



Legacy Policy	
Responsible Person:	Finance Manager
Date Reviewed by Board of Trustees:	June 2023
Date to be implemented:	July 2023
Next Review Date:	June 2025

Legacy Policy & Procedures

GENERAL

- 1.1 Board of Trustees are responsible for ensuring the organisation is adequately resourced and proper financial controls are in place. This covers policy and procedures for promoting, accepting and administering gifts to the charity from legacies and wills.
- 1.2 Chief Executive has delegated authority from Board of Trustees to ensure the fundraising function which covers legacies and wills is executed efficiently within organisation's policies.
- 1.3 It is the responsibility of Trusts Manager (TM) and Fundraising Officer (FO) to ensure Finance Department and CEO are kept informed of income and activity in this area.
- 1.4 Chief Executive and finance staff ensure financial procedures and controls are understood by TM and FO and are adhered to.
- 1.5 Chief Executive and finance staff ensure all accounting records of this income stream are recorded on the fundraising database and accounting software.
- 1.6 TM and FO are responsible for preparing evidence of legacy and will income and activity for preparation of annual accounts in the required format for auditors.

FO leads on legacy prospecting and promotion through Farewill working with account managers at Farewill and the Communications team internally at Bipolar UK.

farewill.com

The process of creating an online and telephone campaign with Farewill is:

- To request a voucher code with the account manager at Farewill by filling out Farewill's 'Voucher Code Request Form'.
- Each voucher code has a minimum of five wills allocated to it, which can be increased if needed.
- Accompanying campaign landing pages also need to be submitted via the 'Voucher Code Request Form'.

Renewing the partnership annually with Farewill:

- Cost of annual renewal of will packages needs to be budgeted for, FO to update the Strategic Partnerships Manager (SPM).
- FO to liaise with the account manager at Farewill, the Finance team and SPM to renew the partnership annually.

TM will react to wills when we are notified through Smee & Ford any fundraising/fundraisers' email inbox* or hard copy correspondence - and due for payment.
smeeandford.com

At this stage, we:

- request will
- grant of probate
- any payment schedule documents relating to us,
- when monies may be expected to be paid - whether single gift to Bipolar UK or on a schedule with others*. (we may make a judgement on which year current or next we may budget for its arrival)

**In this instance it's necessary to maintain communications with legacy officer/s from other charity/ies nominated to communicate with any fellow nominated beneficiary charities.*

All these elements should be put on database indicating:

- stage grant was identified
- payment due: i.e., flagged as an 'open opportunity' on Salesforce database
- when payment is received it is listed 'closed' 'won/posted' as applicable

NB: *a nominated fundraising inbox titled 'wills/legacies' email address to be created by the IT Manager at some stage.

We will also decide if there is any specific element of our work – other than core unrestricted gift 'to our work' (as in the vast majority of cases) i.e. Research or say a locational groups/services etc?

TM will access Smee & Ford notification portal for any new wills flagged for our attention.
FO will access the Farewill dashboard for any new wills created including those with residuary and pecuniary gifts made through this partnership.

A record of all payments from legacies and wills must be maintained. Records should clearly show:

- Name of the deceased person bequeathing
- Structure for payment – legacy disbursements or one off will payment
- Purpose for funds – core or towards a geographical area/group etc?
- Amount paid
- Date paid
- Copy of the Will / Settlor accounts receipt/s/ award letter/any other relevant digital or hard copy correspondence

INCOME

All legacy and will income payments should be processed on Salesforce as soon as practical. Finance Manager is responsible for ensuring all money received is banked as promptly as is practically possible.

A. AUDITORS SAYER VINCENT GUIDANCE - Recognising income from legacies – SORP (Statement Of Recommended Practice)

For accounting purposes, **entitlement** to a legacy cannot arise without the charity knowing of **existence of a valid will** and **death of the benefactor**. Those charities with databases of current donors may well have information about an individual donor's intention or decision to leave a gift in their will and charities may also employ agents or carry out their own research to review publicly available information on recent deaths including granting of probate. Charities having such information should use this when developing their accounting policy for recognising income from legacies. For accounting purposes, evidence of entitlement exists when the charity has sufficient evidence a gift has been left and the executor is satisfied the property in question will not be required to satisfy claims in the estate.

Of itself, establishing entitlement is insufficient to recognise legacy income. The recognition of the gift is also affected by the probability of receipt and ability to estimate with sufficient accuracy the amount receivable.

