

RULES FOR THE OPERATION OF THE TAN TOCK SENG HOSPITAL COMMUNITY CHARITY FUND

1. NAME OF FUND

The Fund to be established by the Tan Tock Seng Hospital shall be called "The Tan Tock Seng Hospital Community Charity Fund" (hereinafter called "the Fund").

2. PURPOSE OF THE FUND

The Fund is established to receive contributions and donations which may consist of cash and other donations. It is a charitable fund established to carry out health related activities including the pursuit of medical research and development and for the promotion, provision and improvement of health services or health related services that benefit the Singapore community, including (but not limited to) the following:

- 2.1. Programmes for the furtherance of continued medical education, nursing, paramedical and related education and training programmes;
- 2.2. The publication of research findings, educational journals, reports, magazines, books, etc;
- 2.3. Provision and improvement of equipment and facilities for research and development;
- 2.4. Training and education such as :
 - 2.4.1 Holding of medical conferences, seminars and workshops, exhibitions, etc.
 - 2.4.2 Training courses for medical professionals. Funds to be used are limited to donation specified for such purposes.
 - 2.4.3 Training courses for allied healthcare staff and volunteers to better deliver patient care.
- 2.5. Provision of funded care to patients determined to be in need of financial assistance in areas such as :
 - 2.5.1 Medical care, medication, treatment and/or hospital stay.
 - 2.5.2 Consumables and assistive equipment.
 - 2.5.3 Interim step-down care and nursing home expenses.
 - 2.5.4 Post-discharge care in the community: transitional care, home services, home nursing, home therapy, etc.

- 2.5.5 Transport expenses for elderly patients/patients with mobility problems to enable them to seek medical consultation and treatment.
- 2.5.6 Other patientcare-related activities that contribute to improving the quality of life for patients in the community.
- 2.6 Provision of facilities and equipment for patientcare-related activities.
- 2.7 Any other projects approved by the Ministry of Health, Singapore (MOH).

For the purpose of these rules, the term "other donations" shall mean donations other than cash.

3. MANAGEMENT OF THE FUND

3.1 Administration of the Fund

The Fund shall be managed in accordance with the relevant Acts, circulars and regulations (including any subsequent amendments thereto) (appendixed) under

3.1.1 Charities Act

- 3.1.1.1 Charities Act (Chapter 37) and subsequent changes to its regulations
- 3.1.1.2 Charities Act ((Institutions of a Public Character) Regulations 2007
- 3.1.1.3 Charities Act (Fundraising Appeals) Regulations 2007
- 3.1.1.4 and any subsequent changes.

3.1.2 IRAS Circular

IRAS Circular (Tax Treatment on Donations with Benefits), 1 May 2006 and any subsequent changes.

3.1.3 MOH Circulars

MH 56:06/5 dated 16 April 2007 (Revised Guidelines For Naming Rights And Matching Grants For Infrastructure Development Projects).

- 3.1.4 Code of Governance and any subsequent changes recommended.

3.2 Stewardship of Fund & Board of Trustees

- 3.2.1 The Trustee of the Fund is Tan Tock Seng Hospital Pte Ltd (hereinafter referred to as "TTSH").

