

City of Glasgow College Foundation  
(Scottish Charity Number SC044620)

Meeting on 29 April 2014 at 9.30am

at Turcan Connell, Sutherland House, 149 St Vincent Street, Glasgow G2 5NW

1. Apologies, quorum and appointment of Chair
2. Declarations of Interests
3. Duties of charitable trustees (*paper enclosed*)
4. Minutes of the previous meeting (*enclosed*)
5. Turcan Connell Letter of Engagement (*draft enclosed*)
6. Operational framework (*discussion draft enclosed*)
7. Written policies (*discussion drafts enclosed*)
  - (a) risk register
  - (b) reserves policy
  - (c) cash management/investment policy
  - (d) grants policy with standard grant conditions
8. Any other business

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## **Private and Confidential**

### **CITY OF GLASGOW COLLEGE FOUNDATION Scottish Charity Number: SC044620**

#### **Duties as Charity Trustees**

#### **Duties as Directors**

#### **Governance Considerations**

## **A. DUTIES AS CHARITY TRUSTEES**

The main duties of charity trustees arise under the Charities and Trustee Investment (Scotland) Act 2005 and under general common law. These are as follows:-

### **1. General Duties**

- 1) You have overriding duty to act in the best interests of the charity
- 2) You must seek, in good faith, to ensure that the charity acts in a manner which is consistent with its purposes.
- 3) You must act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person.
- 4) Where there is a potential conflict of interest between the charity and a person who appoints you as a trustee, you must put the interests of the charity before those of the person appointing you.

If you are under some other duty which prevents you from doing this, you must disclose this conflict of interest to the charity and must not take part in any deliberations or decisions of the trustees in relation to the matter in question.

- 5) You must ensure that the charity complies with the 2005 Act.

- 6) In the event of a breach of any of these duties you must take whatever steps are reasonably practicable to ensure that the breach of duty is corrected and not repeated.

Any trustee who has been in serious or persistent breach of the duty should be removed as a trustee.

## **2. Duty to carry out the terms of the trust**

You must administer the charity in accordance with its terms. You must familiarise yourself with the terms of the trust deed or other constitutional document and must act in accordance with it in administering the charity.

## **3. Duty to control the trust property**

As a charity trustee, you must take steps to establish full details of the charity's property. In addition you must keep the charity's property under your control. In the case of charitable trusts this means that trust assets must be held in the name of the trustees or of a nominee permitted by the trust deed or by the 2005 Act. The appointment of a nominee is subject to further conditions.

## **4. Duty to keep accounts**

As a trustee, you have a general duty to keep proper records and accounts of the trust property. In addition, the Charities Accounts (Scotland) Regulations 2006 oblige charity trustees to keep accounting records and to have the accounts independently examined or audited, subject to certain financial thresholds. The accounts must be submitted to OSCR not later than nine months after the end of the charity's financial year.

## **5. Duty to devote time to the charity's affairs**

As charity trustees, you must meet together as often as is necessary for the proper administration of the charity and give such time to the charity's affairs as is required for its proper administration.

## **6 Duty to invest**

Charity trustees have a general duty to invest the charity's funds, to the extent that they are not required for carrying out the purposes of the charity.

The common law contains specific duties in respect of the exercise of powers of investment.

Where property is held for the purpose of generating money, prima facie the purposes of the Trust will be best serviced by the Trustees seeking to obtain from that property the maximum return, whether by way of income or capital growth, which is *consistent with commercial prudence*. That is the starting point for all charity trustees when considering the exercise of their investment powers. Most charities need money; and the more of it there is available, the more the Trustees can seek to accomplish.

The best interests of the charity require that the Trustees' choice of investments should be made:-

- solely on the basis of well established investment criteria having taken expert advice where appropriate;
- having due regard to the need to diversify;
- having due regard to the need to balance income against capital growth; and
- having due regard to the need to balance risk against return.

## **7 Delegation of powers**

Trustees of charitable trusts are permitted by the 2005 Act to appoint a discretionary investment manager to manage the charity's investments.

If Trustees do delegate the investment of the charity's funds, they must nevertheless continue to monitor and review the manager's performance and to set investment objectives and parameters.

The Trustees are also able to delegate administrative functions.

## **8 Conflicts of interest**

As charity trustees, you should not act in a way that brings you into conflict with the interests of the charity. You must not derive any personal profit from the charity nor should a trustee, as an individual, enter into any transaction with the charity.

## **9 Duty to take advice**

Trustees should take advice from a properly qualified person in matters on which they are not themselves competent to decide.

## **10 Duty to observe the general law**

Charity trustees are subject to the general law and, depending on the activities in which the charity is involved, may be subject to employment law, health and safety legislation, the law of delict, criminal law, human rights legislation and other legal provisions.

## **B. DUTIES AS COMPANY DIRECTORS**

Sections 171 to 177 of the Companies Act 2006 set out a new statutory statement of directors' duties, described as 'general duties', in place of the common law.