Receipt of a legacy must be recognised when it is probable that it will be received.
Receipt is normally probable when:

- **there has been grant of probate**
- **executors have established sufficient assets in the estate, after settling any liabilities, to pay the legacy; and**
- **any conditions attached to the legacy are within the control of the charity or have been met.**

Charities which receive a significant number of legacies in a reporting period and have detailed historical information on their settlement may apply an estimation technique in measuring value of legacies recognised to allow for potential variation in settlement values and risk of a will being contested. For example where a charity has numerous immaterial legacies, by using a portfolio approach, the charity may estimate monetary income value that may be received from legacies to which they are entitled by applying a formula or mathematical model. However, a portfolio approach is unsuitable for material legacies or when a charity only receives legacies infrequently, as these should be considered individually. When a portfolio approach is not adopted charities must recognise a legacy when executors have determined that a payment can be made following agreement of the estate's accounts, or on notification by executors payment will be made.

Where a payment is received from an estate or notified as receivable by executors after reporting date and before accounts authorised for issue but it is clear payment had been agreed by executors prior to the end of reporting period, then it should be treated as an adjusting event and accrued as income if receipt is probable.

In some cases, a charity may have entitlement to a legacy but there is **uncertainty as to amount of payment**. For example, the legacy may be subject to challenge or the charity's interest may be a residual one. If interest of the charity in a pecuniary or residuary legacy cannot be measured reliably, **details of the legacy should be disclosed as a contingent asset until criteria for income recognition are met**. Where a legacy is subject to interest of a life tenant, the legacy would not be recognised as income until the death of the life tenant.

Charities should measure or estimate the fair value of legacy income receivable based on information available. **Fair value receivable will generally be the expected cash amount to be distributed to the charity from the estate. Legacy income must only be recognised when it can be measured or estimated with sufficient reliability.** Legacy income classified as receivable within one year should not be discounted by the time value of money.

If distribution is to be deferred for more than 12 months and an estimate can be made of likely date of distribution, the legacy, if material, may be discounted by the interest rate the charity anticipates would earn on a comparable deposit over a similar time frame using the effective interest method set out in section 11 of FRS 102.

www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/standards-in-issue/frs-102-the-financial-reporting-standard-applicable

Unwinding of the discount should be reported as an adjustment to legacy income and not as interest receivable. If a legacy debtor is impaired because it is doubtful full settlement will be received, an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the SoFA.

https://help.libertyaccounts.com/topics/sofa_reporting.jsp#:~:text=Reports%20%2D%20Statement%20of%20Financial%20Activities&text=The%20report%20may%20be%20set,values%20of%20assets%20and%20liabilities.

SAMPLE CHECKLIST & RECORDING FORM: Details of legacies being considered

Condition	Legacy 1 notes	Legacy 2 notes
Entitlement – existence of a valid will		
Entitlement – death of benefactor		
Probability of receipt – grant of probate		
Probability of receipt – executors have established sufficient assets to pay legacy		
Probability of receipt – any conditions are met or within charity's control		
Adjusting event – payment received after year end?		
Reliable measurement of amount? Residual interest?		
Fair value of legacy – any cash to be distributed?		
Appropriate income recognition for financial		

Condition	Legacy 1 notes	Legacy 2 notes
year?		

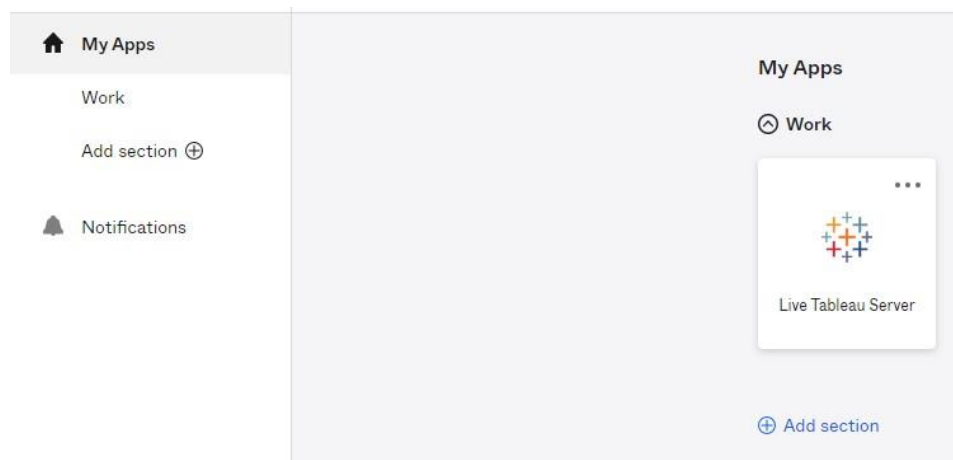
B. SMEE & FORD ONLINE PORTAL GUIDE

Legacy Analysis Portal Guide

You can log in via link in your notification alert email, or via Smee & Ford website: <https://smeeandford.com/legacy-analysis-portal/> 'click and ctrl to follow link'

password: S5KHHKE5

You may then see the below screen. Please click on **Live Tableau Server** button to the right, **NOT** Notifications menu option on left, as this is not related to Smee & Ford service.