- 3.2.2 A Board of Trustees (hereinafter referred to as "the Board") shall be appointed to exercise stewardship over the Fund. It shall comprise no less than four persons. Among the members, the CEO and Chairman, Medical Board of TTSH shall be included as ex-officios on the Board.
- 3.2.3 The Chairman of the Board shall appoint the members to the Board. The appointment shall run for a term of three years and may be renewed at the expiry of each term by the Chairman of the Board.
- 3.2.4 The Chairman of the Board (who may also be a member of the Board of Directors of TTSH or from an external organization), shall be appointed by the Chairman of National Healthcare (NHG) or the Board of Directors of TTSH. The Chairman of the Board shall be appointed for a term of three years and, at the expiry of each term, may be renewed by the Chairman of NHG or the Board of Directors of TTSH.
- 3.2.5 The Board will exercise stewardship over the Fund within the stated purpose and in accordance with the particular terms and conditions, if any, attached to specific donations.
- 3.2.6 The Board shall have power exercisable from time to time as they may in their absolute discretion think fit:
- 3.2.6.1 To champion the cause of the Fund;
 - 3.2.6.2 To assist in fundraising;
 - 3.2.6.3 To appoint or set-up Committee(s) / officers for the purpose of fundraising, keeping the appointed Endowment Fund Administrators (Head and Secretary) informed.
- 3.2.7 The Board shall not be responsible for the defaults of any such agent or servant or any other person or any loss occasioned by such employment provided that such defaults/losses are not due to any negligence on the part of the Trustees and that reasonable precautions have been exercised in the control and management of the Fund.
- 3.2.8 The Board may, as it deems fit, delegate its functions or any part thereof to any other officers of TTSH.
- 3.2.9 The Board may authorize any officer of TTSH to be accountable for the management of the donations and he/she shall act as the liaison person with Ministry of Health and any relevant agencies to ensure the proper operations of the Fund.

- 3.2.10 The Board shall ensure that only a reasonable amount of the donation monies raised are used for administrative, operating and fundraising-related expenses, in accordance with the Acts, circulars and regulations referred to at Rule 3.1 above.
- 3.2.11 All changes to the Rules of the Fund require the prior approval of the Board and the Commissioner of Charities (COC)/Sector Administrator.

3.3 Investment

All sums of monies received for the Fund, may be selectively invested in line with the TTSH's / NHG's financial policies and practices in NHG approved investment products and vehicles. The monies and any income derived from investments shall only be used in accordance with the purpose of the Fund and to meet any operating costs of the Fund.

3.4 Committee Proceedings

- 3.4.1 The Board shall hold at least one ordinary meeting each year and may hold such other ordinary meetings as may be required. A special meeting may be summoned at any time by the Chairman or any two members upon at least seven days' notice being given to all the other members of the matters to be discussed.
- 3.4.2 If the Chairman of the Board is absent from a meeting of the Board and has not designated a chairman for the meeting, the members present shall before any other business is transacted choose one member from amongst them to chair the meeting.
- 3.4.3 There shall be a quorum when any three members of the Board are present at a meeting thereof.
- 3.4.4 At the meetings of the Board, every matter shall be determined by a majority of the members present and voting on the question. In the event of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 3.4.5 A resolution in writing signed by a majority of the members of the Board shall be as valid and effectual as if it had been passed at a meeting by the Board duly convened and held, provided always that the resolution in writing is signed by at least a quorum of the Board. Any such resolution may consist of several documents in like form, each signed by one or more members of the Board.
- 3.4.6 All acts done by any meeting of the Board or by resolution in writing shall notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such member acting as aforesaid, or that they or any of them were disqualified,

be as valid as if every such person had been duly appointed and was qualified to be a member.

- 3.4.7 Any resolution of the Board may be rescinded, varied or waived from time to time by the Board. The Board shall have full powers from time to time to engage the service of professionals and/or experts to advise them on issues concerning the management of fund and/or to make, alter and rescind rules, regulations and procedures for the conduct of the Fund, the changes of which must be within the broad objectives of the Fund and also, in accordance with regulations stated in Rule 3.1 and 3.2.
- 3.4.8 The Board shall provide and keep a minute book in which shall be entered the proceedings of the Board and which shall be signed by the Chairman of the meeting at the conclusion of that meeting or at some future meeting if the minutes have been duly confirmed.

