

**Confidential****Circulation: Board and  
management only****Caxton Trustee Ltd**

**Report to:** Board  
**Date of meeting:** 2 May 2013  
**Report from:** Chief Executive  
**Subject:** Method of payment to clients

---

**Background**

When grants are awarded to Caxton clients, payment is made in a number of different ways, depending on the circumstances.

If the client has already purchased the goods (eg a washing machine) or services (eg repairs to property), we pay the beneficiary direct upon receipt of an invoice. Where the grant is for a purchase yet to be made, or work yet to be carried out, we provide vouchers for goods (from a store list which beneficiaries can choose from) or we pay suppliers (eg builders, plumbers etc) direct. I understand that the voucher system was originally introduced by the Macfarlane Trust in the recent past, and taken up by Caxton, because of a potential saving when vouchers were purchased. However, I understand that in reality the saving is tiny once the costs of ordering the vouchers and distributing them recorded delivery have been taken into account. The move to using vouchers was apparently not initiated for audit reasons.

Some clients like to receive vouchers and have suppliers paid direct because it means that the grants do not go through their bank accounts. This therefore avoids potential questions being asked by the tax and benefits agencies (even though these payments would be disregarded by the authorities). However, some feel that the voucher system is demeaning, and paying suppliers direct does risk compromising someone's confidentiality and revealing their Hepatitis C status. Cheques and bank transfers have to be in the name of the Caxton Foundation because of money laundering regulations, and cannot be hidden behind another name. Therefore, a supplier could research what the Caxton Foundation does, and conclude that their client had Hepatitis C.

In addition, at our meeting on 25 March 2013, the Health Minister, Anna Soubry, was very keen that we move away from issuing vouchers and paying suppliers direct.

**Recommendations**

It is therefore recommended that we give clients the option of either receiving vouchers/having Caxton pay suppliers direct, or paying grants directly to clients.

In all cases we would ask clients to sign a new grant acceptance letter, attached. This has been signed off by our lawyers.

In relation to grants for household items, we would pay the grant directly to the client, but request a copy of the receipt when the item was purchased. We would make it clear that failure to send a copy of the invoice might jeopardise future grant applications.