



Endowment Funds Operating Procedures

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1. Definition and purpose of Endowments

An endowment is money or property donated to the Health Board. All such endowments shall be held by the Health Board on trust for such purposes relating to services provided under the National Health Service (Scotland) Act 1978 or in relation to hospitals, or to the functions of the Board with respect to research, as the Board may think fit.

The legal framework under which charities operate is the Charities and Trustee Investment (Scotland) Act 2005. Although the NHS Scotland Endowment Funds are not subject to the Charities and Trustee Investment (Scotland) Act 2005, the Dumfries and Galloway Health Board Endowment Fund is registered with the Office of the Scottish Charities Regulator (OSCR) and so complies with the 2005 Act.

The members of an NHS Board, who are also the Trustees of the Endowment funds, are appointed by the Scottish Ministers, or elected, in accordance with relevant legislation.

The purpose of the Boards Endowment Funds is the advancement of health through:

- Improvement in the physical and mental health of the local population;
- The prevention, diagnosis and treatment of illness;
- The provision of services and facilities in connections to the above;
- Research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit; and
- Education and development in connection to the above.

In addition, the Trustees will observe any conditions attached to a donation or legacy prescribed by a donor to the charity, so far as is reasonably practicable, and consistent with the above purpose and law.

There are three types of endowment funds: Unrestricted, Restricted and Endowment/Permanent funds. These terms are defined below:

- **Unrestricted:** these may be used at the discretion of the Trustees for wholly general purposes or restricted to a particular hospital site or site.
- **Restricted:** these funds are donated for a specific purpose e.g. for the benefit of a particular ward, or for a particular area of research.
- **Endowment / Permanent:** these are funds whose capital element is preserved and only the income arising from them may be spent.

Fund managers must accept the charitable nature of these funds and the need to observe charity law at all time. The Trustees are legally accountable for the funds and have approved these procedures to give direction and support to the fund holders. By following these procedures fund managers will comply with the law and also ensure that all funds are used in line with their stated purpose.

Whilst this document is intended as a comprehensive guide it is not possible to cover every eventuality or always to give absolute guidance. For further advice or clarification fund holders should in the first instance contact the Endowment Operational Manager. In all cases the Trustees decision is final.

This document also explains how funds are invested and how the costs associated with such funds are borne.

2. Governance

The Trustees are responsible for the general control and management of the charity. Governance arrangements are detailed in the Endowment Funds Charter and Standing Orders.

2.1 Setting up a new fund

It is at the Trustees absolute discretion whether or not they will set up and accept responsibility for a particular new fund; in order to promote the most effective use of charitable resources, the creation of new funds is tightly controlled.

An Application to set up a new fund form (Appendix 1) must be completed and submitted to the Director of Finance who will review the application to determine whether:

- The objectives of the proposed fund can be accommodated within the overall charitable objectives of the Endowment Funds and are not too specific to unduly restrict the use of donations,
- There is not already a fund serving the same purpose. If such a fund exists a new fund will not normally be opened,
- The level of expected income must be sufficient to justify the creation of a new fund,
- The proposer has the support of their divisional General Manager.

A list of requests to open funds that the Director of Finance considers to be appropriate will be presented to the Trustees for approval at their next meeting after which applicants will be informed of the outcome.

All applications for new specific funds must nominate two fund authorised signatories. When selecting authorised signatories these individuals must be in a position where they can recommend the most appropriate use for the charitable funds held in their particular area of the Hospital / Health Board. The relevant General Manager will be designated the Fund Manager.

All proposed fund managers and any other authorised signatories to the fund must provide sample signatures.

A full list of current funds is available from the Endowment Operational Manager.

2.2 Fund Managers and Signatories

Fund managers must be employees of the Board. This includes honorary contracts held by university academic staff. The Trustees have agreed to authorise the relevant General Manager as the delegated Fund Manager for individual funds held within their directorate.

All fund managers and signatories are required to comply with the Boards Code of Conduct and that of any professional body to which they are affiliated as well as observing the guidance set out in these operating instructions.

Under the Boards Scheme of Delegation fund managers and other signatories are directly accountable for ensuring that all expenditure is compatible with both the specific purposes prescribed for the fund and the charitable purposes of the endowment funds.