3.5 Donations / Receipts

- 3.5.1 Cheques shall be made in the name of 'Tan Tock Seng Hospital Community Charity Fund' or 'TTSH Community Charity Fund'. For administrative purposes, all outright cash donations and donations-in-kind as approved under prevailing IRAS ruling of S\$50 and above shall be acknowledged forthwith with a tax-exempt receipt (TER). For any donation below S\$50, tax-exempt receipts will only be issued upon donors' request.
- 3.5.2 Tax-exempt receipts (TERs) issued shall be in such format as specified by the Commissioner of Charities (COC) or the Sector Administrator and shall also comply with the requirements of the Charities (Institutions of a Public Character) Regulations.
- 3.5.3 All receipts, used and unused, should be properly accounted for in a stock register and audited.
- 3.5.4 The Head (i.e the Executive Director De Facto) of the Fund or the Director of Finance (TTSH) shall have the authority to sign all official and tax exempt receipts for and on behalf of the Fund. The Head of the Fund/Director of Finance (TTSH) may appoint/authorise any officer of TTSH to issue and/or sign all official and tax exempt receipts issued to donors within a specified range of donations.
- 3.5.5 *Tax Exemption*
- 3.5.5.1 Outright cash donations, donations-in-kind and sponsorships as approved under prevailing IRAS rulings are eligible for tax exemption. The eligibility shall be in accordance with IRAS ruling circular on Tax Treatment on Donation with Benefits.

- 3.5.5.2 Donors shall not be entitled to any special privileges or benefits in relation to the issuance of TERs.
- 3.5.5.3 Donations must be used to fund activities carried out in accordance with the purpose of the Fund as stated in Rule 2 above and to benefit the community in Singapore. Donations may be used for any overseas projects that benefit the community in Singapore, but only on a case-by-case basis.
- 3.5.5.4 Donations of assets or in kind received by the Fund for onward transmission to TTSH or other institutions do not qualify or claims for capital allowances under the Income Tax Act made either by the donor or the recipient.

3.6 Bank Account

- 3.6.1 One bank account in the name of 'Tan Tock Seng Hospital Community Charity Fund' shall be kept for the Fund for donations received. Separate accounting records shall be maintained for all donations to the respective sub-funds and programmes. A separate bank account may be kept for any one sub-fund or programme where the sub-fund/programme is a substantial size for better clarity and to facilitate accounting and tracking.
- 3.6.2 Outgoing payments shall be signed by two authorized signatories. The cheque signatories and/or telegraphic transfers for the operation of the bank account will correspond with that for the other bank accounts of TTSH as approved by the Board of Directors of TTSH.

3.7 Disbursement Of The Funds

Requests to disburse funds shall be consistent with TTSH's policy and procedures on Petty Cash Funds & Reimbursement and Cheque Requisition for Payment. The claim vouchers must state:

- 3.7.1 Purpose of the expenditure
- 3.7.2 Amount required
- 3.7.3 The name of the payee
- 3.7.4 Sub-account code assigned for the respective sub-programme/sub-fund

3.8 Grant To TTSH

Where grants by the Fund to TTSH are made for specific projects or purchase of capital equipment, these would be excluded from the computation of income of TTSH for tax purposes. In such instances, TTSH shall not be entitled to claim capital allowances on these capital expenditure.

3.9. Authority For Approval Of Grants & Disbursements

The following shall be required for the approval of any grant from the Fund falling within the following categories of disbursements:

- 3.9.1 Disbursements exceeding \$500,000 shall require the recommendation of the Board and the approval of the Board of Directors of TTSH.
- 3.9.2 Disbursements exceeding S\$50,000 but not more than S\$500,000 shall require the approval of any two of the following:
 - 3.9.2.1 Chairman of the Board
 - 3.9.2.2 CEO (TTSH) or
 - 3.9.2.3 Chairman, Medical Board of TTSH
- 3.9.3 Disbursements not exceeding \$50,000 shall be approved by the CEO (TTSH) or Chairman, Medical Board of TTSH.
- 3.9.4 Disbursements for capital expenditure not exceeding \$10,000 may also be jointly approved by:
 - 3.9.4.1 Head (Endowment Fund)
 - 3.9.4.2 CFO or Director of Finance (TTSH)
- 3.9.5 Disbursements for operating expenses not exceeding \$10,000 and disbursements for capital expenditure not exceeding \$5,000 may also be approved by the Head (Endowment Fund) or the Director of Finance (TTSH).