Voucher codes required *

If required, you can submit more than one using this form.

Charityname-web, charityname-email, charityname-dm, charityname-23

Campaign launch date *

DD / MM / YYYY

Number of uses assigned to code

20

Campaign type *

Select

☐ I need a telephone appointment page

Description

What's the voucher code for? Feel free to use this space for campaign material too.

You can request [campaign material feedback through our form](#).

N.B. All code requests submitted will be deducted from your existing package with us. This is not a commitment to purchasing any new/additional wills. If you would like to top up your package, please contact charities@farewill.com.

To find Notifications, click on **Explore** n click on **Legacy Analysis – Free folder**

Explore

Top-Level Projects ▼

New ▼

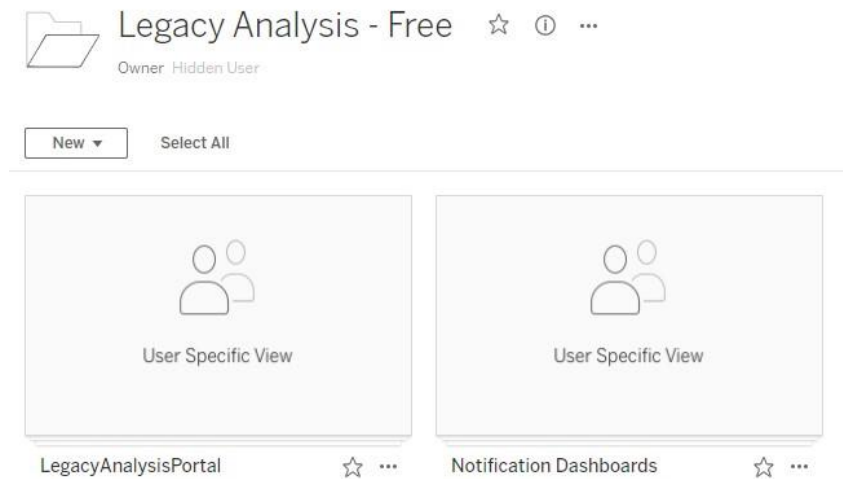
Select All



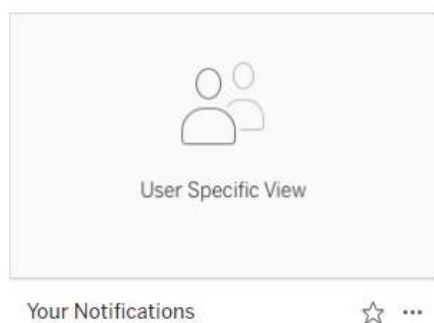
Legacy Analysis - Free



Click on **Notification Dashboards** folder



Click on **Your Notifications**



Click on **Go to Documents** button

Select day of month
(All) ▼

Select month
(All) ▼

Type of bequest
(Multiple values) ▼

Surname Search

Residual %

Go to documents

Alternatively, you can click on **Your Documents** folder to be taken straight to downloadable documents. You'll n need **notification password** to download documents (*remember, this **not** your portal login password*). We can send or re-send notification password via database to same email that receives notification alert emails.

C. FAREWILL VOUCHER REQUEST FORM EXAMPLE



Voucher code request form

Submit your voucher code requests below. We ask for **5 working days** to get your voucher codes and co-branded landing pages set up. Once they are live, Account Management will email you the landing page URL.

Voucher code guidance

- Each voucher code has a number of wills allocated against it to help manage your package. The minimum per code is 5 and allocations can always be updated. Please specify the number of uses you would like assigned against each code
- There is no minimum number of characters, however, voucher code wording should ideally be concise – particularly when working offline to assist conversion
- Codes are not case sensitive and other than hyphens, should not contain punctuation. Read additional guidance [here](#).

Guidance for your landing pages

- Landing page URLs are lower case only
- Ask your digital team to ensure no UTM's are added to the URLs. We use [background UTM's](#) to deliver our tailored journey and if these are added from a website, email or digital promotion it can interfere with this.

Organisation name *

Email *

Voucher codes required *

If required, you can submit more than one using this form.

Charityname-web, charityname-email, charityname-dm, charityname-23

Campaign launch date *

Number of uses assigned to code

DD / MM / YYYY

20

Campaign type *

Select



☐ I need a telephone appointment page

Description

What's the voucher code for? Feel free to use this space for campaign material too.

You can request [campaign material feedback through our form](#).

N.B. All code requests submitted will be deducted from your existing package with us. This is not a commitment to purchasing any new/additional wills. If you would like to top up your package, please contact charities@farewill.com.