



Phoenix Community Care Ltd Policy & Procedure

Large Legacies & Donations

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Phoenix Community Care Ltd
Policy & Procedure

Large Legacies & Donations

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Large Legacies & Donations

Introduction

Phoenix Community Care's (PCC) majority of donations received are allocated and designated to particular projects abroad. We take donations for international projects that we forward to the management within those projects which we regularly visit and get reports from. Saying this, we may have large legacies / donations, so we are producing this policy & procedure to bring the best practice for our charity's responsibilities.

Like many small charities, PCC may receive large legacies and donations unexpectedly. Where such legacies/donations are large (eg: greater than 20%) in relation to the charity's typical / budgeted annual income or particular campaign; they can have a very distorting influence on the charity's financial situation. In particular, if such legacies/donations significantly increase the charity's reserves and are therefore to be disbursed as soon as is reasonably practical thereafter, they can create "feast and famine" situations. This can distort the charity's priorities for meeting its charitable objects and might lead to PCC taking on commitments which are not sustainable once the legacy funds have been exhausted.

In order to avoid such distortions PCC has adopted a Large Legacies & Donations Policy which is intended to ensure a more controlled and evenly distributed disbursement of the legacies that it receives.

Restricted Legacies / Donations

Restricted legacies/donations are restricted funds and are received and disbursed in accordance with the terms of the trust under which they were donated.

As with any restricted legacy/donation offered to PCC, the Trustees will decline to accept large restricted legacies/donations which, in their view:

- Are inconsistent with the charitable objects of the charity;
- Would inappropriately distort the charity's charitable priorities and/or its operational ethos;
- Would require the allocation of additional resources (eg: human, physical, financial) which PCC does not have, or would be to the detriment of its other charitable activities, either immediately or once the legacy has been exhausted.

Unrestricted Legacies / Donations

Unrestricted legacies /donations are funds donated to PCC for general use at the discretion of the Trustees to further its charitable objects.

The Trustees of PCC would resolve (if needed) to create a specific Legacies Designated Fund the purpose of which is to enable the Trustees to manage large legacies /donations to PCC in an efficient and effective manner to best promote the charity's objects and the Public Benefit. This policy provides for the steady and controlled release of such funds into the charity's fund in order to avoid the financial distortions and instabilities which can be created by the irregular and unexpected receipt of significant legacies/donations to PCC.

As with any designated fund, having due regard for the needs and best interests of PCC the Trustees may, at any time, resolve to manage the Legacy Designated Fund on an interim basis in a manner other than as described in this policy. This might include, for

example, the need to manage a short-term cash-flow problem or to fund a specific project or acquisition that would not be affordable under The Charity's regular income.