Head (Endowment Fund) or the Director of Finance (TTSH) may also authorize/appoint officers of TTSH to authorize/approve disbursements for operating expenses below \$5,000.
- 3.9.6 All grants under the individual sub-funds/programmes require the recommendation/approval of the Chairman/Head of the respective subcommittees. The approvals of grants must meet the necessary quorum if the Head or Chairman is unavailable.
- 3.9.7 Signatories for payments shall be in line with financial procedures of TTSH, set out in Annex A.

3.10 Maintenance And Audit Of Accounts

The Board shall ensure that :

- 3.10.1 All donations received are properly accounted for and all payments are properly authorised and all books of accounts and records are properly maintained.

- 3.10.2 Full records must be kept for all expenses and no expense other than those directly incurred in connection with the approved medical research project should be paid out from the interest income of the Fund.
- 3.10.3 The annual financial statements shall be audited by a certified public accountant approved by the Comptroller of Income Tax.
- 3.10.4 The annual income & expenditure accounts shall be prepared and audited by an approved external company auditor and in accordance with the prevailing requirements of the Charities Act (Chapter 37).
- 3.10.5 The audited financial statements shall include a certification by the external auditor that the funds were used in accordance with the objects of the Fund, issue of tax-exempt receipts were accounted for and that the laid conditions and rules have been complied with.
- 3.10.6 The Board is responsible for the preparation and fair presentation of the Statements of Account. It shall appoint 2 representatives to sign the Audited Statement of Accounts.

3.11 Accounting For The Fund

- 3.11.1 A separate bank account for donation monies received and disbursed under the Fund shall be maintained by the appointed Fund Administrator.
- 3.11.2 The financial year of the Fund shall be from 1 April to 31 March.
- 3.11.3 Proper books of accounts shall be kept in respect of:
 - 3.11.3.1 All tax-exempt receipts, used and unused, should be properly accounted for in a register subject to audit. The register of donors shall contain the following particulars:
 - 3.11.3.1.1 name of donor
 - 3.11.3.1.2 category of donor (e.g. individual or corporate)
 - 3.11.3.1.3 If the donor is an individual, the NRIC, FIN or foreign passport number of donor. Or otherwise, the Corporate or business registration number of the donor.
 - 3.11.3.1.4 amount or value donated
 - 3.11.3.1.5 the date donation was received
 - 3.11.3.1.6 tax-exempt receipt number (issued in running sequence)
 - 3.11.3.1.7 terms and conditions of donation, if any

3.11.3.2 Where information in 3.11.3.1.3 is not provided for by the donor for whatever reason, the tax-exemption shall not apply in accordance with taxation rules for charities under IRAS.

The register must be made available at all times for inspection by Sector Administrator and Comptroller of Income Tax.

3.11.3.3 All donations are properly accounted for and all payments are properly authorized and all books of accounts and records are properly maintained.

3.12 Returns

The Fund shall submit returns on prescribed forms to the Sector Administrator annually comprising:

3.12.1 a summary of income and expenditure account;

3.12.2 a summary of tax-exempt receipts (by calendar year); and

3.12.3 a set of current audited financial statement.

3.13 Amendment of Rules

The above rules made shall not be repealed, altered or added to except with approval from the Board provided always that any appeal of or alteration or addition of these Rules shall not be enforced or applied without the approval of the Sector Administrator. These alterations shall be in line with regulations issued by Comptroller of Income Tax, the Commissioner of Charities and Permanent Secretary, Ministry of Health. Notices of such changes are to be given to the Commissioner of Charities/Sector Administrator within 7 days.

4. DISSOLUTION OF THE FUND

The Fund shall not be dissolved, unless so decided jointly by the Board and the Board of Directors of TTSH at a meeting. In the event of the Fund being dissolved, notice of the dissolution should be given within 7 days of the dissolution to the Sector Administrator, Comptroller of Income Tax and the Commissioner of Charities. All debts and liabilities incurred by the Fund shall be fully discharged and the remaining funds, if any, shall be reverted to the Sector Administrator or transferred to other account holders of the MOH IPCs to be decided by the Sector Administrator.

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