St Anthony's Trust Limited

Use of Funds Policy

Adopted by the board of trustees on: 14 July 2022

Next review date:

Change Record

Date	Name	Comment
30/03/2026	Leticia Armengod	Draft issued
July 2026	Neil Ravenscroft	Reviewed
14 July 2022	All trustees	Approved

Content

1. Welcome & Purpose

For over 50 years people in our community have supported St Anthony's Trust in fostering education and training in biodynamic farming and gardening, principally by helping us to look after the biodynamic land and buildings at Tablehurst and Plaw Hatch Farms. Members of the community have also supported us in providing for those in need, principally through the care home and straw bale house at Tablehurst. Donations remain as important to us as ever; our ability to continue to foster education, training and care depends on your generosity in donating to the Trust.

We are committed to ensuring that all funds entrusted to us are used responsibly, transparently, and in direct furtherance of our charitable purposes. This Use of Funds Policy sets out how the Trust allocates, manages, and applies restricted and unrestricted funds, including how a proportion of income may be used to cover essential running and support costs necessary for the effective operation of the charity.

This policy complements our Grant-Making Policy and Donation Acceptance Policy and has regard to guidance issued by the Charity Commission of England and Wales including: "CC3: The Essential Trustee", "Charity finances: trustee essentials", "Protecting Charities from Harm – Chapter 2: Due diligence, monitoring and verifying the end use of charitable funds", and Charities SORP 2026.

Trustees retain ultimate responsibility for ensuring that funds are applied lawfully, in accordance with donor intentions, and in the best interests of the charity and its beneficiaries.

2. Introduction

This policy sets out how St Anthony's Trust Limited allocates and applies restricted and unrestricted funds, including how a proportion of income may be used to cover operational and governance costs. The policy supports compliance with applicable charity law, fundraising regulation, Companies House requirements, and the Trust's governing document.

This policy applies to all trustees, employees, volunteers, and, where relevant, partner organisations acting on behalf of the Trust. This policy covers all income received by the Trust, including donations, legacies, grants, investment income, and rental income.

Trustees are responsible for ensuring that this policy is applied consistently and that all decisions relating to the use of funds are properly considered and documented.

3. Definitions

3.1 Restricted Funds

Restricted funds are donations, grants or legacies that the donor or legator has specified must be used for a particular purpose.

Examples include (but are not limited by):

- a donation specifically for apprentice living-cost grants;
- a donation made to support capital improvements;
- a legacy restricted to educational activities.

Restricted funds must only be used for the purpose specified by the donor.

As a small charity with limited funds we cannot normally accept donations that expressly prohibit the allocation of funds to cover administration costs. However, each donation will be assessed on its merits and, in exception, the costs of administration can be met from general funds.

Where a restricted donation or grant does not expressly prohibit the allocation of support or administrative costs, the Trust may allocate a reasonable and directly related costs to the activity, **provided that this is consistent with the donor's intentions** and represents a fair reflection of the costs directly associated with administering, managing, and delivering the restricted purpose.

Such costs may include, for example, administrative time, monitoring and reporting, audit requirements, transaction fees, Gift Aid claims, and other governance or support costs, **where these are reasonably attributable to the activity and necessary to enable its delivery**.

3.2 Unrestricted Funds

Unrestricted funds are donations or income that the Trust may use at their discretion to further St Anthony's Trust Ltd's charitable purposes.

These include (but not limited by):

- General donations;
- Rental income from the farms;
- Investment income;
- Legacies with no conditions or instructions attached;

Unrestricted funds may be used to support charitable activities and to meet essential running and support costs necessary for the effective operation of the Trust, in furtherance of its charitable purposes

3.3 Designated Funds

These are unrestricted funds that the trustees have allocated to specific future purposes.

Such designations are internal and do not create a legal restriction on the funds. Designated funds therefore remain unrestricted and may be applied at the trustees' discretion in furtherance of the Trust's charitable purposes.

Designations may be revised or removed by the trustees if circumstances change.

4. Use of Restricted Funds

a. Restricted funds must be used only for the purpose specified by the donor. The Trust will maintain accurate accounting records to ensure that restricted income and expenditure are clearly identified, monitored, and reported.

b. If a restricted purpose cannot be fulfilled (for example, where a project is cancelled, insufficient funds are raised, or circumstances change), the trustees will apply relevant guidance from the Charity Commission for England and Wales in determining whether funds may be re-purposed or must be returned. All such decisions will be properly considered and documented in the trustees' minutes.

c. All expenditure from restricted funds will be monitored in accordance with the Trust's Grant-Making Policy and reported annually in the Trustees' Report and financial statements.

5. Use of Unrestricted Funds

a. Unrestricted funds may be used at the trustees' discretion to further the Trust's charitable purposes, including but not restricted by:

- apprenticeship living-cost grants
- education and training grants
- capital grants for infrastructure
- stewardship of Trust-owned land and buildings
- public benefit activities related to biodynamic agriculture

- activities consistent with care for those in need

b. Unrestricted funds may also be used to meet essential running and support costs, including but not restricted by:

- administration and staffing
- audit and accountancy fees
- legal and professional advice
- insurance
- governance and trustee training
- transaction fees (bank charges, card fees, and currency conversion fees)
- investment management fees
- IT, software, and communication costs
- regulatory compliance costs
- and other costs necessary to support the effective operation and sustainability of the charity

Trustees will ensure that unrestricted funds are used prudently, transparently, and in the best interests of the charity, in furtherance of its charitable purposes.

6. Allocation of Running Costs to Donations

a. The Trust may allocate a reasonable and proportionate share of costs to donations or funded activities, whether restricted or unrestricted, where those costs are necessary and directly related to administering or delivering the charitable activity. For restricted funds, such allocation will be made **in accordance with the donor's intentions** and only where it represents a fair and reasonable apportionment of costs directly attributable to delivering the restricted purpose.

The Trust will allocate costs based on a reasonable and consistently applied methodology, that reflects the actual resources used in delivering and administering each activity. This may, where appropriate, be expressed as a percentage of the relevant income.

The level of cost allocation will depend on factors including but not limited to:

- the nature and complexity of the funding
- the administrative work required
- reporting and compliance obligations
- and the cost of delivering the funded activity

b. As this is a small charity with limited funds, the trustees cannot normally accept donations that expressly prohibit the allocation of funds to cover administration costs. However, each donation will be assessed on its merits, and, in exception, the costs of administration can be met from general funds.

c. Trustees will review the basis and level of cost allocation at least annually to ensure it remains fair, transparent, and consistent with relevant guidance issued by the Charity Commission for England and Wales and accepted sector practice.3

7. Financial Controls and Oversight

a. All expenditure must comply with the Trust's financial controls and accounting procedures.

b. The trust will maintain accurate timely records of all income and expenditure, including the allocation of overheads.

c. Trustees retain ultimate responsibility for ensuring that funds are used lawfully, ethically, and in the best interests of the charity.

d. The Trust will maintain separate accounting records for restricted and unrestricted funds.

e. All decisions relating to the allocation of funds will be documented in the trustees' minutes or financial records.

8. Monitoring and Reporting

a. The Trust will monitor the use of restricted and unrestricted funds on an ongoing basis through:

- regular financial reporting
- annual reports from partner organisations
- project monitoring and completion reports
- review of financial statements
- and active trustee oversight

b. Trustees will review the use of funds at least annually as part of the year-end accounts and the Trustees' Report, and more frequently where appropriate.

c. Any concerns about the use or management of funds will be presented to the trustees for investigation and appropriate action taken where necessary.

9. Review of this Policy

a. This policy will be reviewed at least every two years, and more frequently where appropriate, for example where relevant guidance changes, the Trust's activities or risk profile evolves, or trustees identify a need for clarification or improvement. Trustees will also consider the effectiveness of the policy in practice as part of this review.

b. Any amendments to this policy must be formally approved by the trustees and recorded in the Change Record.