



Branch Guidance for Managing Legacies

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About this guide

From time to time a supporter or member of the Royal British Legion will leave a gift in their Will for the charity to use.

These legacies are often directly associated with a RBL Branch or a wider community and are subject to charity law and RBL policy.

This can make knowing how or where to use them for our charity's objectives complicated.

This guide is for use by the Branch committee who are in receipt of a gift from someone's Will and are looking to make use of the funds for charitable work they are delivering.

It provides guidance on the administration of a legacy, including the charitable restrictions that are applied to using any Trusts formed from a legacy.

All Legacy Trusts must comply with the policies and procedures specified in SOP 163: Branch Legacy Trusts. This guide is based on these policies and procedures.

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Legacies & Trusts

What are Legacies and Trusts?

In legal terms, a legacy is an amount of money or property left to someone in a Will.

All legacies received by RBL (whether held by branches, counties, districts or centrally) are charitable funds and must be used for, or in support of, RBL's charitable Objects and in line with any additional restrictions defined within the deceased's Will.

Branch Legacy Trusts are created when £5,000 or more is gifted in a Will with a restriction to a Branch, County or District (hereon in referred to solely as Branches).

Types of Trusts

There are two types of trusts that can be created from a legacy, 'Binding' or 'Special' trusts and 'Non Binding' Trusts. These must be used in different ways.



Special/Binding Trusts

A legacy gifted to a Branch may, depending on the wording of the Will, create a Binding or Special Trust obliging the Charity to allocate the funds in accordance with the terms of the Will.

This creates a 'Special Trust' for the Branch in which the Executive Board hold the funds as Trustees.

If the Royal British Legion is unable to complete the obligation the gift will fail, and the funds cannot be accepted



Non-Binding Trusts

When the wording of the Will refers to a request or expression of wish from the deceased as to how they would like the funds to be used, but does not create a binding trust, the discretion is with the RBL's Trustees and they are able to disregard the request.

In addition, a Will may create an unclear trust where the request or indication as to use is ambiguous.

Such legacies are considered to create Non-binding Trusts and the final decision of how the legacy should be used rests with the RBL's Trustees

All legacies are managed at Head Office, including those to Branches, to ensure that the Royal British Legion is legally providing a receipt and discharge to the Personal Representative of an estate. Authority has not been delegated to Branch and County Officers.



Operating a trust

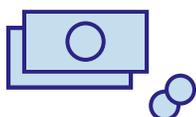
Creating a Trust

Legacies payable to a specific Branch will be paid directly to the Branch up to the sum of £5,000. If the value of the legacy payable is over £5,000 the whole legacy will be placed into a Branch Legacy Trust for the benefit of the specific Branch. This is held centrally.

In the creation process of a trust, the Legacy Administration Team will undertake the following actions:



The Legacy Administration Team will notify the Branch as soon as they are aware that a Trust is likely to be established and inform them of any restrictions on the gift.



The Legacy Administration Team will contact the Branch again when funds are received and have been placed into the Branch Legacy Trust in the name of the branch.



In all instances, the Legacy Administration Team will ask the benefitting branch to consider utilising the funds for charitable purposes at the earliest opportunity.

Locally Held?

Statements are only issued for centrally held Branch Legacy Trusts. If the Trusts are locally held you will need to include this in your Branch Accounts Submission at the end of the Field financial year (30 June).

Operating a Trust

Using a Trust

Trust can only be used to deliver or support the Objects of the Royal British Legion. These are defined in the Royal Charter:

- a. to relieve need, suffering and distress of Beneficiaries and their Dependants and to further the education of Beneficiaries and their Dependants;
- b. to relieve need and protect the mental and emotional health of the Dependants of Beneficiaries who have died or been severely injured;
- c. to relieve suffering, hardship and distress to Dependants caused by the absence of those serving in the Armed Forces;
- d. to promote and support schemes for the resettlement, rehabilitation, retraining and sheltered employment of Beneficiaries and their Dependants; and
- e. to promote the commemoration for the public benefit of those who have died whilst serving in the Armed Forces.



Who is a Beneficiary?

Beneficiaries are defined in the Royal Charter. It includes but is not limited to any person who has served a day in the Armed Forces. Reference should be made to the most up to date version of the Royal Charter when considering whether an individual is a beneficiary or the dependent of one.



A copy of the Royal Charter and the Membership Management Handbook can be found in the Membership Documents Library on Office 365.

For more detail on the uses and restrictions of a Legacy Trust turn to page 8.

Annual Administration

Interest will be calculated annually on Branch Legacy Trust balances using the average rate of return across all RBL interest-bearing deposits for that year. At the end of RBL's Corporate financial year (i.e. 30 September), the Branch & Trust Finance team will update the Branch Legacy Trust accounts and create a financial statement for each Legacy Trust showing:

- Opening balance brought forward;
- Total income for the year;
- Total withdrawals for the year;
- Surplus/ deficit for the year; and
- Units and value of any deposits or investment accounts held during the year

Statements are not provided where the Branch Legacy Trust has been opened within that financial year.

Statements will be sent to the Membership Support Officer for relevant distribution.

Operating a Trust

Submitting a Request

Requests to draw down funds from a Trust Account should be made using Appendix A of the SOP 163 - Branch Legacy Trusts.

Each request must be completed by an Officer of the Branch who must confirm the amount and reason for the request.

The application must confirm which of RBL's objectives the request aims to promote and how beneficiaries will benefit. It must also state whether Members will benefit directly or indirectly and if so set out the benefit to beneficiaries is cost-effective in relation to the charitable purpose to be achieved.

The County Chair should comment on the merits of the request, sign and submit the form for approval and processing.



