

15. Trust Funds

Preamble

Trust Funds have a formal legal status governed by a Deed of Trust. Employees of the local authority acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them. Voluntary Funds, as defined in Financial Regulation 14.1 and private funds may be set up as Trust Funds. The Financial Regulations, instructions and procedures relevant to schools maintained by the local authority should be viewed as best practice, which are to be followed whenever practicable.

See also:

Keeping Your Balance - The Standards Questionnaire

Regulations

- 15.1. All employees of the local authority who are acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate Body and the FBP CEF shall be entitled to verify that this has been done.
- 15.2. It is the responsibility of the trustees to ensure that the terms in the Trust Deed are adhered to and, according to Section 46 of the Charities Act 1993 as amended by the Charities Act 2006, trustees of Charities registered with the Charity Commission must also prepare a Trustees' Annual Report and if the gross income is over £25,000 in the accounting year the reports must be filed with the Charity Commission (see para 15.5 below).
- 15.3. Trust Fund monies are not part of the County Council's funds and are held separately within its SAP accounts.
- 15.4. Any new trust funds need to be reported to Accounting & Reporting (Corporate Finance) who administer the funds on behalf of the local authority and produce the annual Statement of Accounts.

15.5. The tables below show the requirements of the Charities Act 2006 for reporting, scrutiny and audit requirements.

Income level	Gross income is £25,000 or less (£10,000 or less for the requirement for information to be sent to the Commission)
Accounts	Receipts and payments or accruals accounts in accordance with SORP ¹ and 2008 Regulations
External Scrutiny*	No requirement (unless required by Governing Document)
Trustees' annual report	Only if registered must a report be prepared but it may be simplified
Information to be sent to Charity Commission	Annual Information Return only. (This is a requirement if income is £10,000 or less)
Income level	Gross income exceeds £25,000 but does not exceed £250,000
Accounts	Receipts and payments or accruals accounts in accordance with SORP and 2008 Regulations
External Scrutiny*	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other
Trustees' annual report	Must be prepared but may be simplified
Information to be sent to Charity Commission	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end
Income level	Gross income exceeds £250,000 but does not exceed £500,000 and where gross income exceeds £250,000, the charity's gross assets do not exceed £3,260,000
Accounts	Accruals basis in accordance with SORP and 2008 Regulations.
External Scrutiny*	Accounts must have outside scrutiny but trustees may choose independent examination or audit by a registered auditor, unless the governing document stipulates one or the other. If independent examination is chosen and gross income exceeds £250,000 then independent examiner must belong to a body specified in the 1993 Act
Trustees' annual report	A full Annual Report must be prepared
Information to be sent to Charity Commission	Annual Return (usually online but paper form may be requested). Annual Report and Accounts must be sent to us within 10 months of financial year end

¹  [Statement of Recommended Practice \(SORP\) for Charities](#)

Income level	Gross income exceeds £500,000 or gross income exceeds £250,000 and gross assets exceed £3,260,000
Accounts	Accruals basis in accordance with SORP and 2008 Regulations
External Scrutiny*	Statutory audit carried out by a registered auditor
Trustees' annual report	A full Annual Report must be prepared
Information to be sent to Charity Commission	Annual Return. Annual Report and Accounts must be sent to us within 10 months of financial year end. Charities with a gross income exceeding £1,000,000 must also complete a Summary Information Return
Income level	Where the charity has either charitable or non-charitable subsidiaries and the income of the group exceeds £500,000
Accounts	Accruals basis in accordance with SORP and 2008 Regulations
External Scrutiny*	Statutory audit carried out by a registered auditor
Trustees' annual report	Accruals based on SORP
Information to be sent to Charity Commission	The parent charity completes the Annual Return and Summary Information Return on a group basis Annual Report and Accounts must be sent to us within 10 months of financial year end Charities groups with a gross income exceeding £1,000,000 must also complete a Summary Information Return

* Charities with financial years ending on or after 1 April 2009

15.6. Further details for registered Charities can be found on the Charities Commission website www.charitycommission.gov.uk.