There are seven general duties in the statutory statement. Many of these match, or are very close to equivalent duties as charity trustees. These are a duty to:

- 1) act in accordance with the company's constitution, and to use powers only for the purposes for which they were conferred.
- 2) promote the success of the company for the benefit of its members.
- 3) exercise independent judgment.
- 4) exercise reasonable care, skill and diligence.
- 5) avoid conflicts of interest.
- 6) not accept benefits from third parties; and
- 7) declare to the company's other directors any interest a director has in a proposed transaction or arrangement with the company.

## C. SPECIFIC GOVERNANCE CONSIDERATIONS

OSCR's review of other charities has produced statements of specific governance issues that should be considered. As charity trustees you should:-

- 1) ensure you have, collectively, the **correct mix of skills and experience** for the type and scale of the charity for which they are ultimately responsible
- 2) understand the **operating environment** faced by the charity and the implications this will have for how the charity is managed
- 3) maintain overall **direction and control of the charity**, and be able to actively hold the any management team or administrators to account as well as providing strategic direction
- 4) be able to **exercise independent judgement** when weighing up and considering any plans and proposals from a management team, while at the same time not undermining management authority or de-motivating staff
- 5) be explicit in **defining the respective roles and responsibilities** of the Board, Chairperson and any management team, including the extent of delegated authority
- 6) **take "ownership" of the Board** and implement a programme for board training, building and renewal that includes regular reviews of performance and skills mix
- 7) make sure trustees receive **full and up-to-date financial information** to allow you to fully understand the position of the charity and take informed decisions
- 8) develop an appropriate **risk management strategy** that identifies possible risks to the charity and must establish systems or procedures to minimise these risks
- 9) at a time of **growth and development** you must satisfy yourselves that the capacity of the charity's management and governance structures are appropriate for the planned development
- 10) maintain a direct relationship with the charity's auditors to obtain an **objective and independent view of the charity** and to gain assurance and advice on control systems and governance matters

- 11) large or complex charities must consider **establishing an audit committee** to ensure that processes and procedures are monitored and are appropriate for the size and scale of the charity
  
- 12) charity Trustees must ensure that the organisation seeks **external independent professional advice** where it faces problems or does not have the required in-house expertise in a particular area

TURCAN CONNELL  
APRIL 2014



**PRIVATE AND CONFIDENTIAL**

**CITY OF GLASGOW COLLEGE FOUNDATION  
(Registered Charity Number: SC044620)**

**(the "Foundation")**

**MINUTES OF A MEETING OF THE BOARD OF THE FOUNDATION**

**held at Sutherland House, 149 St Vincent Street, Glasgow  
on 27th March 2014 at 9.30am**

Present: Alistair Carmichael  
Brian Filling  
Alastair Martin  
Roderick George Livingston  
Malcolm McCaig (by telephone)  
Steven Watson  
Maire Catherine Whitehead  
Tom Duguid on behalf of Turcan Connell Company Secretaries Limited

**1. Apologies and Quorum**

- 1.1 There were no apologies.
- 1.2 The meeting was quorate.

**2. Declaration of Interests**

It was noted that Steven Watson is presently an employee of City of Glasgow College. It was noted that Alistair Carmichael and Malcolm McCaig serve on the Board of Management of City of Glasgow College.

**3. Donation of Funds from City of Glasgow College**

It was noted that City of Glasgow College has intimated its intention to donate £10m to the Foundation on the terms of a draft Donation Agreement produced to the meeting. Tom Duguid talked through the terms of the Donation Agreement and the Trustees resolved to accept the donation and authorised any one Trustee to sign the Donation Agreement, which was then signed.

#### 4. Appointment of Trustees

- 4.1 It was noted that since the last meeting City of Glasgow College had exercised its right contained in Article 32.2 to appoint Alistair Carmichael and Malcolm McCaig as Trustees of the Foundation. A letter from the City of Glasgow College to this effect was noted.
- 4.2 The Company Secretary is to submit the necessary paperwork to Companies House **(Action Point: Tom Duguid)**.

#### 5. Trustee Indemnity Insurance

Tom Duguid had obtained indicative quotes for trustee indemnity insurance from Zurich, AXA and Markel. Markel was the most competitive of the quotes, and although the company is not financially stable, neither Tom Duguid nor the Trustees were familiar with the company or its background. The Trustees resolved happy to obtain cover from Zurich or AXA at a level of £2m with the most competitive quote between those two institutions being arranged **(Action Point: Tom Duguid)**.

#### 6. Auditors

- 6.1 Scott Moncrieff have quoted a fee of £4,000 plus VAT to prepare the statutory accounts of the Foundation and to act as auditors to the Foundation. A representative of the auditor would also attend the annual general meeting to summarise the terms of the accounts and any audit filing. Scott Moncrieff have confirmed that they are happy to act as auditor of both the City of Glasgow College and the Foundation and this point has been checked with Audit Scotland.
- 6.2 The Trustees resolved to appoint Scott Moncrieff as auditors of the Foundation, with that appointment to be reviewed after one year, especially in terms of any potential conflict of interest.
- 6.3 The Company Secretary is to confirm the appointment with Scott Moncrieff **(Action Point: Tom Duguid)**.

## 7. **Legal Advice, Company Secretarial, Administration and Bookkeeping Services**

- 7.1 Tom Duguid outlined in detail the company secretarial services, administration and bookkeeping services and legal advice that Turcan Connell could provide to the Foundation and the likely costs of this advice.
- 7.2 Tom Duguid is to circulate a formal letter of engagement to the Trustees setting out the services covered (**Action Point: Tom Duguid**).

## 8. **Appointment of Investment Managers**

- 8.1 It was agreed that it would be premature to consider the appointment of investment managers to the Foundation. At present, the Foundation does not know whether any of the funds it is about to hold will be available for medium to long term investment beyond a 3 to 5 year period. It may be that not all of the funds transferred from the College will be required for grant payments to the College or others during the next 3 to 5 years. Tom Duguid will request the College, as a likely recipient of grants from the Foundation, to indicate whether it is able to indicate now that its likely level of grant requests beyond 3 to 5 years will be less than the funds held by the Foundation. (**Action Point: Tom Duguid**) It was noted the Foundation does not presently expect significant further donations from City of Glasgow College or elsewhere.
- 8.2 If there is the possibility of part of the funds held by the Foundation being held for longer term, the appointment of investment managers would be considered.
- 8.3 In the meantime, it was resolved to retain the Foundation's funds in cash in case this should be required for a grant payment.

## 9. **Grant Making Activities**

- 9.1 It was noted that the City of Glasgow College has donated £11.7m to the Scottish Colleges Foundation (SCF), an umbrella charitable foundation set up for the college sector in Scotland. It is understood that the funds donated to the SCF will be required by the College in connection with its substantial campus project. Accordingly, there is unlikely to be an ongoing interaction between the Foundation and SCF regarding grants to City of Glasgow College or others.
- 9.2 It is understood that if further funds are transferred from City of Glasgow College, these are unlikely to be subject to conditions and are unlikely to require to ring-fenced.

9.3 It might be that requests for grants of between £5,000 to £10,000 from staff directly or students would be encouraged by the Foundation and a procedure for this can be developed.

9.4 The Trustees also discussed the possibility of proactive and taking the lead in possible projects and activities that might be funded. The Trustees may also request funds from the other charities in the grant making sector.

## 10. Written Policies

10.1 Tom Duguid outlined the written policies that should be put in place by the Foundation:-

- (a) risk register
- (b) reserves policy
- (c) cash management/investment policy
- (d) grants policy with standard grant conditions.

10.2 The Foundation may also wish to put in place a framework as to how it will operate in practice, in terms of board meetings, dealing with grant requests etc.

10.3 Tom Duguid is to prepare drafts of these documents for discussion at the next meeting  
**(Action Point: Tom Duguid)**

## 11. Date of next meeting

The next meeting of the Foundation was scheduled for 9.30am on Tuesday 29th April at Turcan Connell's Glasgow office.

## 12. Any Other Business

12.1 There Company Secretary is to circulate the contact details for each of the Trustees  
**(Action Point: Tom Duguid).**

12.2 Consideration is to be given to a possible logo for the Foundation.

12.3 Each Trustee is to consider if he or she would wish to act as Chair of the Foundation for appointment at the next meeting.

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City of Glasgow College Foundation  
Sutherland House  
149 St Vincent Street  
Glasgow  
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Our Ref TD C.7488.001  
Your Ref  
Date 24th April 2014  
Email tom.duguid@turcanconnell.com

Dear Sirs

**City of Glasgow College Foundation, Scottish Charity Number SC044620 (“the Foundation”)**  
**Provision of Legal advice and company secretarial, administration and book-keeping services**

You have requested that Turcan Connell provide the Foundation with company secretarial, administrative and book-keeping services together with legal advice. The purpose of this letter is to set out the basis upon which we will act on your behalf in respect of these services.

Legal advice and administration and book-keeping services will be provided by the firm of Turcan Connell.

The company secretarial services will be performed by this firm’s wholly owned company, Turcan Connell Company Secretaries Limited, which is presently appointed as Company Secretary to the Foundation.

## 1 Company Secretarial Services

The Secretarial Services will include the following:-

- (a) attendance at board meetings four times a year and the annual general meeting once a year in Glasgow;
- (b) preparing agendas, notices and minutes of meetings of the Foundation;
- (c) preparing and submitting Annual Returns to Companies House;
- (d) at your request, and on receipt of the Annual Accounts, submitting Annual Accounts at Companies House;
- (e) preparing and submitting Annual Returns and other regulatory filings with OSCR.

Partners: Douglas Connell Robin Fulton Simon Mackintosh Alasdair Loudon Ian Clark Jonathan Robertson Adam Gillingham Heather Thompson Niall Stringer  
Alison Paul David Ogilvy Alex Montgomery Alexander Garden Gavin McEwan Grierson Dunlop Gillian Crandles Michael Kane Peter Littlefield Donald Simpson  
Tom Duguid Consultant: Robert Turcan

Edinburgh Office: Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE Telephone 0131 228 8111  
London Office: 12 Stanhope Gate, London, W1K 1AW Telephone 020 7491 8811  
Guernsey Office: Borough House, Rue du Pré, St Peter Port, Guernsey, GY1 1EF Telephone 01481 710 867

- (e) the maintenance of the register of members, the register of directors and secretaries, the register of directors' interests and the register of charges ("**the Statutory Registers**") of the Foundation to reflect changes in the Foundation as they occur;
- (f) notifying Companies House of any change to the Officers of the Foundation;
- (g) preparing resolutions of the Board and/or Members;
- (h) preparing and lodging at Companies House copy resolutions and/or the prescribed forms to register changes in the company;
- (i) responding to queries in relation to the Statutory Registers; and
- (j) responding to audit enquiry letters from the Foundation's auditors.

## 2 **Administrative and book-keeping services**

The administrative and book-keeping services will include the following:-

- (a) liaison and correspondence with donors to the Foundation and grant recipients of the Foundation based on the instructions of the Foundation trustees;
- (b) liaison with other advisers, auditors, investment managers etc of the Foundation;
- (c) administering the bank accounts of the Foundation to include the separate sub-accounts if needed; and
- (d) maintaining ledgers and book-keeping of the Foundation's bank accounts.

The accounts of the Foundation will be prepared by the Foundation's auditors and not by Turcan Connell.

## 3. **Legal Advice**

Legal advice will include all other legal advice in addition to the secretarial, administrative and book-keeping services as requested by you.

Initial advice will include the preparation of written policies required by the Foundation including its risk register, reserves policy and investment policy.

## 3. **Fees**

It is difficult to estimate accurately a fee for the work to be carried out until the Foundation has been operational for a period and the level of activity is known. The fee

quote set out below is intended to be a fairly full one to allow the trustees to budget prudently for the year ahead.

We estimate that our fee for the company secretarial services, administrative and book-keeping services and for routine legal advice will be £11,000 per annum plus VAT and outlays (such as Companies House charges, which are modest). That fee includes attendance at meetings of the Foundation as outlined above. The cost of producing the written policies referred to above would be included within that figure.

More specific, detailed or complex legal advice as and when requested by you will be based on our hourly rates (set out below) on a time spent basis. We would indicate to you when we consider legal advice to be “specific, detailed or complex” rather than “routine” in advance of commencing work. We will also be happy to discuss fee quotes in respect of such advice prior to commencing work.

Our fee estimate is based on the time we envisage will be required for the Foundation in its first year of operation based on the hourly rates noted below. Our fee estimate would be reviewed after the first year of operation.

	£
Partner	290
Consultant, Senior Associate, Associate, Director of Tax Services	245-290
Senior Solicitor	215
Assistant Solicitor, Trust Accountant, Senior Tax Manager, Tax Manager, Tax Assistant	160-205
Trainee Solicitor, Company Secretary, Paralegal	75-130

#### 4. **Duration**

The arrangement for the provision of the services outlined above will be automatically renewed at the end of the first year and at the end of each subsequent year unless you notify us of your intention to terminate the arrangement.

##### *Secretarial Services*

You undertake to provide us with all proper, necessary and timely instructions, authority and information (including the execution of all documents required) to enable Turcan Connell Company Secretaries Limited to undertake lawfully and effectively the provision of Secretarial Services.

We reserve the right to terminate the arrangement for the provision of Secretarial Services, and in particular if:

- (a) payment of the fee or other charges is not received when due;
- (b) a receiver or liquidator is appointed to the Company; or
- (c) you default under any of the terms set out in this letter;

You may terminate the appointment of Turcan Connell or Turcan Connell Company Secretaries Limited as Company Secretary at any time.

In the event of termination of the arrangement for the provision of Secretarial Services:-

- (a) you undertake forthwith to arrange the appointment of an alternative company secretary and you further undertake to submit a Form TM02 at Companies House recording the resignation of Turcan Connell Company Secretaries Limited as Company Secretary; and
- (b) we undertake forthwith to deliver all statutory books, records and company minutes to the new Company Secretary.

We trust that the foregoing terms are acceptable. If however you have any queries, please do not hesitate to contact us.

Yours faithfully



Turcan Connell

On behalf of The City of Glasgow College Foundation, I confirm acceptance of the terms set out in this letter and in your Terms of Business and Service Commitments.

\_\_\_\_\_  
Director/Trustee

\_\_\_\_\_  
Date



**DISCUSSION DRAFT FOR MEETING ON 29 APRIL 2014**

**CITY OF GLASGOW COLLEGE FOUNDATION**  
**Scottish Charity Number: SC044620**

**OPERATIONAL FRAMEWORK**

**APRIL 2014**

# CITY OF GLASGOW COLLEGE FOUNDATION (“the Foundation”)

Scottish Charity Number: SC044620

## OPERATIONAL FRAMEWORK

### **1. The role of the Foundation**

1.1 The Foundation has been established with the following objects:-

“The objects of the Foundation are to advance the charitable purposes of City of Glasgow College to include the advancement of education by making grants and providing financial support for projects and activities being carried out by and supported by City of Glasgow College.”

1.2 The Trustees of the Foundation must act entirely independently of City of Glasgow College (“the College”). The Trustees have their own discretion regarding decisions affecting the Foundation and funds transferred to it. That discretion must be exercised by the Foundation’s Trustees in accordance with the Foundation’s constitution and the Trustees’ legal duties as charitable Trustees. The Foundation is not linked to or governed by the College.

### **2. Expenses of the Foundation**

2.1 The expenses of the Foundation will be met in full from the funds held by the Foundation.

2.2 The costs of the Foundation’s administration shall include:

- (a) Accounting expenses;
- (b) Legal costs; and
- (c) General administrative costs.

### **3. Donating funds to the Foundation**

3.1 Donations may be made to the Foundation for the purpose of the Foundation’s charitable objects. The Foundation will acknowledge receipt of the funds as soon as practicable.

3.2 From the point of transfer, the funds become the legal property of the Foundation.

#### **4. Requesting an Award from the Foundation**

The procedures for requesting an award from the Foundation are set out in a separate Policy Document – “Awards Policy”.

#### **5. Trustee Meetings**

5.1 The Foundation’s Trustees will meet (referred to as a Trustees meeting) quarterly on dates to be determined by the Foundation’s Trustees.

5.2 A representative of an applicant for a grant award may be asked to attend a Trustees meeting to speak to a grant application submitted by the applicant. 21 days’ notice will normally be given if and when the representative will be required to attend. For the avoidance of doubt a 21 day notice period is not required if both parties are in agreement.

#### **6. Composition of Trustee Board**

6.1 The Trustees have been selected with an appropriate mix of skills and backgrounds.

6.2 The minimum number of Trustees is five. The maximum number of Trustees is seven.

6.3 The board of Trustees have power to appoint up to four Trustees of the Foundation and to remove from office any person so appointed and to appoint another person in his or her place. Trustees appointed in this manner may not be current employees or members of the board of management or board of governors of City of Glasgow College (but may be individuals who formerly, but no longer, occupy such a role).

6.4 The College is entitled, but not obliged, to appoint up to three Trustees of the Foundation by notice in writing and to remove from office any person so appointed and to appoint another person in his or her place. The College has, at the date of this paper, appointed two such Trustees. Trustees appointed in this manner may not form a majority of the total number of Trustees appointed to the Foundation. The Trustees shall not take any decisions, save for the appointment of additional Trustees to rectify the imbalance in the Board, until that position is rectified (which the Trustees will do as soon as possible after such event arises).

6.5 The Trustees are appointed for a term not exceeding four years and are eligible for re-appointment for a second and final term not exceeding a further four years.

## **7. Investment Policy**

- 7.1 Subject to any professional advice to the contrary, any funds transferred to the Foundation will initially be invested in cash and term deposits on the understanding that the funds may be called upon with little or no notice.
- 7.2 In the event that part of the funds transferred will not be required in the short to medium term, the Foundation's Trustees, with appropriate advice from a professional investment adviser to be selected by the Foundation's Trustees, will determine whether or not the funds ought to be invested in a different manner.
- 7.3 For the avoidance of doubt, once funds have been transferred to the Foundation, the donor shall have no power to make decisions regarding the investment of the funds unless that has been specified and accepted as a condition of the funding.

## **8. Accounting and Transparency**

- 8.1 For information purposes only, significant donors will be provided with a copy of the Foundation's annual accounts. These will be provided by the Foundation to a significant donor as soon practicable following the approval by the Foundation of the audited accounts for the year in question.

## **9. Written Policies**

- 9.1 The Foundation has prepared written policies in respect of the following matters:-
- (a) Cash/investment management policy;
  - (b) Reserves policy;
  - (c) Risk register; and
  - (d) Grant awards policy (as referred to above).
- 9.2 These and other written policies that are prepared will be reviewed by the Trustees on a periodic basis.

DISCUSSION DRAFT FOR MEETING ON 29 APRIL 2014

CITY OF GLASGOW COLLEGE FOUNDATION

Scottish Charity Number: SC044620

("the Foundation")

Risk Register: 2014-15

L = Likelihood I = Impact Scores are out of 5 x 5 Levels : Low= 0 -8 / Med = 9 -15 / High = 16-25

Risk	Risk Score			Risk level	Control/mitigation	Responsibility
	L	I	Total			
1. Financial loss due to poor/mismanagement of the Foundation's funds					Investment policy. Reserves policy linked to activities plan. Investment policy and consideration of specialist investment advice if required.	Board of Trustees/Delegated Investment Manager (if applicable)
2. Loss of independence / inadvertent exercise of control over the Foundation by City of Glasgow College					Strong governance arrangements & independent trustees. Trustee rotation procedures. Documented grant application process. Independent audit.	Board of Trustees
3. Other Reputational risks including donations from inappropriate sources					Due diligence on major donors. Fundraising policy. Appropriate timing of announcements.	TBC

Risk	Risk Score			Risk level	Control/mitigation	Responsibility
	L	I	Total			
5. Unforeseen legal, tax or other governance problems					Company secretary and external independent examiner/ auditor required to keep the Foundation up-to-date of relevant legal and accounting rules and OSCR practice.	Company Secretary/External Independent examiner or auditor
6. Loss of donors through confusion/poor messaging					Regular communications plan and profile launch to be discussed with City of Glasgow College. Continuity of contacts. Project reporting	TBC
7. Overreliance on knowledge of key individuals					Written documentation of processes. Professional company secretarial service. Trustee induction and participation arrangements. Trustee Rotation	Board

Risk	Risk Score			Risk level	Control/mitigation	Responsibility
	L	I	Total			
8. Missed charitable object opportunities through failure to respond/fund grant requests on a timely basis					Constitution allows for ad hoc meeting at short notice. Clear grant application process. Regular cash flow and fund reporting	Board/Turcan Connell
10. Fraud					Foundation Audit. Reconciliations. Quarterly cashflow schedule to be provided.	Auditors/Board of Trustees
11. Inability to deliver constitutional functions/non-compliance with charity law due to insufficient or inappropriate support for operational requirements					Formal agreement with Turcan Connell for services. Implementation of good governance practice including advice from external advisers.	Board of Trustees/Turcan Connell
12. Inappropriate dual requests to potential donors by City of Glasgow College and the Foundation					Confirmation as to whether fundraising to be carried out by City of Glasgow College alone. Procedures to be implemented for Trustees' conduct regarding fundraising.	TBC

APRIL 2014

**CITY OF GLASGOW COLLEGE FOUNDATION**

Scottish Charity Number: SC044620

("the Foundation")

**Reserves Policy Statement**

**April 2014**

The Trustees have considered the reserves policy they wish to follow with regard to the Foundation, in compliance with relevant legal, regulatory, tax and accounting rules.

The Foundation expects to receive gifts and donations from City of Glasgow College and possibly from other grant making organisations or the general public. Typically, receipts will be in cash but where a donation or gift is in another form, such as shares or property, the Foundation may choose to donate or liquidate rather than hold the asset, subject to conditions of the donor which are accepted by the Foundation as being appropriate. The funds held and accumulated by the Foundation in this manner will be represented in its balance sheet as reserves.

The Foundation may pool, for investment purposes, any or all monies held in reserves, except for restricted reserves which will remain separate unless an agreement is reached with the donor to the contrary. Any investment income or capital gains/losses, whether realised or unrealised, will be apportioned pro-rata across all the reserves within the pooled investment. This Reserves Policy is accompanied by an Investment and Cash Management Policy which sets out further details as to how reserves will be held.

**Categories of "reserves"**

The Foundation may hold both restricted and unrestricted reserves.

Restricted reserves are subject to conditions and limitations on the use of the funds, usually due to specific conditions imposed by the donor/grant giver or general expectations set in fundraising campaigns.

Unrestricted reserves are receipts that are unencumbered by conditions and may be utilised as the Foundation sees fit, in line with its objects and grants policy. The Foundation may choose to designate (and undesignated) portions of its unrestricted reserves for particular purposes, creating "unrestricted designated" reserves as opposed to "unrestricted general reserves".

**Review of Policy**

The Board of Trustees is ultimately responsible for the management of the Foundation reserves and will review the reserves policy periodically.



## DISCUSSION DRAFT

### CITY OF GLASGOW COLLEGE FOUNDATION

Scottish Charity Number: SC044620

("the Foundation")

### Investment and Cash Management Policy Statement

April 2014

The Trustees have considered the Investment and Cash Management policy statement they wish to follow with regard to the assets of the Foundation.

Initially, the assets of the Foundation may be required for the payment of grants within the short to medium term. Until such time as the Foundation is able to determine from potential recipients of grants the possible quantum and timing of grant requests, the Trustees consider it prudent to retain the Foundation's assets as cash to meet potential liquidity requirements. While the Foundation's assets are retained as cash, the Foundation's aim will be to achieve a reasonable rate of interest in terms of the rates presently available on deposits, with a degree of diversification to allow for the credit risks of deposit takers.

In the event that the Foundation determines that it holds a material level of funds that will not be required in the short to medium term (i.e. within the next three to five years) or receives more significant assets, the investment policy of the Foundation will be reviewed accordingly. The Foundation at that time will consider the appointment of an investment manager.

The Foundation categorises its overall risk tolerance as low to moderate.

#### Selection of Deposit takers

The Foundation will agree a list of banks/deposit takers from those holding a credit rating of A2/BBB+ and above. These are to operate under a UK banking licence.

At present, the following banks would meet these criteria:-

- HSBC
- RBS
- HBOS
- Barclays
- Lloyds TSB
- Santander

Cash should be spread across a minimum of three banks with a maximum in one bank of no more than 60% of the total.

The most competitive rates would normally be selected from banks meeting the approved criteria.

Up to £500,000 will be maintained in the Foundation's current account. Surplus funds would be held according to the policy outlined above.

### **Ethical policy**

The Trustees have considered the ethical stance that they wish to take with regard to the cash and investments of the Foundation. The Trustees have not currently placed any ethical restrictions on the investment of the Foundation's funds.

### **Review of cash holdings**

Reports on any cash holdings are to be presented to the Board of Trustees on a quarterly basis.

### **Review of Policy**

The Board of Trustees will review this investment and cash management policy periodically.

**DISCUSSION DRAFT FOR MEETING ON 29 APRIL 2014**

**CITY OF GLASGOW COLLEGE FOUNDATION**

**GRANT AWARDS POLICY**

**APRIL 2014**

## CITY OF GLASGOW COLLEGE FOUNDATION (“the Foundation”)

Scottish Charity Number: SC044620

### GRANT AWARDS POLICY

1. If an applicant wishes to apply for financial support (“a Grant”) from the Foundation in relation to an anticipated project (“the Project”) it should determine in accordance with its own internal procedures (if applicable) which requests it intends to make.
2. An application for a Grant (“the Application”) is to be presented to the Foundation at least four weeks in advance of a Board meeting of the Foundation for circulation and consideration prior to the meeting. Any applications submitted fewer than four weeks before a Board meeting may be held over until the following Board meeting at the discretion of the Foundation’s Trustees. A timetable of Foundation Board meetings will be circulated to substantial donors.
3. It is expected that the Foundation will support projects of a relatively substantial nature and it will not generally become involved with funding smaller, continuing expenditure of a routine nature.
4. The Application should be made on the Foundation’s standard application form and include:
  - (a) details of the Project;
  - (b) details of the estimated cost;
  - (c) details of the funding required/ obtained from elsewhere;
  - (d) an indication of funding and expenditure timescales; and
  - (e) details of how a Grant Award would contribute to the charitable purposes of the Foundation.
5. The Application must be authorised by a suitably authorised person of the applicant in line with that applicant’s own governance arrangements (if applicable). Confirmation of the applicant’s internal authorisation for the submission of grant applications to the

Foundation should be provided to the Foundation and any changes to that authorisation are to be notified to the Foundation as soon as possible after the implementation of such a change. Until the Foundation is in receipt of any change to that authorisation, it shall be entitled to rely on the existing authorisation submitted to it.

6. Following the receipt of the Application, the Trustees of the Foundation may request further information from the applicant regarding the Project.
7. Approval or rejection of the Application will be determined at the Board meeting and intimation of the decision of the Foundation shall be made to the applicant as soon as practicable following the Board meeting. As noted above, the decision whether to make a grant to an applicant in respect of a Project is at the discretion of the Foundation Trustees to be taken in accordance with the terms of the Foundation's constitution and the Trustees' duties under charity law.
8. In exceptional circumstances, the Trustees may consider an Application outwith the scheduled Board meetings ("an Urgent Application"). An Urgent Application will only be considered if a delay in consideration of the application until the next scheduled Board meeting would seriously prejudice, jeopardise or create a significant barrier to progress with the Project.
9. In the event of an Urgent Application being necessary, the intention to make such an application should be intimated in writing to the Foundation at the earliest possible opportunity. The applicant shall make an Urgent Application containing all the relevant information set out above including a note of the timetable within which a decision from the Foundation is required. The Urgent Application should be authorised in the same way outlined above and it should be intimated to the Foundation for circulation among the Trustees at the earliest possible opportunity.
10. The Foundation will endeavour to meet the timescale set out in the Urgent Application.
11. In the event that an Application is rejected by the Foundation (whether standard or urgent), reasons for the rejection will be given to the applicant. It will be open to the applicant to re-submit the Application with such further explanations, clarifications or changes in respect to the Applications it wishes and the Application will be considered again by the Foundation. The applicant may wish to make use of the urgent procedure for such a re-submission.
12. In the absence of a written statement from the Foundation to the contrary, grants are to be subject to the Foundation's standard grant conditions as set out below. Subject to that, the Foundation may also determine that, in certain circumstances, grants will be

made subject to a specific grant agreement to be agreed between the applicant and the Foundation prior to the making of a grant.

## APPENDIX

### Grant Applications – Standard Conditions for Grants

1. The Foundation's grant ("the Grant") is given solely for the project specified in the applicant's application ("the Project") and will be applied solely towards the Project. No material change to the Project will be made without the written agreement of the Foundation.
2. The Grant may, subject to agreement between the Foundation and the applicant, be paid in arrears and/ or instalments subject to the likely timescale of the Project and the speed at which progress is made.
3. By its receipt of the payment of the Grant, the applicant agrees to be bound by these general conditions agreed between it and the Foundation. The Foundation may require additional confirmation of receipt of the Grant and agreement with these general conditions as it may determine.
4. During the period of twelve months following receipt of the Grant, or an instalment of the Grant, the applicant may be required by the Foundation to provide a project completion or progress report in a form determined by the Foundation. The form of reporting will normally include a statement of the goals underpinning the original application with an assessment of the extent to which these have been achieved; an overview of the Project which has been funded; a note of any 'lessons learned'; an indication as to how the experience/knowledge gained is to be used and a brief cash statement detailing the expenditure of the Grant.
5. The applicant will keep accurate and comprehensive financial records of the receipt and expenditure of the Grant and make these available for inspection if required.
6. If requested, the applicant will provide the Foundation with copies of its Annual Review and its audited or independently examined accounts as soon as these become available.
7. The applicant will advise the Foundation as soon as possible of any significant change to its objectives and strategies or its governance and charitable status including the resignation of trustees or members of its Board of Management.
8. The Foundation shall be entitled to visit the applicant to see the work it is funding. If requested, senior representatives of the applicant shall make themselves available at a time to be agreed, for a meeting with the Trustees of the Foundation.

9. In the event of any of the following events occurring, the Grant may, at the option of the Foundation, become repayable by the applicant to the Foundation in whole or in part as directed by the Foundation in writing, together with the Foundation's reasonable expenses in respect any demand or action for the repayment of the Grant:-
- (a) if the applicant fails to apply the Grant to the Project within 12 months of it having been paid to the applicant;
  - (b) if the applicant fails to secure the full level of funding required for the Project to proceed in the intended manner set out in the applicant's application;
  - (c) if the Project does not proceed in the intended manner proposed;
  - (d) if the applicant fails to comply with any of the terms and conditions set out in these conditions and, in the case of a breach capable of being remedied, fails to remedy that breach within 30 days of receiving written notice from the Foundation specifying the breach and requiring the same to be remedied;
  - (e) if the applicant is unable to pay its debts as and when they fall due, a resolution is made or an order passed for the winding up of the applicant; or
  - (f) if the applicant has acted fraudulently or negligently in any material matter in connection with the Project.

The applicant shall notify the Foundation in writing immediately upon the occurrence or intended occurrence of any of the events noted in paragraphs (a) to (f) above. If any part of the Grant falls to be repaid in terms of this clause, the Applicant will repay such sum within 30 days of the Foundation's written demand.

The applicant agrees to the general conditions above in respect of all grants paid to it, in the past or future, by the Foundation until otherwise agreed between the applicant and the Foundation.

.....  
 For and on behalf of the applicant

.....  
 For and on behalf of the Foundation

.....  
 Date



<p>City of Glasgow College Foundation (“the Foundation”) Sutherland House 149 St Vincent Street Glasgow G2 3NW Scottish Charity Number SC044620</p>	<p><u>Grant Request Application Form</u></p>	
<p><b>Application Date:</b></p>		
<p><b>Applicant:</b></p>		
<p><b>Project/Funding Title:</b></p>		
<p><b>Contact Person:</b></p>		
<p><b>Contact Details:</b></p>		
<p><b>Authorised Signatory:</b></p>	<p>Signature</p>	<p>Title</p>
<p>This section to be completed for new projects seeking funding</p>		
<p><b>Summary of project:</b></p>		
<p><b>Estimated total project cost:</b></p>		
<p><b>Amount of funding requested:</b></p>		
<p><b>Amount of funds requested from elsewhere and the sources of that possible funding:</b></p>		
<p><b>Date funds required by:</b></p>		
<p><b>Project timescale:</b></p>		
<p><b>Additional supporting information:</b></p>		

This section to be completed for supplementary funding for a previously approved project	
Additional funding requested:	£
Reason for supplementary funding:	

*To be completed City of Glasgow College Foundation:*

Additional information for Grant Applications		
Amount of Grant approved:	£	
Approved by Board or Delegated Authority:	Date:	Contact:
Additional Information if necessary:		
Funds Released (completed by Foundation Administration)	Date:	Contact: