not normally be used to organise conferences and educational events where delegates are charged a fee and instead should be administered through the FT. Small charges for attendance at lectures etc. may, under certain circumstances, be allowable when the expenditure on the conference meets the Charity's charitable objectives.

If a Fund Advisor is unsure about whether income is charitable, they should contact the Charity Accountant for further advice.

### 2.1.2. Is it Ethical?

The Fundraising team are responsible for implementing an ethical policy (See [supportkings.org.uk](http://supportkings.org.uk)) and appropriately screening donations for potential breaches of the policy.

Charitable funds must not be used as a banking facility – i.e. to deposit money at will and withdraw it on demand. Once monies are donated into a Fund they are available to all those benefitting from the Fund and will not be held for a specific person or item unless agreed in advance by the Charity.

## 2.2. Donation methods

All donations received by members of staff in the course of their employment must be paid into a charitable fund.

Fund Advisors must ensure that all donations received by them are processed very promptly – at the latest within 24 hours of receipt. If donations are not processed promptly, there is an increased risk that they may be mislaid (or only processed after a delay), resulting in a financial loss to the Charity and/or damage to the Charity's reputation with donors.

All donations received by Fund Advisors must be entered on the Charity's Standard Donation Form which can be found on the intranet [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity). Please follow carefully the instructions on the form and provide as much information as possible.

Unless a wish is stated to the contrary, donations will be credited to the Charity's general funds. Copies of donor correspondence should be attached to the Charity's donation form so that the Charity can identify and honour donor wishes.

If cash is received, this should immediately be delivered in person to either the Charity or the FT's cashiers with the accompanying completed donation form.

Regular Direct Debit and Credit Card donations can be made online over a secure link through the KHP fundraising website at [www.supportkings.org.uk](http://www.supportkings.org.uk)

Sometimes donations are paid directly into the Charity's bank account. When these sums appear on the bank statement, their purpose is not always clear. Therefore, Fund Advisors must ensure that the Fund number is clearly stated in the payment reference. Any donation not identified within 3 months of their receipt will be credited to the Charity's General Fund.

The Charity's Finance office can provide further advice regarding all of the above donation methods or provide donation forms.

## 2.3. Data Records and Thanking Donors

The Fundraising Team are responsible for accurately and reliably entering information about donors and their donations onto the Charity's donor database and correctly recording the



donation against the relevant Designated Fund based on the information provided on the Donation Form.

It is also very important for building long-term relationships that donors are always thanked for their gift in an appropriate way. The Fundraising Team has responsibility to issue thank you letters for all donations. If a donation is sent directly to a Fund Advisor, it is the Fund Advisor's responsibility to collect the donor details in order for the fundraising team to issue thank you letters.

#### **2.4. Gift Aid Recovery**

Donations from individuals who are UK taxpayers are generally eligible for Gift Aid, which will significantly increase the value of the donation to the Fund.

The donation form covers Gift Aid and Fund Advisors should make every effort to encourage eligible donors to sign the Gift Aid declaration. Gift Aid is reclaimed by the Charity from HMRC at the end of every financial year and credited to the relevant Designated Fund.

#### **2.5. Income Passed on by a Member of Staff**

Members of hospital staff are welcome to make charitable donations.

Donations in lieu of other sources of income (e.g. an honorarium or speaker's fees) may be paid directly by the payer to the Charity if the payer is happy to do so but they remain responsible for declaring this as earned income on their personal tax return but may mitigate the tax liability by completing a Gift Aid declaration.

Items of contractual personal income (e.g. private patient income) may not be paid directly into a Fund. Items of income that belong legally to the Foundation Trust (such as statutory payments for supplying medical reports) must be paid into the Foundation Trust and not into the Fund.

#### **2.6. Supporting Courses of Study/Income from Educational Activities**

Funds should not normally be used to develop and run courses of study due to the labour intensive process required to administer training and the risk of creating a loss or alternatively a tax liability through trading. If the charitable object of a Fund includes the support of education, in exceptional circumstances a Fund may be used to accept payments made for one-off or occasional study days. This must be agreed in advance by the Finance Director and/or CEO. Any proceeds from this course/study day may only be used to support education; otherwise a tax liability may be created.

#### **2.7. Legacies, Bequests and Wills**

Potential donors may leave a legacy to a particular Fund in their Will. Bequests are legally binding documents and problems can arise if their wording is not clear. Any member of staff approached by a patient for advice about their will must consult the Fundraising Team to ensure the donor's wishes are clear and achievable.

When a legacy is received for the benefit of a particular Fund or hospital area, the Fund Advisor will be informed. For legacies over £10,000 in value, the Fund Advisor will normally be asked to identify within three months of receipt of the legacy how they intend to apply the legacy within the Fund's objectives.

If a Fund Advisor receives any enquiries or correspondence from executors of wills these should be directed to the Charity who are responsible for administering legacies left to benefit the King's hospitals.

### 3. Expenditure

#### 3.1 Core Principles

Fund Advisors should ensure that any planned expenditure from charitable funds is:

- **Focused primarily on enhancing the welfare of patients and service users** of KCH Hospitals;
- **Aligned with the King's strategy** ;
- **Innovative** – the Charity is keen to support projects that push the boundaries and transform services and outcomes for patients, and is prepared to accept a degree of risk associated with this type of funding;
- **Additional** – the Charity will augment not replace expenditure which should be funded from NHS budgets, and will seek to fund developments which cannot be funded via other sources of voluntary income;
- **Sustainable** – the Charity will pump prime innovation in service development and/or early research. We will provide ongoing funding for projects only where these are either truly additional, or where there are realistic plans for securing longer term funding. We will only pay for equipment and facilities where ongoing funding for maintenance costs is in place;
- **Evidence based** – the Charity will support developments that are supported by clear research evidence, or will help build the evidence base through innovation and evaluation, and can therefore demonstrate positive impact i.e. on the quality of services, the experience of patients (and their families) and on health outcomes;
- **Value for money** - the Charity seeks to prioritise projects according to the expected returns i.e. the level of investment versus their expected outcomes and impact;
- **Compliant with Foundation Trust policies & procedures** –e.g. recruitment, medical physics approvals, procurement etc.

#### 3.2 Additionality

The principle of additionality is particularly important. Charitable funding enables activities that are beyond the scope of statutory services and are therefore not amenable to public funding i.e voluntary donations go 'above and beyond' what the state should provide through taxation.

This is traditionally a 'grey area' and the following additional guidance is provided to Fund Advisors when planning the use of charitable funds.

**Items considered to be within the scope of charitable funding** - all items and activities which:

- Provide direct benefits to NHS patients and service users;
- Provide indirect benefits to NHS patients and service users via support for staff and improvements in staff knowledge, skills and experience;
- Support the FT, and partner organisations, where appropriate, to continue providing world class standard of care beyond the standard service the NHS is expected to provide;
- Improve the delivery of care to NHS patients, service users and their families and friends, where appropriate, including self-management programmes where appropriate;
- Support the introduction of new services, techniques or procedures across KCH;
- Support research into new or improved treatments, techniques and services aimed at enhancing care, experience and outcomes across KCH;
- Where appropriate, support individual patients and service users experiencing hardship who 'fall through the gaps' between statutory NHS and social service provision.

In addition, charitable funds may be used to:

- purchase equipment which is of 'higher specification' than standard NHS provision, in such instances Fund Advisors may be expected to use donations as a 'top-up' for NHS budgets, where appropriate.
- purchase additional items of equipment over and above the number that would be available to support routine care and service delivery. However, in these circumstances, Fund Advisors would need to provide evidence that items are not required for safe, effective care and are, indeed, supernumerary.

**Items considered to be outside the scope of charitable funding**. Charitable funds should not be used to support:

- Standard staffing required to support clinical care;
- Items of equipment to support standard clinical care (syringes, stethoscopes);
- Standard treatments, pharmaceutical or otherwise, which would normally be provided by the NHS;
- Items or expenditure to support meeting mandatory regulations, policies or guidelines;
- Items or activities without which the safety of service users or staff could be compromised (e.g. radiation shielding for radiotherapy staff which is standard for health and safety);
- Mandatory training and education (e.g. mandatory health and safety certification).
- Replacement of statutory provision in any other way (e.g. hardship support where the individual is eligible for state benefits).
- Unexpected increases in contractual activity.

NB This list is not exhaustive and may be extended based on experience and judgements.

Fund Advisors should not seek donations for expenditure which is not considered additional.

Fund Advisors should demonstrate that planned activities or purchases meet these criteria and are not capable of being funded via NHS budgets or other sources of charitable funding.

### **3.3. Compliance with Foundation Trust Policies, Procedures, Systems and Processes**

Fund Advisors are expected to comply with all relevant policies, procedures, systems and processes of the Foundation Trust. Funds may not be used as a way of avoiding any of these approval processes

All goods and services must be procured through the FT's procurement processes. Orders raised via Sprinter will be approved by the Charity Finance team upon receipt of a completed 'Procurement Authorisation Form' (see appendix 3). Orders will also require FT staff approval in line with the FT's delegated financial approval limits.

All equipment (including medical/IT equipment and software) must be purchased in accordance with the FT's processes and remain under the ownership and control of the FT thereafter. Fund Advisors must also ensure FT budgets allow for any ongoing maintenance and support costs.

All staff whose salaries are funded with charitable funds should be employed by the organisation to which the grant is given using their employment policy and processes. The employing organisation remains responsible for the contractual and line management of those staff, including any redundancy liabilities.

### **3.4. Expenditure Authorisation**

All payment requests must be submitted using the KCHC *Grant* Payment Authorisation Form (on intranet [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity)) and must be accompanied by adequate original documentation (e.g. invoices or receipts). A bank or credit card statement will not normally be considered adequate. If photocopies are supplied (including electronic receipts), it is the Fund Advisor's responsibility to verify the authenticity of these documents. Payment requests not supported by valid receipts will not be paid.

Payment Authorisation Forms will only be processed if they have been authorised by one of the Fund Advisors. Physical and scanned signatures and email approvals from an NHS email account are acceptable forms of approval.

Fund Advisors are not allowed to approve their own expenses – these will need to be approved by the second Fund Advisor.

Invoices for reimbursement of costs from King's College Hospital NHS Foundation Trust received by the Charity will be sent to the Fund Advisor for authorisation by email. .

The Charity prefers to make payments direct to the supplier of the goods or services, on the basis of an original supplier invoice. However, where this is not practical, the Charity will normally agree to reimburse an individual who is willing to incur the costs personally, provided adequate evidence of payment is provided (e.g. full receipts).

Payments are made in arrears, after the goods or services have been provided. Receipts or invoices dating more than one year prior to the date of the claim will not be accepted for payment.

Requests to make payments in advance will normally only be agreed by the Charity in exceptional circumstances e.g. for attendance at a training course where the supplier requires payment to confirm the place.

Where the costs of training, conferences and courses fees are requested for reimbursement, the claim must be accompanied by acceptable proof of attendance as well as receipts/invoices for any expenses.

All payment requests will be reviewed by the Charity's finance team prior to final payment to ensure that:

- The payment has not been previously made
- That expenditure complies with all agreed guidelines and procedures
- That expenditure has been authorised as required by the Board of Trustees

The Charity has a 'zero tolerance' towards fraud, bribery and corruption. Any payment requests that are suspected to be fraudulent will be immediately reported in line with the Charity's Fraud, Anti-Bribery and Corruption policy. All suspicions of fraud will always be investigated.

Please contact the Charity Finance Team on [kch-tr.charitypayments@nhs.net](mailto:kch-tr.charitypayments@nhs.net) about any payment queries.

### **3.5. Expenditure Which Directly or Indirectly Benefits staff**

All Fund expenditure should be focused on benefiting patients. Expenditure which benefits staff is only acceptable where it can be clearly demonstrated that this is an effective way of achieving a benefit for patients.

Expenditure which solely benefits staff is not allowed from funds which are explicitly for the direct benefit or welfare of patients.

Any expenditure on staff items should potentially benefit all members of staff who fall within the remit of the particular Fund. The benefit should not be focused on an individual or a sub-group of staff. The over-riding criteria are that Funds must only be used in ways that are charitable (i.e. designed to provide public benefit). Any benefit to particular individuals should be incidental.

This is a sensitive area and the Charity reserves the right to veto expenditure which it deems not to meet these criteria. If requiring clarification, Fund Advisors are encouraged to contact the Charity's Finance office in advance of incurring the expenditure.

### 3.5.1 Hospitality / Entertainment and Gifts

a) **Direct Staff benefits** are not of itself a charitable act. Where expenditure is to be incurred in this way, the following rules apply:

- it must be available to all staff who are eligible to benefit from the Fund and not go beyond what a good employer would normally provide
- a party at Christmas is reasonable; but more frequent events (e.g. a mid- summer party as well as an Xmas party) will need justification
- the catering costs for parties should remain within the agreed per head meal and refreshment limits listed in section 3.5.3
- venues that would be wholly inappropriate for a charity (e.g. night club, casino) should not be used
- the costs of alcohol will not be reimbursed except with prior approval of the charity
- staff/departmental meetings: meals and refreshments must be within the agreed meal limits. Expenses relating to venue and equipment hire is allowable if the need can be demonstrated (e.g. lack of meeting space in the dept)
- leaving and retirement or other gifts may not be purchased. Gifts to staff beyond a 'token of appreciation' should be avoided. If a token of appreciation is provided (e.g. flowers), they should be purchased in exceptional circumstances only and at a cost of no more than £20 a head.

Under no circumstances will the costs of expenditure for partners, friends and family be reimbursed.

Charitable funds may not be used to reimburse the cost of damage to or loss of personal clothing or personal property.

### b) Other forms of Hospitality / Entertainment

The Charity accepts that in some circumstances, for example, international conferences and meetings, delegates may need to meet for the benefit of research or clinical activities at meal times outside the main core conference or meeting agenda. In these circumstances the Charity may be prepared to fund the cost of the meal for hospital staff or for a visiting speaker giving their time free, provided that:

- the expenditure is proportionate and cost effective;
- the rationale can be demonstrated to meet the criteria in this paragraph;
- the expenditure has been approved in principle by the Charity CEO in advance.

### 3.5.2 Professional Subscriptions

The Charity will not pay for professional memberships or subscriptions to UK bodies, regarding these as the professional obligation of the individual. Many such subscriptions are allowed by H M Revenue and Customs as deductible from an individual's income, more information is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

Subscriptions to publications may be allowed provided the publication relates to the main objective of the Fund and the publication is accessible to all members of a department.

The Charity may also agree to pay for subscriptions to some foreign or sub-speciality bodies, where these can be shown to bring genuine added knowledge to the staff team (and not simply to an individual). Please contact the charity finance team for advice.

### **3.5.3 Travel and Accommodation**

Expenses in respect of friends, family members or any other person who is not eligible to benefit from the Fund will not be reimbursed. Expenses for volunteers not covered by FT budgets may be charged to charitable funds if there is evidence that their time spent directly benefits patients. The following allowances are aligned with the FT's staff expenses policy.

#### **a) Travelling expenses**

Mileage allowances will be paid in line with the FT's mileage rates, and only where other forms of transport are not feasible or do not represent better value. On production of receipts, reasonable car parking, toll and ferry charges will be refunded but not parking or other motoring fines. If claimants use their own vehicle, it is their responsibility to ensure they have appropriate insurance cover and the vehicle is road worthy.

Taxi fares will be paid only where evidence is provided that other forms of public transport are not feasible or do not represent better value and their use is essential – examples of this include the following:

- On journeys for which no other suitable means of transport is available
- On journeys to connect to suitable transport e.g. early morning to mainline train station for connection to an airport
- Where heavy or awkward baggage has to be transported locally
- Where the saving in time or cost is significant
- Where travel is required during anti-social hours i.e. before 7am or after 9pm
- Personal safety issues
- Physical ability issues

Car hire will only be reimbursed for the duration of the meeting where evidence is provided that other forms of transport are not feasible nor represent better value.

Rail travel will be reimbursed for standard class only, unless approved otherwise by the Charity CEO in advance. If a claimant travels first class, they may claim the cost of a standard fare and personally pay the difference.

Air travel is permitted where no other form of travel is suitable. Only the costs of economy/tourist class will be reimbursed. For travel outside Europe and in exceptional circumstances, premium economy or business class travel may be approved with prior agreement of the Charity CEO. First class air travel will not be refunded in any case. If a claimant wishes to travel business or first class, they may claim the cost of an economy fare and personally pay the difference.

## b) Accommodation

Receipted costs up to £75 a night may be claimed for hotel and accommodation costs. The Charity will only reimburse accommodation above that limit (e.g. for a 4 or 5 star hotel) if the claimant is attending a conference held in such accommodation and the accommodation is included with the conference fee. Accommodation costs may be claimed for the duration of the conference and where reasonable a night before it starts or after it ends. Claimants may not claim any other incidental costs.

### 3.5.4. Subsistence (Meals whilst away from home)

Meal expenses whilst necessarily away from home or from the FT covering the actual cost of meals and non-alcoholic refreshments may be claimed on production of receipts. Optional tips, gratuities and service charges are not regarded as charitable and will not be reimbursed. These limits apply also to staff parties.

<b>Meal including non-alcoholic refreshments</b>	<b>Maximum allowable for reimbursement</b>
Breakfast when leaving home before 7:30am. This does not apply to overnight stays.	£4
Lunch if away for 5 hours or more covering the period 12-2pm	£5
Dinner if staying away from home or you are unable to return before 7:30pm	£15

## 3.6. Salary costs

Staff whose salaries are supported by the Charity must be employees of KCH Foundation Trust or KCL. The Charity does not employ any staff directly using Designated Funds.

KCH Foundation Trust or KCL will be responsible for ensuring all tax and other employment obligations are met. Grading and salaries should have the approval of the relevant HR department.

It is the Fund Advisor's responsibility to ensure that all the contractual arrangements with the relevant HR and payroll departments are met. All payments to individuals, including honoraria or stipends, are liable to tax. No ex-gratia payments may be made to staff. All salaries and payments must be paid through the FT or KCL payroll.

It is the employer organisation's responsibility to ensure the Charity is correctly invoiced for such costs on a timely basis.

Even when these requirements are met, the Charity will not pay for any staff undertaking work which is considered to be the normal function of the NHS. Any cost will have to clearly fall within the charitable mission of the Charity, e.g. research, or other service enhancement above and beyond the NHS.



Any additional staff costs that may arise subsequently are the responsibility of the employing organisation and will not be reimbursed by the Charity. Severance and redundancy payments will not be paid for by charitable funds under any circumstances.

There are some special cases allowed by HMRC as 'tax-free' stipends such as research students funded by an EU grant. The Charity can reimburse these costs, but it is for the Fund Advisor to obtain the necessary certification from KCL that such a student is bona-fide. Where a Fund is supporting a PhD studentship or KCL contracted research post, the Fund Advisor's role as supervisor must be recognised and supported by the Head of the relevant KCL division.

### **3.7. Equipment, including Medical and IT Equipment and Software**

All purchased equipment acquired using charitable funds remains under the ownership and responsibility of the FT. Purchases of equipment should be made via the Foundation Trust's Procurement process, and then recharged to the Charity in order to ensure that the equipment is listed on the FT's asset register and that value for money is obtained. All maintenance costs remain the responsibility of the FT and must be approved as part of the FT's usual budgeting process.

Medical equipment must be purchased in accordance with FT policy and procedures (including medical physics) to ensure compatibility with existing equipment and adherence to the FT's standards of care.

It is particularly important that any purchase of IT equipment or software is made through the FT's policy and procedures, involving the FT's IT Department as well as Procurement. Licencing and on-going maintenance is the responsibility of the FT and the licences and the associated revenue budgets for maintenance (which can be considerable) must be approved by the FT in advance.

Purchases of certain types of equipment with charitable monies are often eligible for VAT zero-rating – the Charity Accountant can provide further advice given the changing context with the creation of the Interventional Facilities Management entity.

Fund Advisors should complete the Charity's Procurement Authorisation Form (on the Charity's intranet page [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity)) before any purchase is entered on Sprinter.

### **3.8. Capital/Building works**

Decision-making in relation to capital/building works are the responsibility of the FT and should be arranged through KCH's Estates Department, in compliance with their procedures and costs recharged to the Charity.

### **3.9. Patient Groups**

In general, Funds must not be used to fundraise for, or set up charitable activities for the support of patient groups. This is due to the fact that in organising direct support for

beneficiaries – whether it is emotional support, advice or welfare provision – there are special considerations that need to be taken into account; such as the nature of the advice/support being given; potential exposure to criticism or legal action for wrong advice and the need to ensure compliance with legislation, such as data protection and confidentiality.

Where any Fund Advisor wants to fundraise or provide a service for Patient Groups express permission must be sought from the Charity, so that clear limits can be set on this provision and compliance achieved with all regulations.

Any literature produced (including web-based material) must be approved by the KCH Communications department and should include all relevant disclaimers. Depending on the content, disclaimers may include a statement that the text is for information purposes only and does not constitute professional advice.

In organising support for beneficiaries, the Fund Advisor must set clear limits (agreed in advance with the Charity) 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 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 Fund Advisor 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 avoiding any possibility of criticism of or liability for the Foundation Trust or the Charity.

### **3.10. Private Patients – insurance and other expenses**

Expenses relating to private practice may not be claimed from the Charity.

## **4. Research**

### **4.1 Income for Research**

Research income may be accepted provided it is charitable and not commercial in nature. The distinction between these is as follows.

Research income is **charitable** if:

- the donor has no rights over the research and/or publication of its results, or;
- it may be expected that the results are published so that the general public may derive benefit from it.

Unconditional grants and donations can be treated as charitable income.

Research income is **commercial** and is due to the NHS Foundation Trust if:

- the donor retains any rights over the ownership, direction, and/or publication of its results, or derives any direct or indirect financial benefit
- any income that comes to a Fund Advisor in return for a piece of research is not charitable income and cannot be paid into the Fund.

The charitable or commercial nature of research is determined by the conditions under which the income arose and how it is conducted, not by the identity of the financial sponsor. Commercial research may be funded by grants and charitable research may be funded by commercial bodies (e.g. pharmaceutical companies).

Where a donor/grant giver has made a charitable gift, the donor must be given no rights over direction, publication or ownership of the research. Neither must any rights be granted to preferential or early access to findings.

## 4.2 Expenditure on Research

The Charity can only fund research that is in furtherance of its charitable objectives. Charity Trustees follow the principles set out in the Charity Commission guidance on 'Research by Higher Education Institutions'. The leading court decisions on charitable research establish that research will normally qualify as charitable if:

- the subject matter of the proposed research is a useful subject of study
- it is intended that the knowledge acquired will be disseminated to others, and
- the research is conducted for the benefit of the public or a section of the public

If a Fund provides money to support any research, e.g. whether it be funding the entire research project or part of it, such as buying consumables, the research must be registered with KCH Foundation Trust Research & Development Office. This requirement applies even when the project is not using KCH's resources e.g. if the research is located in a KCL non-clinical laboratory. Fund Advisors are responsible for ensuring that any research work that is funded from charitable income is approved in advance by KCH and that all their governance and ethical requirements are complied with. All research using charitable funds must have ethical approval from KCH using their policy and procedure.

Fund Advisors are personally responsible for complying with all ethical requirements, regardless of the source of funding.

Fund Advisors are required to complete a form giving brief details of any research study that the Fund will contribute to (even if the Charity is only paying part of the costs) – form can be found on Kwiki.

This form should be completed and submitted in advance to the Charity before funds are incurred on research.

### 4.3 Scientific Integrity/Fraud

In the event of a scientific fraud or any other irregularity being suspected in the course of a project, the Charity should be notified immediately and kept informed of all future developments. It is the responsibility of the organisation to which a grant is made to investigate. If adequate steps are not taken to investigate, the award will be suspended. If fraud or any other irregularity is proven use of grant funding from the Designated Funds will be terminated immediately.

### 5. Fundraising

If Fund Advisors are interested in undertaking any fundraising activity they should contact the Fundraising Team who will assist wherever possible, and must always be kept informed of the results of any fundraising.

### 6. Acknowledgements, communications, publicity and external reporting

King's College Hospital Charity can use the expenditure given as a grant from the Designated Funds in any publicity, in written form or on their websites.

The Fund Advisors should acknowledge the support of the Charity as appropriate in all publications, presentations and posters arising from grants that are made from the Designated Funds and include the Charity's logo. Advice should be sought from the Charity as to the wording that is used and how this is displayed.

Fund Advisors should contact the Charity before making any comments to the media about grants that have been given from the Designated Funds as well as having obtained the consent of the recipient organisations' (e.g. King's College Hospital NHS Foundation Trust or King's College London) and follow their employer's agreed processes for communicating with the media.

Buildings and any large items of equipment should display a plaque, which should be agreed with the Charity in advance, indicating that the funding has been received. Please notify the charity in advance of any planned launch or opening to allow time for appropriate representation.

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Fund advisers should refer to the King's intranet charity page [http://kweb/kwiki/King%27s\\_College\\_Hospital\\_Charity](http://kweb/kwiki/King%27s_College_Hospital_Charity) for :

- A. Charity staff contact details
  - B. Charity forms for setting up, managing and applying for grants from Designated Fund
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