

## University Hospitals Sussex NHS Foundation Trust

### CHARITABLE FUNDS COMMITTEE

#### TERMS OF REFERENCE

##### 1.00 PURPOSE

1.01 The Trustees of the Charity are the Board of the Directors of the Trust acting as Corporate Trustee. They delegate authority to the Charitable Funds Committee and its members to act on their behalf in overseeing the Charity operated by the Trust:

- My University Hospitals Sussex (registration number: 1050864)

1.02 The purpose of the Charitable Fund Committee is to monitor progress and performance against the strategic direction of the Charity's fundraising activity as approved by the Boards of Trustees; to approve and monitor expenditure of the charitable funds in line with specified priority requirements; and to monitor the management of the Charity investment portfolios ensuring that the Charity at all times adheres to Charity Law and to best practice in governance and fundraising.

##### 2.00 MEMBERSHIP AND ATTENDANCE AT MEETINGS

2.01 The membership of the Committee shall be:

- Chair: a nominated non-executive Director, with relevant charity experience
- Two further nominated non-executive Directors
- Chief Governance Officer (Lead Executive for the Committee)
- Chief People Officer (Alternate Executive for the Committee)
- Chief Nurse

2.02 The Trust Chair shall propose which non-executive Directors will be most suitable for nomination as Chair and members of the Committee. The Trust Board shall approve the appointment of the Committee Chair and members, based on the Chair's recommendations.

2.03 In the absence of the Committee Chair one of the remaining non-executive members present shall elect themselves to chair the meeting.

2.04 Committee members should aim to attend all scheduled meetings but must attend a minimum of two thirds of meetings. The Committee secretary will maintain a register of attendance which will be published in the Trust's and Charity's annual reports.

2.05 Core attendees are those normally in attendance at the Committee meetings but who are not members shall be:

- Charity Director
- Head of Funds Assurance and Operations
- Head of Fundraising and Communications

- Assistant Director of Finance – Financial Accounts
- 2.06 Any member of the Board of Directors shall have the right to attend any meeting of the Committee by prior agreement with the Chair.
- 2.07 The executive members of the Committee may exceptionally send a deputy to the meeting, but the deputy will not have voting rights at the meeting. Those who are in attendance may exceptionally send a deputy to the meeting.
- 2.08 Other Trust managers and clinicians may be invited to attend for items on the agenda that relate to areas of risk or operation for which they are responsible.
- 2.09 The Company Secretary or their nominee shall act as Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chair and Committee members.

### **3.00 ROLES AND RESPONSIBILITIES**

#### **DELEGATED AUTHORITY**

- 3.01 The Committee shall have the delegated authority to act on behalf of the Board of Trustees for the Charity in accordance with the Constitution, Standing Orders, Standing Financial Instructions, and Scheme of Delegation. The limit of such delegated authority is restricted to the areas outlined in the Duties of the Committee and subject to the rules on reporting, both as defined below.
- 3.02 The Committee is empowered to investigate any activity within its Terms of Reference, and to seek any information it requires from staff, who are required to co-operate with the Committee in the conduct of its enquiries.
- 3.03 The Committee should challenge and ensure the robustness of information provided.
- 3.04 The Committee is authorised by the Board of Trustees to obtain independent legal and professional advice and to secure the attendance of external personnel with relevant experience and expertise, should it consider this necessary. All such advice should be arranged in consultation with the Company Secretary.

#### **RESPONSIBILITIES**

##### *True North*

- 3.05 Within the Trust's strategic framework, the Trust's True North is defined as putting the patient first and foremost in decision so all improvements ultimately benefit the people the Trust serves. This Committee will therefore operate with reference to that framework, following agreement of the strategy and periodic plans by the Board.
- 3.06 Through discharge of the charitable objects of the Charity the Committee will have regard to the agree True North strategy and the contribution that it is able to make to achievement of those objectives.

##### *Governance, legal and financial statements*

- 3.07 To ensure compliance of the Charitable Funds within the Charity with Charity Law, NHS guidance on Charitable Funds and the Charity's own established policies.

- 3.08 To benchmark the governance arrangements and fundraising activities of the Charitable Funds against best practice and implement any lessons learned.
- 3.09 To advise the Board of Trustees for the Charity on significant issues or variations from good practice and to keep the Trustees of the Charitable Funds informed of any developments.
- 3.10 To recommend to the Board of Trustees approval of the annual financial accounts and annual reports for the Charity prior to their submission to the Charity Commission.

#### *Fundraising*

- 3.11 To consider the Charity's fundraising strategy prior to approval by the Trustee.
- 3.12 To monitor that the fundraising activities for the Charity align to the Trustee's established strategy.
- 3.13 To monitor progress and performance against the strategic direction of the fundraising activity of the Charity and to make any recommendation to the Trustee in respect of approve changes to the fundraising strategy.
- 3.14 To receive regular reports on the fundraising activity carried out by the Charity team and others who are raising funds for the Charity.
- 3.15 To keep under review all fundraising literature developed and circulated by the Trust and/or the Charity and all information provided to the public through literature and websites to ensure this complies with Charity Commission requirements and Trust policies as relevant.

#### *Sponsorship*

- 3.16 To consider the Charity's sponsorship strategy prior to approval by the Trustee.
- 3.17 To monitor that any proposals to accept or provide sponsorship align to the Charity's objectives, ethics and will not cause any real or perceived conflict with either the Charity or the Trust prior to making any recommendation to the Trustee.
- 3.18 To receive regular reports on the level of sponsorship received or given along with assurance over the due diligence undertaken in respect of sponsors or recipients.

#### *Investments*

- 3.19 To appoint investment managers for the Charity and monitor their performance.
- 3.20 To define the short and long-term financial goals of the Charitable Funds and to inform the investment managers of the long and short term financial goals including any specifications around ethical and environmental concerns.
- 3.21 To review details of the investment portfolio of the Charitable Funds on a quarterly basis and to take action to ensure financial returns are maximised in line with the Trustees stated investment risk appetite. An interim annual assessment of the investment policies will be undertaken by Finance and the Committee will undertake a full review every three years (or as required) for approval by the Board of Trustees, and by agreement the appropriate values of reserves of each of the Charitable Funds

to ensure these are sufficient to support ongoing operations of the Charity and deliver the strategy of the Charity.

#### *Expenditure*

- 3.22 To monitor the management of funds donated to the Charitable Funds in line with the policy determined by the Boards of Trustees.
- 3.23 To review the delegated spending authority for the Charitable Funds and to recommend delegated limits to the Board of Trustees for approval.
- 3.24 To approve expenditure of the Charitable Funds in line with delegated financial limits ensuring the correct use of Charitable Funds with a particular focus on ensuring public benefit is achieved.
- 3.25 To ensure gifted income and legacies are used in accordance with the Charitable objectives of the Charitable Funds and the Trust's Standing Financial Instructions and any purpose that may be specified by the donor.
- 3.26 To monitor income and expenditure against budgets and activity against individual funds.
- 3.27 To review expenditure projections and bids approved but not yet spent (including a list of priority requirements that could be funded by charitable donations).
- 3.28 To receive from the Trust a list of priority requirements which can be funded through Charitable Fund expenditure and where spending plans are not forthcoming to challenge any designation placed on the funds to allow the monies to be used by general funds.
- 3.29 To receive impact reports to confirm the planned public and other benefits have been delivered.

#### *Risk Management*

- 3.30 To review the arrangements in place to manage the risks associated with the operation of the Charitable Funds and the high level risks which may have a significant impact on the Charitable objectives of the Charitable Funds.
- 3.31 To ensure that any issues with risk management are escalated to the Trustees on an at least annual basis with an assessment of implications for the Boards of Trustees.

### **4.00 REPORTING AND RELATIONSHIPS**

- 4.01 The Committee shall be accountable to the Board of Trustees of the Charitable Funds.
- 4.02 On an annual basis the Committee will provide a self-assessment report to the Board of Trustees detailing how the Committee has discharged its obligations as set out within its terms of reference, specifically incorporating an assessment of its effectiveness and making recommendations for improvement, where appropriate. This will form part of the assurances which support the Annual Governance Statement and the Annual report disclosures and will be submitted in the first quarter of the following financial year.

- 4.03 The Committee shall make recommendations to the Board of Trustees concerning any issues that require decision or resolution by the Board of Trustees.
- 4.04 The Committee shall refer to the Audit Committee any matters requiring review or decision-making in that forum.
- 4.05 The Committee may establish sub-Committees for a specific purpose, such as a fundraising appeal for a particular project.

## **5.00 CONDUCT OF BUSINESS**

- 5.01 The Committee shall conduct its business in accordance with the Standing Orders of the Trust.
- 5.02 The Committee shall be deemed quorate if there are at least two non-executive Directors and two executive Directors present, one of whom should be the Lead Executive for the Committee, the Chief Governance Officer or the Alternate Lead for the Committee, the Chief People Officer. A quorate meeting shall be competent to exercise all or any of the authorities, powers and duties vested in or exercised by the Committee.
- 5.03 The Committee shall meet not less than four times in each financial year and dates will be set by the end of the previous financial year. There will also be regular bid meetings to ensure the timely approval of appropriate bids.
- 5.04 The Committee will set an annual plan for its work to form part of the Annual Cycle of Business, and report to the Board of Trustees on its progress.
- 5.05 In exceptional circumstances where delaying actions or decisions would have a negative impact on the Trust's business, certain items of business requiring an urgent decision, or the taking of the decision itself, may be conducted outside of formal meetings, in line with the requirements set out within the Trust standing orders. This will normally be agreed by the Committee in advance and executed by either: Chair's action, calling an extraordinary meeting or reaching consensus on a decision by e-mail. Any decisions are to be formally ratified by the Committee at the next meeting.
- 5.06 The Committee business may be transacted through virtual media (using either teleconference or other collaboration and meeting tools). At the start of each meeting which is taking place without all parties being physically present the Chair shall be responsible for determining that the quoracy arrangements has been achieved and that members can effectively contribute.
- 5.07 The Committee Chair, with the support of the Company Secretary, is responsible for taking appropriate actions to manage conflicts of interest (perceived and actual) during a meeting. Members conflicted on any items of business on a committee meeting agenda shall declare their conflict and withdraw from discussions and/or the decision-making as required. Conflicted members are not to be counted for quorum.
- 5.08 The Company Secretary is responsible for preparing the agenda and collating and circulating papers to Committee Members. Papers should be provided not less than five calendar days before the meeting and the agenda and papers should be circulated not less five calendar days before the meeting, to provide sufficient time for due consideration.

5.09 Proceedings and decisions made will be formally recorded by the Company Secretary in the form of minutes and distributed to the Committee Chair within 10 working days of the meeting.

**6.00 TERMS OF REFERENCE**

6.01 The Committee shall review its own performance, constitution and terms of reference at least every two years to ensure it is operating at maximum effectiveness. Any proposed changes to the terms of reference should be agreed by the Trust Board acting as Corporate Trustee.

6.02 It is the Company Secretary's responsibility to make the necessary updates to the terms of reference.

6.03 Approved by Committee April 2024

6.04 Next review: April 2025.

## **Appendix 1 - Mandated reports considered by the Committee**

Below is a list of the mandated reports the Committee the Committee would receive over the year

- Charity Annual Reports and Financial Statements
- External Audit Opinion on Charity Accounts
- Investment Manager Performance Review
- Charity Strategy
- Charity Operational Performance Report(s)