Once completed, all requests should be submitted to the Legacy Administration Team by email or post to:

legacies@britishlegion.org.uk

Legacy Administration Team
Royal British Legion
Haig House
199 Borough High Street
London SE1 1AA

If you have any queries relating to an application, please contact the Legacy Administration Team on 0345 845 1945 or email legacies@britishlegion.org.uk.

Processing of a Request



The team aim to respond to requests within 10 working days from the day of receipt. If it takes longer the Branch will be informed as soon as possible.

If a request is approved, the payment will be made by BACS transfer within five working days of the approval date.

The Legacy Administration Team are responsible for processing any requests and will check them to ensure they comply with any restrictions set out by the legacy. The team are also responsible for ensuring the evidence provided is sufficient to demonstrate the requested use meets our Charitable objectives.

In assessing the request, the Legacy Administration Team may also:

- Contact the relevant Membership Support Officer to inform them and ensure local considerations are accounted for.
- Contact subject matter experts from other departments of RBL to determine if the request is within the Charity's objectives.

Appealing a Declined Request

If a request has been rejected or only partially approved and the Branch is not satisfied with the decision, the Branch may appeal the decision by submitting Appendix B of SOP 163 to the Legacy Administration Team.

The appeal will be reviewed by the Director of Remembrance, Marketing and Fundraising, the Director of Finance, the Director of Operations or General Counsel and they will make a decision on the outcome of the Appeal.



The decision of the Appeal will be final. No further review will be considered.



Roles & Responsibilities



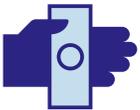
Legacy Admin Team

- Identify and create Legacy Trusts
- Inform Branch
- Confirm requests to draw down are within relevant restrictions



Membership Support Officer

- Distribute year end statements relating to the trusts



Branch Accounts Team

- Responsible for the administration and monitoring of all trust funds held by RBL.
- Ensure the funds are released according to their terms and conditions and payment is authorised correctly.
- Ensure correct authorisation under SOP 146: Financial Delegations of Authority.
- Responsible for ensuring that Trust Funds associated with all Branches are reflected within the relevant year end accounts
- Preparing year end statements



Branch Committee

- Responsible for submitting requests to use Legacy Trusts
- Ensure that requests are submitted in accordance with SOP 146 - Financial Delegations of Authority
- Branches must not agree to any expenditure until approval of the request has been obtained
- Report the usage and provide a statement of the Branch Committee's rationale for the expenditure outside of the objectives.
An individual can become liable to repay funds personally if they have authorized (see 'Misuse of Charity funds on page 9).



How to use a Legacy Trust

Trusts can only be used to deliver or support our Charitable objectives. Whilst these are defined in the Royal Charter, it's important to bear in mind that there are exceptions and restrictions that you may need to consider.

Considerations for your Request

To ensure that your request can be dealt with quickly, you may wish to consider the following checklist before sending it to the Legacy Administration Team:



Where an individual is identified as a Beneficiary an assessment will need to be undertaken to determine whether they also have a requirement falling within the Charitable objectives.

Be aware that this may delay your planned activity.

- Make sure the activity that you are planning will benefit one or more beneficiaries.
- Check your application against the Charitable objectives of the Royal Charter.
- If your activity is in relation to Commemorative activity, make sure you have provided evidence of 'public benefit' within your application.
- Make sure you are applying to conduct activity that is not restricted (see next page for restrictions).
- Avoid spending on any activity until you have received your approved payment.

How to use a Legacy Trust

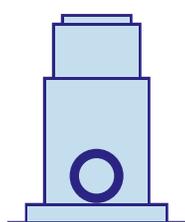
Restrictions on use of Branch Legacy Trusts

RBL's income and property must be used to promote the Charity objectives. As a result there will be certain restrictions you will need to consider.



Members vs Beneficiaries

Remember that a beneficiary does not have to be a member, and not all members will be beneficiaries. No part of a Branch Legacy Trust should be paid or transferred directly to any member unless they are a beneficiary identified within the requesting process.



Memorials

Whilst Object (e) is about commemoration and public benefit, RBL does not fund, create or maintain War Memorials. Commemorative objects, such as memorial gardens or benches, are generally treated in the same way as Memorials, however RBL branches may make donations to projects which support Remembrance providing they can demonstrate the public benefit.



Support Expenditure

Branches may apply for a maximum amount sum of £1,000 from the Branch Legacy Trust held for their benefit to assist with expenses associated with furthering RBL's work (e.g. administrative expenses, ceremonial expenses).



What is 'Public Benefit'?

Charities must have objectives that provide benefit to the general public or to specific groups or communities. (i.e. the Armed Forces Community).

Remembrance is a public action so 'public benefit' activities to do with Remembrance must create a positive impact that outweighs the investment.

To assess your request against all the restrictions please review using SOP 163 and the Royal Charter.



Misuse of Charity Funds

The misuse of charitable funds is a serious offence and will not be tolerated.

Any Branch which uses funds outside of the RBL's objectives and general policies must report the usage and provide a statement of the Branch Committee's rationale for the expenditure outside of the objectives. This will be assessed by the Assistant Director Membership to determine further action. This may include freezing the Legacy trusts, the return of funds or individuals being investigated as per the Membership Handbook.

If a Branch repeatedly acts outside the policies this may also be escalated to the Executive Board. The Board will be authorised to reallocate trust and may work with the Charity Commission to reallocate Special Trusts to prevent further misuse.

legacies@britishlegion.org.uk

Legacy Administration Team

Royal British Legion
199 Borough High Street
London
SE1 1AA

The following are supporting documents that can provide more information relating to Legacy Administration:

- SOP 163 – Branch Legacy Trust Funds
- The Royal British Legion Royal Charter
- Membership Management Handbook
- Legacy Administration Management Resolution (Delegated Authority)
- SOP 146 – Financial Delegations of Authority