In accordance with the Boards Standing Financial Instructions no employee may open a bank account for the activities of the Endowment Funds or in the name of the Endowment Fund.

Appointment of fund managers is at the discretion of the Trustees. The fund managers have delegated authority to select and appoint authorised signatories to specific funds (these individuals must be in a position whereby they can recommend the most appropriate use of the funds held in their area).

All applications for new authorised signatories must be made in writing by completing the relevant application form (see **appendix 2**). This must then be forwarded to the Endowment Operational Manager who will arrange relevant training for the individual(s). This form should also be used for notification of changes to authorised signatories and/or staff leaving the organisation or who are no longer authorised signatory for the specific fund.

Any amendments to the nominated Fund Manager or the fund itself must be agreed by the Trustees.

Authorised signatories must abide by an individual disbursement limit of £5,000. Disbursement over £5,000 must be countersigned by the Fund Manager.

Fund managers are permitted to authorise disbursements from their funds to an upper limit of £30,000. Disbursement over £30,000 from a fund requires additional authorisation from the Trustees.

In the absence of an Endowment Trustees Committee, the Trustees delegate authority to the Chief Executive and Director of Finance of the health board to authorise disbursements over £30,000.

Any reimbursements or expenditure requests to a fund manager or authorised signatory personally (e.g. travel costs; conference fees) must be countersigned by a line manager (who is not also the fund manager). Fund holders and signatories may never authorise payments to themselves or to someone with whom they are closely related.

Fund managers and signatories, or someone with whom they are closely related, may not gain any personal benefit from the Endowment Funds.

2.3 Ceasing to be a Fund Manager or Authorised Signatory

The Trustees will remove a fund manager or signatory where they believe any of the requirements in this document are not being met. In such cases they will either take direct control of the fund or delegate authority to an alternative fund manager or signatory.

Where funds are not being used and are simply accumulating the fund manager will be asked to provide details of their plans for the use of the funds. If no suitable proposals are received from the fund manager, or the funds have not been used effectively for two years without good reason, the Trustees reserve the right to assume control of the funds.

If a fund manager or signatory retires or leaves the Boards employment they will automatically cease to be a fund manager or signatory. As they approach retirement or departure from the Board they should arrange a smooth handover of their responsibilities to an appropriate individual. In all instances the Endowment Operational manager must be informed of such changes by receipt of a completed Fund Manager / Authorised signatory application form (ticking the relevant box).

The delegated authority of a fund manager is at the discretion of the Trustees and will not automatically transfer without the approval of the Trustees.

Donations and fund balances may not be transferred to follow a former fund manager or authorised signatory to a new employer or to a different clinical department or ward.

2.4 Changes to a Fund

In addition to changes to the stewardship of a fund (section 2.3 above) and closure or amalgamation of funds (section 2.5 below) there may be other changes that fund managers wish to make to the funds they manage. Any proposed changes to the name and purpose need to be presented to the Trustees for approval. This, in turn, may require referral to the Charity Regulator for approval.

Expenditure in categories not clearly within the stated purposes of the fund may not be authorised.

2.5 Closure or Amalgamation of Funds

If it is evidenced that a restricted fund no longer serves a useful purpose the Trustees could apply to the Office of the Scottish Charity Regulator (OSCR) to vary the fund purposes or remove all restrictions on use. Funds that have been introduced with no legal restriction of use (unrestricted funds) can be used by the Trustees for general expenditure.

Where the Trustees approve the closure of a fund any remaining balance may be transferred to another fund with similar purposes (if the fund use has a legal restriction on use then the charity must make an application to OSCR requesting a change in use or removal of restriction prior to closing the fund).

Additionally fund managers of two or more similar funds may agree that it would be beneficial to amalgamate e.g. to focus fundraising activities; to make a strategic purchase or enhancement. Again depending on the presence of any legal restrictions on use of funds an application to OSCR may be required before any changes can be made.

The Trustees retain absolute discretion as to the dissolution and/ or amalgamation of funds.

2.6 Reserves Policy

The reserves policy is to hold a minimum balance of £0.25m in a liquidity account which can be accessible to the Charity immediately to allow the Charity to continue basic operations. In addition a minimum of £0.5m should be held a short term deposit account for no longer than six months.

2.7 Management of Antiques

The Charity manages a significant number of antiques and artefacts within its portfolio. The day to day responsibility for and upkeep of the antiques has been designated to the NHS Dumfries and Galloway Estates department.

The Estates department maintains a documented itemised record of all antiques detailing value and location within the Health Board. The Estates department arranges for periodic formal valuation of the antiques on behalf of the Charity. Valuations are under taken on a **five** yearly basis.

All antiques requiring repairs or refurbishment as identified by the most recent valuation exercise (or sooner if breakage is noted) will be notified to the Trustees for discussion. Repairs will only be carried out if deemed economically viable. Any repairs will be carried out by a reputable repairer following the Health Board's Standing Financial Instructions in relation to costs and number of competitive quotes required.

All sales of antiques will be managed by an appointed Auction House. Auction Houses will be selected following the Health Board's Standing Financial Instructions based on the value of the contact to sell. Proceeds of any sales will be credited to the appropriate Charity Fund.

Although antiques are subject to periodic revaluation the value shown in the Charity accounts will remain fixed.

2.8 Management of External Service providers

The Charity may rely on the services of external service providers for a number of functions. Two such service functions include the provision for annual external audit and the management of investments.

2.8.1 External Audit

The Charity is required to be audited on an agreed schedule by an external body. This is undertaken on an annual basis. Selection of independent audit is through an invitation to tender process based on the Health Board's Standing Financial Instructions which govern the actual process of selection. Auditors are employed for a three year cycle.

All audit recommendations will be reviewed by the Trustees and a formal letter of acceptance of the recommendations will be constructed and forwarded to the auditors. The Trustees will also review the performance of the auditors in relation to work undertaken and where required will discuss any changes to the terms of engagement.

An improvement action plan to meet the audit findings will be formalised by the Endowment Operational Manager. The Trustees Committee will review and approve the final action plan.

The Endowment Operational Manager will provide quarterly updates to the Trustees Committee with regards to progress of the action plan.

2.8.2 Investment Manager

The Charity utilises the expertise of an external investment management team for the administration of investments. Selection and appointment of an investment manager can be undertaken by an independent investment advisor or directly by the Charity. The Health Board's Standing Financial Instructions govern the method of procurement (e.g. Invitation to Tender process).

Investment Managers are contracted for three years with the option to extend the contract annually to a maximum of five years.

The Trustees maintain regular contact with the investment manager via quarterly reports and attendance at the quarterly Trustee Committee meetings.

3. Income

3.1 General

The acceptance of money or property as a charitable donation is entirely at the Trustees discretion.

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 objectives of the endowment funds the trustees should be consulted prior to acceptance. Income cannot be accepted which will create funds that are not under the ultimate control of the Charity's Trustees. Donations received with no specific conditions of use assigned it will be assumed that there are none and it will not subsequently be reassigned.

All charitable donations received by Board staff in the course of their employment must be paid into an endowment fund. All monetary gifts intended only for staff personal benefit are not charitable in nature and must not be accepted.

Donors may specify how their donation is used. Beyond existing specific funds or simple restrictions donors should be dissuaded from complex restrictions that cannot sensibly be met (in particular for specific items of equipment, brands or suppliers).

Donations may be received from several sources including but not limited to:

- Individuals,
- Fundraising groups,
- Charitable Trusts and Corporations,
- Pharmaceutical companies,
- Private fees donated by consultants.

Individual items of income received of £5,000 and above will be reported to the Trustees.

The Charity is not permitted to accept income for non-charitable purposes. Therefore if income is from a source that may not be regarded as charitable within the terms of current

legislation, e.g. money that is clearly intended as a payment for services rendered (this includes participation in a drug trial where the beneficiary is a private individual or organisation or for a report that has been made to a third party), then this income must not be paid into the Charity Funds.

3.2 Tax Position

Donors who are UK taxpayers can make donations using the Gift Aid scheme. Fund managers should make themselves aware of the Gift Aid scheme and encourage donors to make a declaration as it adds a great deal to the basic donation.

Gift Aid claimed will be credited to the originating fund.

