

BOS

BRITISH ORTHODONTIC SOCIETY

Registered Charity No. 1073464

Consultant Orthodontists Group

COG CHARITABLE TRUST FUND ADVICE SHEET

Purpose of the fund:

- To collect and collate lecture fees earned during salaried employment and any charitable donations.
- To be used for the benefit of the department.
 - Equipment purchase
 - Research
 - Patient welfare
 - Staff welfare
 - Education (e.g. course fees/expenses)

The perfect fund:

- A fund where monies / donations, can be deposited, tax free; with full control of fund maintained by the depositors (or nominated agents).

Taxation:

Generally, fees cannot be credited gross to charitable funds.

All income must be declared to HMRC <http://www.hmrc.gov.uk/incometax/basics.htm>.

Income may then be donated to a registered charity, where the full amount can be accessed by the charitable fund by means of the gift aid scheme and tax may be reclaimed by means of a Gift aid declaration. <http://www.hmrcgov.co.uk/incometax/relief-gift-aid.htm>

However "occasional" earnings such as lecture fees may be assigned directly to charity according to Schedule D case VI, provided that the fees are small in value, infrequent, and for a limited range of services; via an "Annual Declaration for the Assignment of Private Medical/Lecture Fees to a Medical Charity". <http://www.hmrc.gov.uk/manuals/bimmanual/BIM80105.htm>

NHS Trust Charitable Funds:

- All hospital trusts have registered charitable trusts for the purposes of fundraising and managing donations to the trust. All charitable trusts are closely managed, regulated and audited by the charities commission.
- It is possible to create an individual "designated fund" within the charitable fund in order to direct monies to a particular purpose or a particular department.
- In this way, lecture fees or other donations may be assigned to the "Orthodontic trust fund" and subsequently utilised for purposes directly benefiting patients or staff; equipment and training (within guidance of individual charitable trust fund).
- If the fund is not used regularly then monies may be lost and used for other charitable purposes as decided by your Trust

Society / club style bank account:

Such an account will be treated as taxable personal income by HMRC.

This arrangement may be in contravention of trust policy.

Setting up a trust Fund:

- Contact your hospital's charitable trust with a view to creating a "designated orthodontic department trust fund".
- You may need to liaise with finance department with regard to assignment of lecture fees.

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