

Funding Arrangements between Community Pharmacy South Yorkshire (CPSY) and Partner Organisations - Guidance

Purpose: This document outlines the principles of any funding agreement between Community Pharmacy South Yorkshire (CPSY) and partner organisations (hereafter referred to as "Partner Organisations"). It establishes the guidelines for managing funding received from Partner Organisations to support initiatives and projects where there is mutual benefit.

1. Parties Involved

- **Community Pharmacy South Yorkshire (CPSY):** CPSY will act as the primary recipient and manager of funds provided by Partner Organisations.
- **Partner Organisation(s):** Refers to any external organisation(s), including government bodies, non-profit organisations, foundations, or private sector entities that provide funding to CPSY.

2. Purpose of Funding

- Funds provided by Partner Organisations will be used solely to support specific projects, programs, or operational needs that align with CPSY's mission to enhance community pharmacy services within South Yorkshire.
- Each funding initiative will have an agreed-upon purpose, detailed project plan, and set outcomes. Funds must be used as per the stipulations outlined in individual funding agreements.

3. Terms of Funding

- **Funding Agreement:** Both parties will enter into a documented Funding Agreement, this may also be known by another name such as Memorandum of Understanding, the funding agreement outlines the key principles for the funds, including but not limited to:
 - **Funding Period:** Each funding cycle will have defined start and end dates, as per the specific project or program's needs. These will be agreed upon in the individual funding agreements.

- **Deliverables:** The specific outputs that the project or program aims to deliver.
- **Reporting:** The method, frequency, and format of reporting to the Partner Organisation.
- **Administration fees:** The agreed fee that CPSY charge to manage the funds and reporting. CPSY will submit an invoice monthly to the fund and then transfer the equivalent sum into the CPSY bank account. The fee will be discussed and agreed with the Partner Organisation during the planning phase of the project and documented within the Funding Agreement
- **Expenditure Restrictions:** CPSY agrees to use funds solely for the approved purposes, ensuring funds are not diverted to other projects or organisational needs without the Partner Organisation's written consent.
- **Unspent Funds:** Any unspent funds at the conclusion of a funding period should be treated appropriately, as detailed in the Funding Agreement. These funds are owned by the partner organisation.

4. Financial Management

- **Dedicated Account:** All funds received will be placed in a designated CPSY UK bank account solely used for project-related expenditures where a Funding Agreement with a Provider Organisation is in place. CPSY will maintain clear records to distinguish each funding source. These accounts are non-interest bearing.
- **Audit Rights:** Partner Organisations reserve the right to audit CPSY's financial records associated with the funds, provided a minimum of 30 days' notice is given. Audits may occur up to 24 months after project completion.

5. Responsibility and Accountability

- **Project Oversight:** CPSY will assign a project manager or responsible party to oversee the proper utilisation and reporting of funds for each initiative. This individual will serve as the point of contact for Partner Organisations.
- **Compliance with Regulations:** CPSY agrees to comply with all applicable local, national, and sector-specific regulations governing the use and reporting of funds.

- **The Funds:** CPSY will not treat the funds as income to CPSY and are neither mutual nor non-mutual sources of revenue.
- **Request for Funds:** CPSY will issue the Partner Organisation a ‘funding request’ when the funding has been agreed and Funding Agreement signed by both parties.

Note: CPSY should not raise an invoice for the funds due to the possibility that an invoice may expose CPSY to Corporation Tax and possibly VAT.

6. Intellectual Property and Confidentiality

- **Ownership:** Any intellectual property (IP) developed through funding remains with CPSY unless otherwise stated in the specific Funding Agreement.
- **Confidentiality:** Both CPSY and the Partner Organisation agree to keep all project-related information confidential, except where disclosure is required by law or necessary for project purposes and agreed upon in writing by both parties.

7. Communication and Acknowledgment of Funding

- **Public Acknowledgment:** CPSY will acknowledge the support of Partner Organisations in all relevant communications and materials related to funded projects unless otherwise specified.
- **Branding and Logos:** Any use of the Partner Organisation’s name or logo will be done in line with their branding guidelines, subject to prior approval.

8. Termination of Funding

- **Termination Rights:** Either party may terminate this agreement in cases of:
 - Breach of agreed terms by either party.
 - Mutual agreement to discontinue the project.
- **Consequences of Termination:** Upon termination, CPSY will provide a final financial report and return any unspent funds, unless alternative arrangements are agreed upon in writing.

9. Amendments

- Amendments to this agreement or any attached addenda must be documented in writing and signed by authorised representatives from both CPSY and the Partner Organisation.

Custodial Funds Agreement where the Partner Organisations cease to exist, and unspent funds exist (Legacy funds)

10. Custodial Funds Management

- **Legacy funds:** Unspent funds should be discussed with successor organisations e.g. the ICB in the case of Clinical Commissioning Groups (CCGs) and every effort made to reallocate the funds. Provisions/notes must be made in CPSY accounts and a full audit trail of the discussion to reallocate the funds / return to the successor organisation to be retained on file..
- **Custodial Role:** In situations where CPSY holds funds on behalf of a Partner Organisation but does not have oversight or decision-making authority over their specific use or allocation, CPSY will act solely as a custodian of the funds.
- **Non-Managerial Responsibilities:** CPSY is not responsible for tracking or approving expenditures from these funds. Decisions regarding their use, including specific allocations, timing, and reporting, remain solely with the Partner Organisation or a designated third-party manager appointed by the Partner Organisation.
- **Fund Disbursement:** CPSY will only disburse custodial funds upon receiving formal, written requests from the authorised representatives of the Partner Organisation. These requests must clearly specify the amount to be disbursed and, where necessary, the purpose or recipient.
- **Limited Reporting:** As CPSY does not have spending oversight for custodial funds, it is not responsible for generating financial or project-specific reports related to these expenditures, beyond providing records of disbursements made at the request of the Partner Organisation.
- **Audit Access:** While CPSY will provide transaction records for custodial funds disbursements, any detailed audit or expenditure review should be directed to the Partner Organisation or designated fund manager. CPSY is not

responsible for maintaining detailed spending records or receipts for these funds beyond the transfer records.

- **Termination of Custodial Role:** CPSY reserves the right to terminate its custodial role with 30 days' notice to the Partner Organisation. Upon termination, CPSY will transfer any remaining custodial funds to a designated account provided by the Partner Organisation or as otherwise agreed in writing.
- **Unspent Funds:** Any unspent funds at the conclusion of a funding period will be returned to the Partner Organisation unless an extension or reallocation is provided in writing. Decisions on unspent funds remain solely with the Partner Organisation or a designated third-party manager appointed by the Partner Organisation.