Gift Aid cannot be claimed on donations from companies or on the proceeds of fundraising events.

Where a legacy fulfils the charity test it will be more tax efficient to take the legacy to the charity funds rather than exchequer funding. Capital Gains Tax will not be payable on this part of the estate as it is a charitable donation.

3.3 Income Generation

Board employees may hold fundraising events in their own time. Such events should be described as being held “in aid of” as neither the Board nor the Trustees will accept liability for injury or loss incurred at the event.

Where the NHS Board employees generate income through selling goods, running conferences and training events or providing services (e.g. laboratory fees), this income must be paid into the NHS Boards exchequer funds as it is not charitable in nature and normally uses NHS Board facilities and/ or resources in its generation.

Trustees normally only accept voluntary income i.e. donations and legacies. Where a fund holder receives grant income, sponsorship income or income from any commercial, non-charitable activity the Director of Finance will advise whether such income is acceptable and may be credited to endowment funds or whether it should be regarded as exchequer funding.

Where income has been received which the Trustees do not wish to hold it will either be returned to the donor or credited to exchequer funds as appropriate.

It is at a clinician’s discretion whether or not they choose to pay any of their personal income e.g. private patient income; lecture fees etc. into an endowment fund. “Occasional” earnings such as lecture fees may be assigned directly to the endowment funds according to Schedule D case VI, provided that the fees are small in value, infrequent, and for a limited range of services; via an HMRC “Annual Declaration for the Assignment of Private Medical/ Lecture Fees to a Medical Charity”.

3.4 Research

Charitable Research funds which can be held by the Trustees are those where a donor makes a gift for an area or research. The donor has no rights over the ownership, publication, management or execution of the research. Any research work that is funded from a specific fund must be approved in advance by the Board. The useful benefits of such research should be published in such a way that the public will benefit from the advancement of medical research. There must be no arrangement to provide preferential access to research findings for funders or any other third party.

Research is defined as commercial if the contributor (normally a pharmaceutical company) does any one of the following:

- Enters into any service agreement, understanding or contract;
- Retains any rights over the ownership of the results of the research;
- Holds the rights over the publication of the results of the research.

The Trustees will not accept commercial research funds or any income from companies as payment for a service which has been provided. Such funds should be held and administered by the Board.

The Trustees will not accept research grants receivable from external bodies e.g. MRC, Wellcome Trust, for research activities. These grants should be held and managed by the Board.

3.5 Other Gifts

On occasions donors may wish to gift items rather than make cash donations. There are particular reasons why certain things may be acceptable e.g. artwork; books for the patient library, while others are not e.g. used soft toys which may be an infection risk. The acceptance of such gifts should be discussed and agreed locally. Non-monetary donations with a value in excess of £250 must be reported to the Finance Services team to ensure the item is correctly recorded as a donation for accounts purposes. Items received with an estimated value of less than £250 does not require reporting to the Finance Services team.

4. Expenditure

4.1 General

Expenditure from endowment funds is the legal responsibility of the Trustees who must ensure that it is in accordance with the charitable purpose of the Endowment Funds and, if appropriate, the stated purpose of a specific fund.

All expenditure requests above £30,000 must be approved by the Trustees, Chief executive or Director of Finance.

Funds may not be allowed to go into deficit.

Any reimbursements or expenditure requests to a fund holder or signatory personally must be countersigned by a line manager (who is not also a fund holder). Fund holders and

signatories may never authorise payments to themselves or to someone with whom they are closely related.

4.2 Procurement

All expenditure must be incurred in accordance with the Board's Standing Financial Instructions. Orders will then be placed using the Board's procurement system.

4.3 Tax relief on goods ordered

VAT exemption may be available on purchases of scientific, laboratory or medical equipment for use in medical research, training, diagnosis, treatment or patient care. VAT exemption may also be available on equipment and aids specially designed for disabled persons. In addition input will be recoverable for contracted out services, business activities etc.

4.4 Salaries and expenses (in exceptional circumstances only)

The Trustees do not directly employ people using charitable funds but it is permissible to use a fund to reimburse salary costs to an employer such as the Board or a university. All salary recharge requests must have prior approval from the Trustees before an appointment is made.

Salary costs and expenses may only be recharged to a fund if the member of staff is undertaking work which:

- Falls within the stated purpose of the fund and is consistent with the charitable purpose of the endowment funds.
- Enhances statutory provision.

The Trustees have a policy of only funding fixed-term contracts up to a strict maximum of 24 months (two years). Fixed term contracts may not be extended or repeated beyond this period.

The fund must have a balance that exceeds the fully oncosted total of the contract of employment, plus laboratory costs, consumables and expenses where applicable plus any other existing commitments not connected to the post.

In considering funding salary costs Trustees must have a clearly articulated exit strategy after the contract end.

Periods of sickness, maternity or paternity leave may involve costs to be met from the fund during the approved period even though the duties are not being performed by the post holder.

At the end of the contract period it is the fund manager's responsibility to provide a brief report or evaluation of the work carried out by the funded individual.

All salaries or payments to employees need to be paid via the employing organisation's payroll so that the appropriate PAYE and NIC deductions can be made and accounted for. Charging a salary to a fund does not affect the obligation to make these statutory deductions.

For new appointments it is the responsibility of the fund holder to make the necessary arrangements regarding recruitment and appointment with HR and Payroll. The employing organisation will then recharge the cost of the salary to the fund.

For secondments and contractual changes it is the responsibility of the fund holder to ensure that the Notification of Change form is completed and actioned.

The Endowment Funds cannot be used to support salary or expenditure costs for permanent NHS posts.

4.5 Travel, subsistence and accommodation

Expenses must fall within the charitable purpose of the fund from which they are claimed.

Expenses will be reimbursed in accordance with the relevant regulations and the Boards policy on travel expenses, subsistence and accommodation.

Where the claimant is employed by another organisation the expenses will be reimbursed in accordance with that organisations policy on travel expenses, subsistence and accommodation.

Fund holders and other signatories may never authorise payments to themselves or to someone with whom they are closely related.

4.6 Employee welfare and development

Endowment funds should not generally be used to pay for staff entertainment e.g. Christmas parties, nights out, sports and social activities, as this does not meet the charitable purpose of the funds. Donations to staff should be used for more tangible benefits such as improved ward facilities for staff and patients. The Trustees have discretion to approve staff functions where considered appropriate.

Where the specific purpose of a fund is to provide for employee welfare and development it may be used for this purpose.

Endowment funds may only be used where the benefit is to a group of staff rather than to specific individuals.

Under no circumstances should endowment funds be used to pay for alcohol as part of employee welfare and development.

Long service awards, retirement awards and associated hospitality may only be paid from endowments where a specific fund exists for those purposes.

It is not appropriate to hold specific funds within endowments for employees sporting activities e.g. hill walking, golf etc. as these are not classified as charitable for NHS purposes.

The use of endowment funding for services which improve staff health e.g. staff physiotherapy service, is at the discretion of the Trustees. Permissible services should encourage an earlier return to work or lead to an improvement in performance.

A subsidy may be provided, at the Trustees discretion, towards use of a hospital based gym. Subsidised membership of other gyms may be provided from specific funds where the purpose of the fund is the improvement of staff health.

4.7 Hospitality

Hospitality is defined as the friendly reception and entertainment of guests, visitors, volunteers or carers. It covers expenditure relating to a person who is not a Board employee and whose work might fall within the objects of the fund.

As a general rule hospitality will only be allowable if it can be shown to provide tangible benefits in furtherance of the objects of the funds.

Any hospitality provided should be reasonable and in line with the relevant regulations for subsistence and the Boards policy on hospitality.

Under no circumstances should endowment funds be used to pay for alcohol as part of hospitality expenses.

4.8 Patient welfare and amenities

Anything which might make a patient's stay in hospital more comfortable or give more support to families and visitors can be considered for support. This includes items such as toys, TVs and books. However this will not include ongoing commitments such as television subscriptions or TV licences.

4.9 Gifts and presents

In the case of certain funds such as those which include patient welfare/ amenities it may be appropriate to use funds for the purchase of gifts for patients.

In the case of patients modest gifts may be purchased for example, Christmas or birthdays.

Gifts for Board employees, including retirement or leaving gifts, may only be purchased from endowment funds where that is the specific purpose of the fund.

4.10 Research expenditure

Unrestricted contributions towards research expenditure will only be allowed if the research is within the objects of the fund.

As long as the equipment, materials and services (e.g. chemicals; analysis of samples etc) for which payment is being requested are applied to the primary objective of the fund they will be allowable expenditure.

Costs such as attendance at training courses and conferences and subscriptions can be included within research expenditure as they are a means of increasing knowledge which can be applied in carrying out research.

4.11 Subscriptions

Subscriptions fall into two categories: publications and subscriptions to institutions.

So long as the subscription is related to the main objective of the fund and is not a personal subscription, it will be allowable expenditure. The publication must be made available to all members of the department.

Personal subscriptions to publications (at reduced rates) which are then shared across departments are not permitted as this infringes copyright law.

Institutions to which subscriptions are made must provide some form of educational assistance and fall within the main purpose of the fund.

Personal subscriptions to institutions e.g. to a Royal College, which are accepted by HMRC as tax allowable deductions from an employee's income are not permitted to be claimed from a fund.

Subscriptions paid by employees are usually tax deductible if they are:

- A statutory condition of holding their NHS position (e.g. a consultant surgeon must belong to the Royal College of Surgeons).
- Otherwise directly relevant to the person's employment.

For reference, www.hmrc.go.uk/list3/index.htm lists all organisations who subscriptions qualify for tax relief. Besides the Medical Royal Colleges, the list includes many other bodies such as the British Institute of Radiology and the British Cardiac Society.

4.12 Conference expenses

Cost of an individual's attendance at a conference or seminar and necessary and reasonable expenses for travel, accommodation and subsistence may be covered by endowment funding, but only when the topic of the conference is related to the purpose of the funds.

The Board's procurement system will be used to book conference places, travel and accommodation.

Any claims relating to attendance at a conference should also be accompanied by a copy of the conference programme as well as a copy of the authorised study leave form.

Fund holders are strongly advised to seek advice on payment/ reimbursement of conference expenses before making a financial commitment on behalf of the fund.

If attendance at the conference or seminar is by the fund holder or signatory themselves, request for payment/ reimbursement must be countersigned by a line manager (who is not also a fund cosignatory). Fund holders and signatories must never authorise payments to themselves or to someone with whom they are closely related.

Payments in respect of friends, spouses, family members or accompanying Board employees will not be met by the fund.

Fund managers and signatories are also referred to the Charity document 'Agreed Principles and Process for the Use of Departmental Training and Education Funds' and the Health Board's Study Leave Policy.

4.13 Equipment

The use of endowment funding is permitted if it allows the purchase of an item with enhanced functionality or with benefits additional to those required for basic service provision.

However the purchase must not involve buying or replacing a routine piece of equipment which is essential for the maintenance of a standard, safe clinical service. For example funds could not be used to buy a standard bed but might be permitted to purchase an advanced electronic bed with specific features that improve the patient experience.

Under NHS regulations equipment costing over £5,000 purchased with endowment funding will be entered into the Board's asset register. It becomes the property of the Board which will be responsible for revenue implications, ongoing maintenance and ultimate replacement of the equipment.

Any proceeds from the future sale of the items originally funded from endowments will be credited to exchequer funds.

Where contributions are made to a university for the purchase of equipment, the equipment will become the property of the university. Equipment which does not become the property of the Board or a university is not allowable expenditure.

The procurement of any equipment will be in accordance with the Board's Standing Financial Instructions.

The equipment must be used solely for the purpose of the specific fund and equipment purchased for other purposes cannot be charged to the fund.

NHS regulations require all electrical equipment to be PAT tested in-house before use.

4.14 Building works/ refurbishment

All building works and refurbishment charged to a fund must be carried out through the Board's Capital Planning and Estates Departments and in accordance with the Board's Standing Financial Instructions,

Fund holders should acknowledge the use of endowment funding and/ or major donors for building and refurbishment works by affixing a plaque in areas which have been improved.

4.15 Education and training

Provided the expenditure falls within the fund's purpose, costs related to education and training will be allowed. This includes course fees, cost of travel, subsistence etc. Copies of authorised study leave forms should be provided alongside requests for funding. The Charity employs the Health Board's Study Leave policy.

Mandatory training (for example in order to maintain the safe running of a clinical service or to maintain professional qualifications) is not permissible. Courses which educate the trainee with no wider benefit to the Board are also not permissible.

Education of patients and their families or carers is a legitimate activity for funding from endowments and may include the production of materials developed elsewhere.

4.16 Community engagement activities

Community engagement activities may be funded from restricted or unrestricted funds if the benefit is for the wider community.

4.17 General office expenditure

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

4.18 Support for patient travel

The following guidance is written to support Clinical staff in the decision making process to utilise endowment funds for the provision of patient travel. Endowment funds should only be used when all alternative funding options have been investigated and only used in extreme circumstances. The following must be considered:

- Any decision to use endowment funds to support patient travel must be made by the Clinician in charge and discussed with the Fund (General) Manager.
- When making a decision to use endowment funds, consideration must be given as to whether this is charitable expenditure, in particular would this be acceptable to the individual who made the donation.
- If NHS transport is unavailable either due to unavailability of the Scottish Ambulance Service or the patient does not meet the NHS criteria for support and has no other means of transport, consideration must be given to using the Order of St John Ambulance Service and/or the voluntary community transport service in the first instance.
- Endowment funds may be used for taxi / private ambulance if one of the following applies to an individual's situation:

- The medical condition of the patient is such that it would be seriously detrimental to the patient's condition or recovery if they were to travel by other means.
 - The patient's medical condition impacts on their mobility to such an extent that they would be unable to travel by other means.
 - Due to the patient's medical condition it is considered unsafe for the patient to travel home by other means.
- Endowment funds cannot be used as the default solution to fund patient transport.

5. Investment of funds

Funds will be invested in accordance with the investment policy (DGE – 006) as approved by the Charity Trustees.

Appendix 1

Dumfries and Galloway Health Board Endowment Fund Application Form

| DETAILS OF REQUEST | | |
|----------------------------|------|-----------|
| Proposed Fund Account Name | | |
| Fund Manager (name) | | |
| Fund Manager signature | | |
| Authorised signatories | Name | Signature |
| | Name | Signature |
| | Name | Signature |

| ENDOWMENT FUND ACCOUNT DETAILS | |
|---|--|
| Fund Objective / Purpose | |
| Reason for non-inclusion in an existing fund | |
| Source of anticipated funding | |
| Anticipated expenditure against funding | |
| Expected lifetime of the fund (please delete as applicable) | <p>TEMPORARY / PERMANENT</p> <p>Temporary funds maybe established for specific projects or fundraising initiatives. Please give an indication of the timeframe the fund will be used.</p> <p>Permanent funds are established when continued funding is anticipated</p> |

| APPROVAL | |
|--|-------------------------|
| Application presented to the Trustees Committee for approval | |
| Trustees Committee date | |
| Decision | APPROVED / NOT APPROVED |
| Director of Finance Signature | |

Appendix 2

Dumfries and Galloway Health Board Endowment Fund Authorised signatory Application Form

| DETAILS OF REQUEST | | | | | |
|-----------------------|----------------|--|--------|---|---------|
| Fund Reference Number | | | | | |
| Fund Name | | | | | |
| Reason for Request | New | | Change | | Removal |
| Type of signatory | Fund Holder | | | £30,000 authorisation limit Requires Trustee approval General Manager or Director | |
| | Fund Signatory | | | £5,000 authorisation limit Requires Fund Holder approval | |

| SIGNATORY DETAILS | |
|--------------------|--|
| Forename | |
| Surname | |
| Position | |
| Directorate | |
| Email | |
| Phone | |
| Specimen Signature | |

| FUND HOLDER DECLARATION | |
|--|--|
| I confirm that I nominate the above named person as a fund signatory for the above endowment fund. I understand the need for compliance with the Boards Standing Financial Instructions and the Endowment Funds Operating Procedures and have made the above person aware of their responsibilities. | |
| Fund Manager Signature | |
| Fund Manager Name | |
| Position | |

DOCUMENT CONTROL SHEET

1. Document Status

| | |
|---------------------------|--------------------------------------|
| Title | Endowment Funds Operating Procedures |
| Author | Nick Mitchell |
| Approver | Endowment Trustees |
| Document reference | 001 |
| Version number | 6.0 |

2 Document Amendment History

| Version | Section(s) | Reason for update |
|---------|--|---|
| 4.0 | 3.5 – Fundraising | Removed |
| 5.0 | 2.2 – Fund Managers and Signatories | Change to procedure for delegation of responsibility of authorised signatories to Fund Manager |
| | 2.5 – Closure or amalgamation of funds | Section updated to include requirement of OSCR approval process |
| | 2.6 Reserves | Section updated to reflect formal reserves policy |
| | 2.7 – management of Antiques | Section added |
| | 2.8 – Management of external service providers | Section Added |
| | 3.3 - Income Generation | Amendment regarding receipt of income generated through conferences and training courses undertaken on NHS Board time |
| | 3.5 – Other Gifts | Section includes specific value of gifts that require to be notified to the Financial Services Team |
| | 4.12 - Conference Fees | Section refers to document ' <i>Agreed principles and process for use of departmental training and educations funds</i> ' |
| | Appendix 1 | Revised Fund application form |
| | Appendix 2 | New appendix detailing the Fund manager / Authorised Signatory application form |
| 6.0 | 2.6 | Reserves policy updated |
| | 4.18 | Inclusion of support for patient travel |

3. Distribution

| Name | Responsibility | Version number |
|-------------------------------|---|----------------|
| Endowment Operational Manager | Place on policy register | 6.0 |
| Endowment Operational Manager | Place on intranet and website | 6.0 |
| Endowment Operational Manager | Dissemination to Fund Managers and Authorised signatories | 6.0 |

4. Associated documents

5. Action Plan for Implementation

| Action | Lead Officer |
|----------------------------------|-------------------------------|
| Place on policy register | Endowment Operational Manager |
| Place on intranet / website | Endowment Operational Manager |
| Raise awareness and inform staff | All Fund Managers |
| Use policy | All authorised signatories |

NHS DUMFRIES AND GALLOWAY POLICY APPROVAL CHECKLIST

This checklist must be completed and forwarded with the policy to the appropriate approval group

POLICY TITLE Endowment Fund Operating procedures

POLICY NO. Finance policy DGE-002 **EXECUTIVE LEAD** Katy Lewis Director of Finance

| | | | |
|---|------------|---|------------|
| Why has this policy been developed? | | As a registered charity it is a requirement to hold a charter and relevant standing orders. | |
| Has the policy been developed in accordance with or related to legislation? Please give details of applicable legislation. | | Charity and Trustee Investment (Scotland) Act 2005 1978 NHS (Scotland) Act | |
| Has a risk control plan been developed? Who is the owner of the risk? | | The charity risk register is owned and managed by the charity trustees. | |
| Who has been involved/consulted in the development of the policy? | | Office of the Scottish Charity Regulator | |
| Has the policy been assessed for equality and diversity in relation to:- | | Has the policy been assessed for Equality and Diversity not to disadvantage the following groups:- | |
| Race/Ethnicity | Yes | Minority Ethnic Communities | Yes |
| Gender | Yes | Women and Men | Yes |
| Age | Yes | Religious & Faith Groups | Yes |
| Religion/Faith | Yes | Disabled People | Yes |
| Disability | Yes | Young People | Yes |
| Sexual Orientation | Yes | L, G, B & T Community | Yes |
| Does the policy contain evidence of the Equality & Diversity Impact Assessment Process? | | YES | |
| <i>Is there an implementation plan?</i> | | YES | |
| When will the policy take effect? | | March 2016 | |
| If the policy applies to partner agencies, please explain the reasons for this and how they will be informed of their responsibilities | | N/A | |

| | |
|---|--|
| Is any training required? | No |
| If yes, has any been arranged? | N/A |
| Are there any cost implications? | N/A |
| If yes, please detail costs and note source of funding | N/A |
| If the policy has to be reviewed other than bi-annually please state the reasons for this. | N/A |
| Who will review the policy? (please give designation) | Endowment Operational manager and then presented to Trustees |

Name:

Date: