
Charities for the Relief of Sickness

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What is this booklet about?

1. This booklet gives guidance to the trustees of grant making charities for the relief of sickness, including charities for the relief of convalescent persons, people with disabilities, the infirm and the sick poor.

Meaning of words and expressions used in this booklet

2. In this booklet:

Governing document means any document which sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, or Scheme of the Commissioners.

Permanent endowment is property of the charity (including land, buildings, cash or investments) which the trustees may not spend as if it were income. It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. The trustees cannot normally spend permanent endowment without our authority. The terms of the endowment may permit assets within the fund to be sold and reinvested, or may provide that some or all of the assets are retained indefinitely (for example, a particular building).

Trustees means **charity trustees**. **Charity trustees** are the people who, under the charity's governing document, are responsible for the general control and management of the administration of the charity. In the charity's governing document they may be referred to as trustees, managing trustees, committee members, governors or directors, or by some other title.

The 1993 Act means the Charities Act 1993.

Must is used to refer to actions that trustees, or their agents or employees, are obliged to take by law.

Recommend or **advise** are used where we are suggesting to the trustees actions which we consider to be good practice but which do not represent a legal requirement.

*Working with the
statutory health and
welfare services*

3. The National Health Service and other statutory services provide for many needs which, in the past, used to be met by charities established for the relief of sickness, or for the sick poor. As a result, some trustees find it difficult to decide how best to apply their income. There are, however, many ways in

Are there any restrictions on how the funds can be applied?

which the trustees of such charities can usefully add to the benefits provided by the statutory services.

4. Some examples of the sort of help which might be given by charities, without overlapping the statutory services, are set out in the Annex to this publication.

5. Trustees may find it helpful to keep in touch with officers of the authorities concerned locally with health and welfare about the best ways of giving help to the sick.

6. A charity's funds may be spent only for the purposes set out in its governing document. Some governing documents may still lay down the precise means by which the beneficiaries' sickness can be relieved.

7. If the charity's governing document defines the area in which the charity must operate, or in which the charity's beneficiaries must reside (the charity's "area of benefit"), then the charity must confine its activities to that area.

8. In the case of many older charities and some newer ones, part of the property of the charity may constitute permanent endowment (see paragraph 2); this means only the income generated by this capital may be spent.

9. If the governing document provides for the funds to be applied for the benefit of the sick poor, they should be used to provide benefits only for those people who are both sick **and** poor. However, trustees are not limited to assisting people who receive State benefits. More information is given in our booklet **Charities for the Relief of the Poor (CC4)**.

10. If trustees find that it is difficult in practice to identify potential beneficiaries, they should consider taking the steps outlined in paragraphs 19-20 of this booklet.

11. If trustees consider that the means of relieving sickness laid down in the governing document are:

- unduly restrictive;
- that there is a lack of sick people in the charity's area of benefit;
- or that the income is too small to be of practical use;

they should consider the advice given in paragraphs 21-23 of this booklet.

Who can be helped?

12. Trustees can provide or pay for items, services and facilities to ease the suffering or assist the recovery of people who are:

- sick;
- convalescent;
- disabled; or
- infirm.

13. The words *sick* and *sickness* include those suffering from:

- a mental disorder; or
- an addiction;

unless the charity's governing document makes it clear that this is **not** permitted.

*How can the funds
be used?*

14. Before giving any assistance, we strongly advise the trustees to satisfy themselves that in each case the applicant has:

- a clear need for the assistance;
- that the benefits proposed are related to that need; and
- that the benefit or assistance proposed is not readily available from other non-charitable sources.

15. The trustees may:

- pay directly for the benefits they provide for the beneficiaries;
- give money or vouchers to beneficiaries to enable them to pay for the benefits; or
- make arrangements for the benefits to be provided by other organisations in return for subscriptions or donations from the charity to those organisations.

*Can trustees make
gifts to hospitals?*

16. Provided the trustees are satisfied that the hospital concerned is one attended primarily by sick people from the charity's area of benefit, **and** that they will benefit directly from the gifts.

17. The trustees may prefer to loan any equipment on terms agreed between them and the hospital. It is advisable to make it clear who is responsible for the maintenance of the equipment. If the hospital closes, or the equipment is no longer needed, then any equipment on loan must be returned to the charity.

Can trustees make grants to local doctor's surgeries for the purchase of equipment?

What trustees can do to make their charity more effective

18. Yes, provided that the trustees are satisfied that the equipment:

- is needed;
- cannot be provided by the doctor out of the funds of the practice; and
- will be used for the benefit of patients who would qualify as beneficiaries of the charity.

19. Trustees of some charities for the relief of sickness may find it difficult to spend all the charity's income in the way the governing document demands. In these circumstances, we recommend that the trustees take positive steps to search for potential beneficiaries, for example, by:

- asking the local doctors and health and welfare authorities to let them know of any people, or groups of people, living within the charity's area of benefit, whose needs cannot be fully met by the statutory services;
- advertising in the local newspapers; or
- contacting trustees of other charities and voluntary organisations, particularly those involved in health and welfare.

20. If trustees:

- continue to have difficulty in finding beneficiaries after having taken these steps;
- are restricted by the governing document of the charity to helping in ways which are outmoded or inappropriate to present needs; or

- consider that the charity's income is too small to be of practical use,

they should consider adopting one of the following courses of action.

Small charities

21. It may be possible for the trustees to use the provisions of section 74 of the 1993 Act to amend the charity's objects. This allows the trustees of a charity (other than an exempt charity or a charitable company), with an annual income of £5,000 or less, to amend the trusts of the charity to provide more achievable objects, or transfer the property of the charity to another similar one. Full details of the qualifying requirements and the procedure involved in using these provisions can be found in our booklet **Small Charities: Alteration of Trusts, Transfer of Property, Expenditure of Capital (CC44)**.

22. If a charity has an annual income of £1,000 or less and has permanent endowment, section 75 of the 1993 Act may allow the trustees to pass a resolution to spend the capital as if it were income. If they wish, the trustees could then subsequently wind the charity up (there is **no requirement** to do so). Again full details of the qualifying requirements and the procedures involved in using these provisions can be found in our booklet **CC44**.

23. If it is not possible for the trustees to use the provisions outlined above we may be able to help by making a Scheme. This is a legal document which can, among other things, amend the objects of a charity. The procedure is set out in our booklet **Making a Scheme (CC36)**.

Annex

Some suggested ways of applying funds

The list below sets out some ways in which, if allowed by the terms of the charity's governing document, trustees may apply funds for the benefit of sick people. The list is not intended to be exhaustive and other examples may occur to trustees.

Items that may be given or loaned include:

- bedding;
- clothing;
- food for special diets;
- fuel or the equivalent pre-charged keys or similar;
- heating appliances;
- medical or other equipment (such items may be suitable for donation or loan to hospitals, clinics and GP surgeries);
- wheelchairs;
- televisions or TV licences;
- radios;
- washing machines;
- telephones; and
- prescription 'season tickets'.

Services that could be provided include:

- bathing;
- foot care;
- hair washing;
- shaving;
- help in the home;
- adaptations to the homes of the disabled;
- laundering;
- meals on wheels;
- nursing aid;
- physiotherapy in the home;
- gardening;
- reading;
- exchange of library books;
- shopping;
- sitting-in;
- audio tapes for the housebound;
- child minding;
- outings and entertainment;
- travelling companions; and
- counselling.

Special arrangements which could also be provided include:

- periods of rest or change of environment;
- treatment at convalescent homes or health clinics;
- providing a break for those caring for the sick or persons with disabilities;
- help for relatives and friends to visit or care for patients; and
- transport.

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Further Reference

For further information you may find it useful to refer to the following Charity Commission publications:

CC2 Charities and the Charity Commission

CC3 Responsibilities of Charity Trustees

CC4 Charities for the Relief of the Poor

CC14(a) Depositing Charity Cash

CC32 Trustee Investments Act 1961: A Guide

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