



# Checklist for accepting gifts or donations

April 2020



## Introduction

During the Covid-19 pandemic NHS organisations are being offered unprecedented levels of donations and gifts. This show of support from the nation is greatly appreciated. However, all gifts and donations must be properly managed and used for the purpose for which they were intended. This briefing sets out a checklist to ensure that all gifts and donations accepted are appropriate and are recorded correctly.

## Flowchart and checklist

The flowchart (**Exhibit 1**) overleaf sets out the considerations when a donation is received. Further detail on each decision is provided in the rest of this briefing. A checklist (**Exhibit 2**) sets out the questions that need to be asked when setting up a system for accepting gifts and donations.

The key message is that all gifts and donations to NHS bodies and/or NHS charities must be **documented**. At a minimum, documentation must include:

- what has been donated and, if possible, its value
- the donor's details
- the date of receipt
- any conditions attached to the gift.

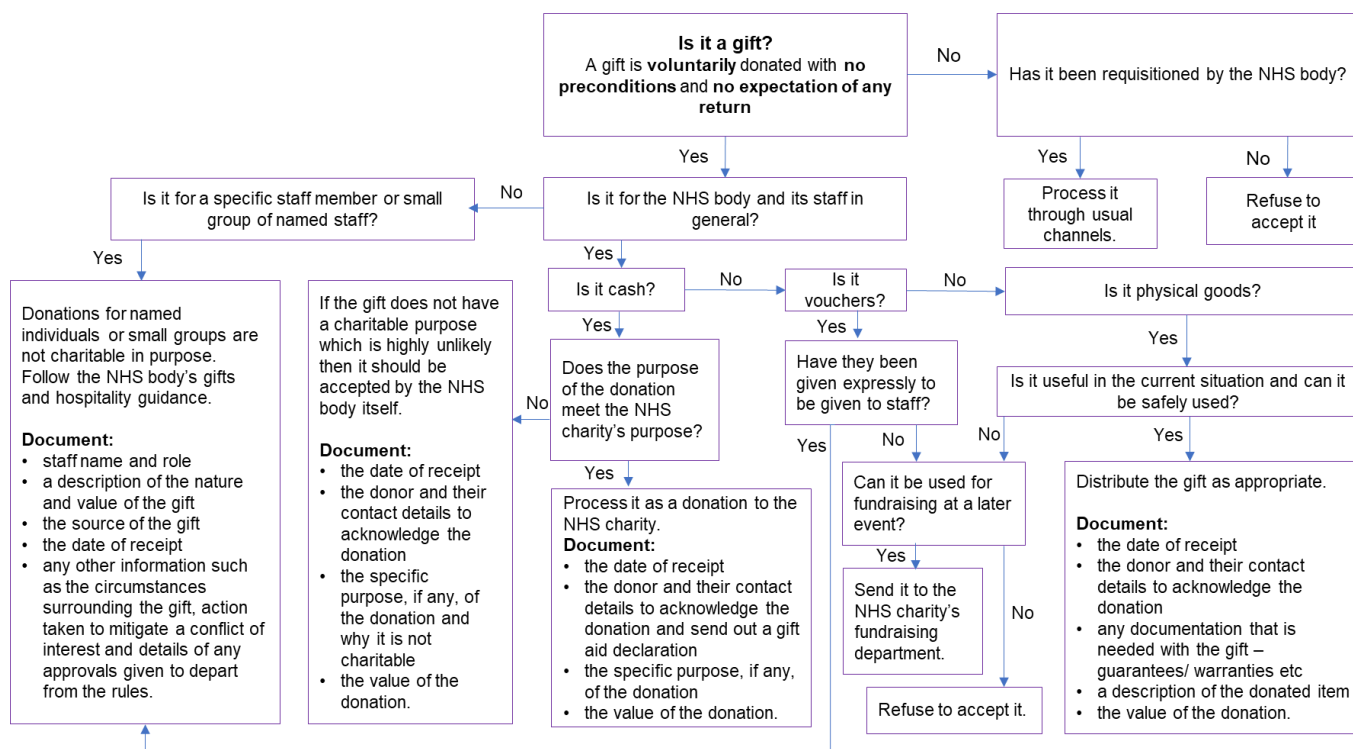
Receiving, managing and distributing donations may be more straightforward if NHS bodies designate specific places for them to be left.

This briefing will be updated as the pandemic and the reaction to it changes. We are also working on a briefing on how NHS charitable funds might be used to help with the pandemic and its aftermath.

The example charitable funds annual report and accounts<sup>1</sup> has been updated to take account of the new reporting requirements for 2019/20, including the recent guidance on reporting Covid-19.

Please contact us if you have any comments or think we could do further work – [policy@hfma.org.uk](mailto:policy@hfma.org.uk).

### Exhibit 1: Factors to consider when a donation is received



Note: this exhibit is included at the end of the document in landscape format

### Exhibit 2: Questions to ask to ensure appropriate arrangements have been put in place

	Yes/ no	Action taken
Are there clearly identified places where gifts/ donations can be received?		
Are there procedures in place to distinguish between ordered goods and donated goods?		
Do the staff receiving gifts/ donations understand that it must be freely given with nothing expected in return?		
Is there a clear mechanism for documenting the receipt of a gift/ donation?		
Can gifts/ donations for individuals be identified?		
Has it been agreed whether gifts/ donations are being accepted by the NHS body or the NHS charity?		

<sup>1</sup> HFMA, *Example charity annual report and accounts*, March 2020

	Yes/ no	Action taken
Are there clear criteria for the fair distribution of goods, particularly those that are perishable?		
Are items such as vouchers that cannot be used during the pandemic being stored securely for later distribution?		
Is there a secure storage area for gifts and donations that await distribution?		
Is there a mechanism for reviewing the usefulness and safety of donations of equipment?		
Can the staff receiving gifts/ donations refuse to take them if they have conditions attached or are not fit for purpose?		
Have arrangements been put in place for setting up wishlists and managing the distribution of gifts from those lists?		

## General criteria

NHS bodies are not charities, but they do have the power to raise money<sup>2</sup>. Usually, any donations are managed by the NHS charities associated with the NHS body and therefore are required to meet the usual criteria for acceptance in order to comply with charity law and regulation<sup>3</sup>.

Donations or gifts to the NHS must:

- not place the NHS body or NHS charity under an inappropriate obligation
- be recorded
- in addition, gifts and donations made to an NHS charity must:
  - be for public benefit. Donations or gifts cannot be accepted for the benefit of named individuals or families, but they can be accepted for use in a particular ward or area of the organisation as the benefit of that gift is available to anyone who uses that NHS service.
  - be in line with the NHS charity's charitable purpose which usually means it must translate demonstrably to relief of sickness of NHS patients.

Gifts with restrictions or conditions attached can be difficult for the organisation to use so, where possible, the donor should be encouraged to make a general-purpose donation.

## Fundraising

Many members of the public are fundraising 'for the NHS'. Consideration needs to be given as to how these funds will be recorded – whether that is through the NHS charity or by the NHS body itself. Donations to NHS charities have the advantage that gift aid can be claimed, and they are also set up to receive donations.

NHS Charities Together is running a national Covid-19 appeal<sup>4</sup> that will be distributed to NHS charities via grants. If the local NHS charity does not have a mechanism for receiving charitable donations or is overwhelmed, then consideration should be given to pointing the public to that appeal.

<sup>2</sup> Section 222 of the *NHS Act 2006*

<sup>3</sup> Appropriate guidance can be found on the [Charity Commission for England and Wales website](#); [Charity Commission for Northern Ireland](#); or the [Office of the Scottish Charity Regulator](#)

<sup>4</sup> NHS Charities Together, [Covid-19 urgent appeal](#), accessed 6 April 2020

It is important that fundraising is well managed and controlled. Some NHS charities include information on how to fundraise for them on their website, for example, Southampton Hospital Charity<sup>5</sup> has a fundraising toolkit on its website. This information may need to be revised as a result of Covid-19, for instance, guidance on running events will not be useful.

It must be clear how funds raised for the charity should be paid over and it would be useful to provide guidance on wording that should be used when fundraising so the donations can be properly used.

Advice to volunteer fundraisers should be clear in relation to the reimbursement of personal expenses - they should be advised at an early stage that they undertake their fundraising activities at their own risk and cannot assume that the charity will reimburse them for expenses incurred in order to raise funds.

## Donations to NHS charities

### Cash donations

All NHS organisations should already have procedures in place to collect and record cash donations. If there is no current procedure in place, the HFMA has issued a briefing on good practice in handling cash donations<sup>6</sup> which can support organisations to review their policies.

These procedures should be adhered to throughout the Covid-19 pandemic. It may be necessary to remind staff of the obligations on them, should they be offered a cash donation.

However, as only essential journeys are allowed and social distancing is enforced, NHS bodies should consider whether collecting cash donations is still reasonable. This is particularly the case in hospitals that are effectively closed to all but patients and essential staff.

If it is decided that cash donations are not accepted at all on site, the public should be directed to on-line giving.

### Online giving

Many NHS charities have Just Giving pages or similar fundraising web pages which people may be directed to if they wish to make a donation. It is important to remember that the stated aim for the fundraising is what the funds must be used for. For example, if the Just Giving page states that the money will be used for a CT scanner, then the funds must be used for that purpose.

If it is the intention that funds can be used to support staff during Covid-19, then the description of the page must reflect that. Alternatively, a more general description can be used, such as 'we are raising funds to support the NHS body and its staff during the Covid-19 pandemic and its aftermath. If for any reason there are surplus funds left over following the pandemic, we will use the money for our wider charitable purpose of supporting the NHS'. Referring to the aftermath of the pandemic means that the funds can be used to support staff with counselling, for example, once the crisis is over.

Online giving pages will collect the necessary information for gift aid to be claimed on the charitable donations.

### Restricted funds

It will remain important not to set up unnecessary, and possibly unusable, restricted funds. Restricted funds can only be spent in accordance with written restrictions imposed when the funds were donated or granted to or in accordance with the specific terms of the appeal raised for the charity. A restriction is limited to one or more but not all of the charity's objectives.

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<sup>5</sup> Southampton Hospitals Charity, *Be inspired*, accessed 6 April 2020

<sup>6</sup> HFMA, *NHS charities (England and Wales) – good practice in handling cash donations*, July 2017

Most donors do not intend to create an absolute restriction but do expect their gift to be applied to the type of work they indicate when making it.

When restricted funds are designated, the term 'earmarked or designated restricted funds' should be used as this reduces the potential for confusion.

## Donations of equipment

Some organisations are donating equipment to NHS organisations to support the fight against Covid-19; for example, many manufacturing companies and schools have donated eye protection to their local hospitals. Again, these donations can be accepted assuming that they meet the specified criteria for a gift and are fit for purpose.

It is important that the documentation associated with the donated items, such as warranties, instruction booklets, are provided so that the NHS body can ensure that the goods are maintained and can be repaired appropriately, if necessary. The same procedures need to be applied to gifts in kind that would be applied to purchased goods, for example PAT testing of electrical items and adding the goods to the asset register.

Donated assets that are valued at more than £5,000 and are expected to be used for more than a year must be recognised in the NHS body's asset register. These assets must be clearly identified as donated so that they do not attract a PDC dividend cost. Their useful economic life will need to be assessed so that they can be appropriately depreciated.

## Gifts for NHS staff

### Non-cash gifts

During the Covid-19 pandemic many trusts are receiving gifts of food and other essential supplies to support staff to stay well and to be able to stay at work, where that means that they are living away from home. Hospitals, and NHS bodies, are also receiving gifts of flowers and other morale boosting items for staff.

Maintaining morale and wellbeing of staff during the pandemic is essential for an effective workforce; these gifts are therefore allowable as long as they are completely free of obligation and do not create an expectation that the NHS body will undertake future business with that supplier after the pandemic.

Paragraph A4.12.2 of *Managing public money*<sup>7</sup> defines a gift as something that is voluntarily donated with no preconditions and without the expectation of any return. Government departments are required to maintain a register detailing:

- the gifts that they have received
- the value of them and
- what happened to the gift, for example, whether it was retained, distributed to staff or disposed of.

This guidance applies to NHS bodies as well as government departments. This includes all donations whether given to individuals or to 'the NHS' although special considerations apply to gifts to individuals (see below). Where the gift is for the NHS or NHS staff in general, a decision will have to be made whether these gifts should be registered as donations to the NHS charity or to the NHS body itself. This will depend on whether the gift is charitable or not (see the section above) and whether or not there is an appropriate NHS charity.

In either case, the gift should be documented. Clearly, when perishable goods are delivered these need to be distributed as quickly as possible, but they should nonetheless be recorded. This may simply be in a logbook (paper or electronic) maintained by the staff working on reception desks.

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<sup>7</sup> HM Treasury, *Managing public money*, revised September 2019

Receiving, managing and distributing donations is more straightforward if NHS bodies designate places for them to be left rather than accepting them at all contact points.

It may be that a decision is taken not to value gifts at the moment on the basis of practicality, but best practice is to record all gifts. The guidance on managing conflicts of interest says that gifts to individuals valued at less than £50 do not have to be declared – this threshold could be adopted for all gifts whether to individuals or to the NHS body. While gifts of around £50 may not be material to the NHS body, they may be to the person donating them so should be recorded.

## **Wishlists**

Some NHS organisations have created Amazon wish lists for items to support their staff where people would like to donate. Again, it must be clear what these items will be used for and their purchase must fulfil the general criteria set out earlier. Larger items on the wishlist should be items that can be kept on the NHS site to be used by a number of members of staff. The wishlist may also include smaller items that can be used in care packages for staff.

In order for these gifts to be managed through the NHS body or the NHS charity, these wishlists need to contain items that staff think that their colleagues would find useful and when the items arrive at the NHS body, ideally they should be distributed by someone other than the person who created the wishlist based on clear criteria. If staff are creating the wishlist and distributing items, they must not be the recipients of the gifts and they should be using clear criteria for distribution.

As long as the items fulfil charitable purpose, they can be managed through the NHS charity – for example, kitchen equipment for staff to heat/ prepare snacks while on duty would help those staff working long hours perform their roles better and would therefore indirectly benefit patients. Equally, items to include in care packages for staff or overnight kits for those staff self-isolating away from home would also benefit patients. On the other hand, a Nintendo Switch or even a kettle that is taken home by one staff member might improve that individual's morale but would not benefit the NHS body or its patients.

Where the NHS body does not have a charity then these lists can be managed through the NHS body itself but best practice would be to apply similar criteria to ensure that the gifts are used as intended – to benefit the NHS and its staff during this crisis.

The guidance on conflicts of interest is clear that staff should not solicit gifts (particularly cash) so the staff creating the wishlists should not be the beneficiaries of the donations. If a particular staff member asks for, and receives, something from a wishlist then this should be documented in the gifts and hospitality register and the fact that it was received through an Amazon wishlist should be also be noted. This is an area that should be reviewed once the pandemic is over.

Where non-cash donations are being accepted and distributed through the NHS charity then these will have to be reflected in the 2019/20 or 2020/21 accounts as gifts in kind.

## **Cash donations 'for staff'**

If cash donations are made specifically to be spend on staff benefits, then that purpose must be logged along with the receipt. These donations should all be recorded by the NHS charity or NHS body.

Where vouchers are donated for staff in general then, ideally, they would be used by the NHS body or NHS charity to raise funds for future use – for example, they would be raffled. Where, this is not possible because of the number of vouchers or the specific wishes of the donor then the method of distribution should be clear and transparent – so that as many staff as possible benefit from the donation. This may be the case where the donation is made for a specific group of staff, for example,



critical care or ICU staff. The recipients of the vouchers should record the donation in the NHS body's gifts and hospitality register as a personal gift (see the section Gifts to individuals below).

Given the current climate, if possible, these vouchers should be kept securely until after the crisis when a decision can be made about their distribution.

If conditions are attached to donations that cannot be met, then NHS bodies/ NHS charities should decline the gift.

It is legitimate to spend charitable funds on staff as long as it will have the result of making staff more effective in their roles. This is because the non-charitable purpose of providing benefits to staff is expected to have a knock-on positive impact on the charitable purposes of providing healthcare to NHS patients.

When deciding how to spend charitable funds on staff welfare, trustee(s) need to consider:

- to what extent the intended charitable outcome from making the payment can be measured and demonstrated AND
- how effective (in terms of value for money) the payment will be in delivering the ultimate outcome AND
- how strong (or tenuous) the connection is between the payment and the charitable outcome intended.

Trustees must exercise their judgment and discretion in deciding to apply any of the charitable funds under their control for staffing related purposes and be prepared to justify any such spending if questioned. Where money has been donated specifically for the benefit of staff then the donor's wishes must be respected.

Links between how the monies are used and the charitable purposes that are fulfilled as a result must be evidenced. In order to do this, it is critical that the trustee(s) discuss the type of expenditure on staff they will fund and the reason that they consider it to have a charitable benefit as well as publishing clear guidelines for staff on what will, and will not, be funded. As part of their discussions, trustees need to consider what the donors might think of their donations being used this way and any possible reputational risks. The policy must be applied consistently to all staff and must be regularly, ideally annually, reviewed.

Once the policy for using charitable funds on staff has been established, procedures need to be established for how the expenditure will be incurred. It may be that staff members will incur the costs personally – either buying a gift or paying for food and are then reimbursed or the NHS charity will make the purchase direct. If staff members are to be reimbursed, then receipts will need to be provided and consideration needs to be given to how the charity can be sure that the gift has been received by the appropriate person.

## Gifts to individuals

Employees of public bodies, including NHS staff, should not accept gifts where they might be seen to compromise the staff member's professional judgement or integrity.

The NHS England guidance *Managing conflicts of interest*<sup>8</sup> explains that:

- gifts from suppliers or contractors doing business or likely to do business with the NHS body should be declined unless they are low cost branded personal aids valued at less than £6<sup>9</sup>

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<sup>8</sup> NHS England, *Managing conflicts of interest*, 2017

<sup>9</sup> This limit relates to NHS staff attending conferences or working with suppliers who may be offered items such as stationary, re-usable cups and other merchandising. While this type of gift does not come with explicit conditions it is part of a commercial organisation's marketing campaign. The £6 limit was not intended to apply to care packages donated without any conditions to staff working in these very challenging times – it is included in this briefing for completeness and as a reminder that the reason for the donation must always be considered.

- gifts from other sources may be accepted if they are non-cash gifts of less than £50 in value. If they are not:
  - cash and vouchers should always be declined
  - individual gifts valued over £50 should be treated with caution and only be accepted on behalf of the NHS body or its charitable funds. Multiple gifts valuing over £50 in total over a 12-month period should be treated in the same way. For example, the recipient could ask if the gift could be donated to the NHS charity as a raffle prize.

Where gifts are accepted the following should be recorded:

- staff name and role
- a description of the nature and value of the gift
- the source of the gift
- the date of receipt
- any other information such as the circumstances surrounding the gift, action taken to mitigate a conflict of interest and details of any approvals given to depart from the rules.

Staff are being offered accommodation and meals – these can be accepted where it is appropriate. In these times, it would be appropriate for the NHS body to accept local hotel accommodation and arrange for staff to use it when isolating from the family home or simply to avoid unnecessary travel. If it is organised through the NHS body or the NHS charity then it does not need to be documented as a personal gift. The limits on gifts and hospitality set out in the NHS England guidance would not apply as the accommodation, meal or care package is a necessary to deliver healthcare during the pandemic rather than a benefit of attending a conference or an event during normal times. However, the acceptance of the hospitality should be recorded by the NHS body or the NHS charity.

## Recording donations and gifts

All donations and gifts should be recorded, and the donation acknowledged in writing. During the Covid-19 pandemic this acknowledgment may be delayed but should be carried out at the earliest possible opportunity.

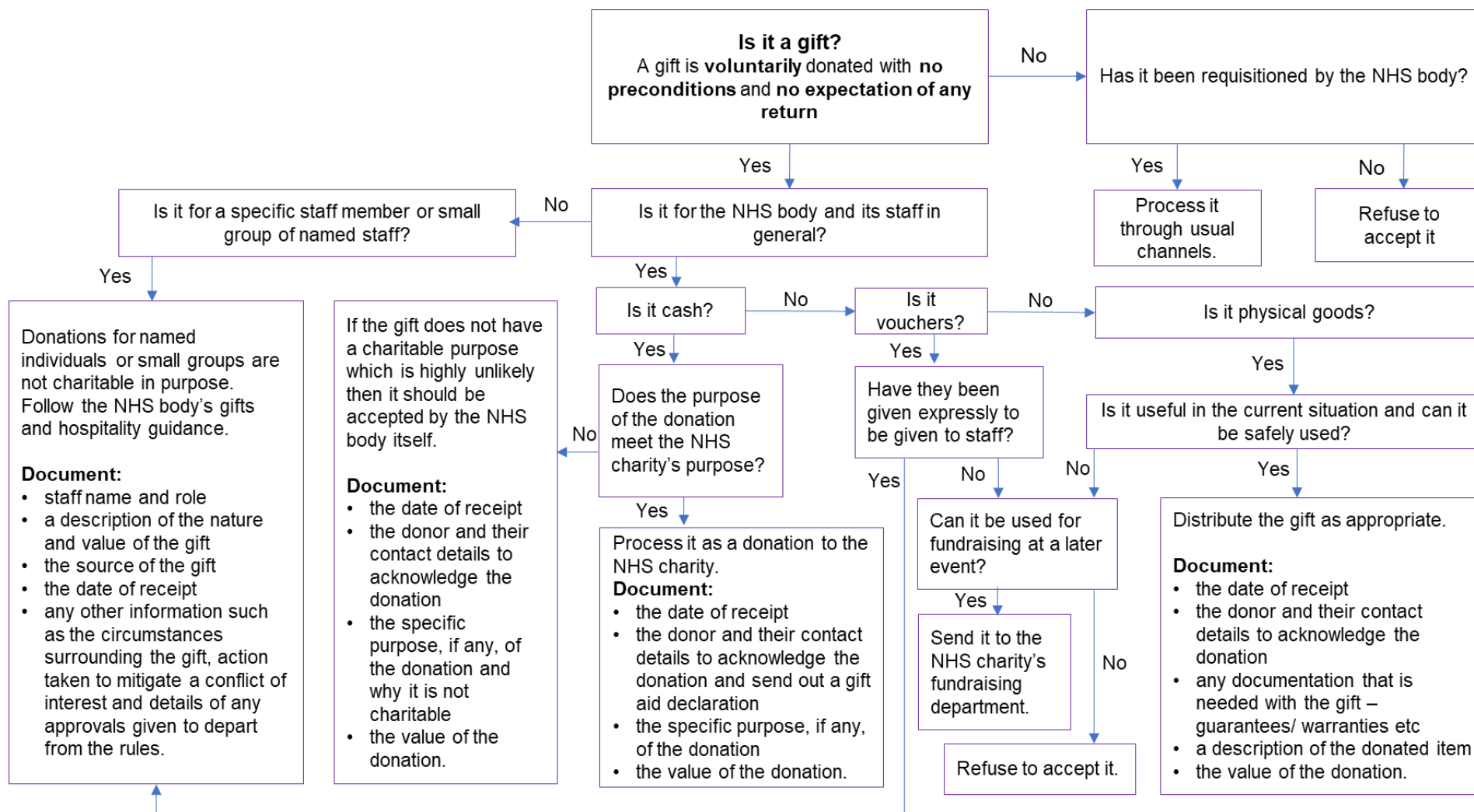
The following information must be recorded:

- the type of donation – cash or gifts in kind
- the date of receipt
- the donor and their contact details so that an acknowledgement can be sent
- the purpose, if any, of the donation
- the intended recipient(s) of the donation
- the value of the donation
- what was done with the donation.

If the donation takes the form of cash and gift aid can be claimed then a gift aid declaration should be completed.



## Exhibit 1: Factors to consider when a donation is received



## About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For nearly 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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