

POLICY

Division:	Finance and Support Services	Ref No	POL-4109
Department:	Foundation for Surgery		
Title:	RACS Corpora and Investment Reserve		

1. PURPOSE AND SCOPE

This policy provides an overview of the operation and history of funds held in the Corpora of the Royal Australasian College of Surgeons (RACS) to provide ongoing funding for approved RACS activities.

2. KEYWORDS

Corpus, Corpora, RACS Research Scholarships, Educator Scholarships, Education Innovations, International Projects, Indigenous Activities, Global Health, ASC Visitors and Named Lecturers.

3. BODY OF POLICY

3.1. Background

In accordance with previous strategic direction from Council to provide long term funding for a number of RACS activities the build-up of RACS corpora was approved. In 2010, the RACS Scholarship Corpus was established followed by in 2013 approval to establish additional corpora to secure long term funding for educator scholarships, education innovation initiatives, international development and aid programs not routinely funded by the Australian government, Indigenous Health activities and the ASC Visitors and Named Lecturers program.

When these corpora were established, it was proposed that the funds invested were at a level to ensure ongoing annual funding requirements were provided from ongoing investment returns and not the corpus capital in perpetuity. The funding, from Category 3 activities, removed the demands on the Category 1 operational budgets. The Foundation for Surgery Committee agreed with these proposals at the time.

Although the Foundation for Surgery is the “fundraising” body, there are committees of RACS charged with the Governance and oversight of any expenditure that occurs and these are noted in this policy.

All recommended budget amounts will be approved by Council on the recommendation of the relevant Committee.

In June 2023, Council reviewed the strategic direction of the following three Corpora which were funded originally from RACS operational surpluses, and based on legal advice the Corpora were closed and no longer available for use:

- Educator Scholarship Corpus
- Education Innovation Corpus
- ASC Visitors and Named Lecturers Corpus

Further information on the closed corpora are outlined in Section 3.3.

3.2. Current Operating Corpora

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3.2.1 RACS Global Health Uncommitted Corpus

Purpose - the Global Health Uncommitted corpus provides a funding source for a wide variety of international development and aid and activities not funded by routine external funding sources (i.e. DFAT (formerly AusAID) and NZ International projects).

Funding - the corpus is used in accordance with the Funds Raised Allocated to Global Health Uncommitted Corpus Terms of Reference (Ref No TOR-4117) and is managed to ensure financial sustainability and longevity. The funding is made up of a mix of Foundation for Surgery donations and previously allocated RACS reserves. The corpus may receive further capital contribution funding from RACS reserves when and if Council sees fit to fund initiatives in accordance with the annual approved budget program.

Other - the corpus is to be continuously reviewed to ensure the capital and ongoing returns meet or exceed the funding requirements. The areas to be funded will be budgeted on an annual basis under the oversight of the RACS Global Health Committee with recommendations being forwarded to Council for approval.

The Foundation for Surgery Committee will be forwarded a copy of reports from the Global Health Committee for review.

3.2.2. Indigenous Corpus

Purpose - this corpus provides a funding source for the support of Indigenous Health activities.

Funding - The funding is made up of a mix of Foundation for Surgery donations, previously allocated RACS reserves and other funding. The donations within the corpus are used in accordance with Donations Raised for Indigenous Health Terms of Reference (Ref No TOR-4118) and is managed to ensure financial sustainability and longevity. The corpus may receive further capital contribution funding from RACS reserves when and if Council sees fit to fund initiatives in accordance with the annual approved budget program.

Other - the corpus is to continuously be reviewed to ensure the ongoing returns meet or exceed the funding requirements. The areas to be funded will be budgeted on an annual basis under the oversight of the Indigenous Health Committee with recommendations and forwarded to Council for approval.

The Foundation for Surgery Committee will be forwarded a copy of reports from the Indigenous Health Committee for review.

3.2.3. Collective Scholarship and Grant Corpus (previously called the RACS Scholarship Corpus)

Purpose - this corpus was originally established in 2010 when twelve smaller scholarships and grant corpora were rolled into the one corpus. RACS internally allocated a matching amount to the total of the twelve scholarship and grants corpora. The corpus was established to provide sufficient funding annually, in

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perpetuity, for these twelve scholarships and grants, as well as topping up other scholarships and grants when required.

Funding – In June 2023, Council agreed to recoup half of the funds in the RACS Scholarships Corpus and return to RACS general reserves. The remaining funds in the corpus are the capital of the twelve scholarships and grants and the interest earned on this capital since 2010. In September 2023, a bequest to the value of \$2,000,000 was made to the Foundation for Surgery with the intention of supporting RACS scholarships and grants. These bequest funds were placed in the RACS Scholarships Corpus.

The corpus will be maintained at a capital value to ensure an adequate annual investment income stream is available to fund the research scholarships approved annual budget. An annual target rate of investment income return will be set to ensure awarded scholarship values are maintained in real terms. The corpus may receive further capital contribution funding from RACS reserves when and if the Council see fit to fund all scholarship values approved in accordance with the annual scholarship budget program.

All individual scholarships to be funded from the Collective Scholarship and Grant Corpus must be clearly identified in the approved budget papers and will be paid out directly from the investment income earned on the corpus.

Other - the corpus is to be reviewed annually to ensure the ongoing returns meet or exceed the approved funding requirements.

The Research scholarships budget is under the oversight and recommendation of the Foundation for Surgery and the deployment of the scholarships will be under the oversight of the Australia and New Zealand Scholarships and Grants Committee (ANZSGC).

The annual Scholarship Program Budget is prepared two years ahead (ie in 2024 it is for payment in 2026) and approved by Council in accordance with the annual budget program.

The Foundation for Surgery Committee will be forwarded a copy of reports from the Scholarship recipients for review.

3.2.4. RACS Investment Reserve

Purpose – the Investment Reserve has been established in order to set aside funds for longer term development and special projects for RACS as well as funds to offset operational losses as approved by Council.

Funding - is provided by allocation of uncommitted surpluses from RACS activities.

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3.3 Closed Corpora

3.3.1. Educator Scholarship Corpus

This corpus was established to recognise the ongoing commitment of RACS to invest in developing its Educators who provide and support RACS programs. In June 2023, Council agreed that this corpus was no longer necessary, and the RACS internally allocated funds generated from its operating surplus were recouped and returned to RACS general reserves.

3.3.2. Education Innovation Corpus

This corpus was established to provide an additional funding source for educational innovation initiatives separate from the annual Category 1 operating budget. In June 2023, Council agreed that this corpus was no longer necessary, and the RACS internally allocated funds generated from its operating surplus were recouped and returned to RACS general reserves.

3.3.3. ASC Visitors and Named Lecturers Corpus

This corpus was established to provide funds for the ASC Visitors and Named Lecturers program. The corpus was being progressively increased to ensure it became self-funding. In June 2023, Council agreed that this corpus was no longer necessary, and the RACS internally allocated funds generated from its operating surplus were recouped and returned to RACS general reserves. Council agreed that costs associated with the ASC are to be funded from the ASC budget.

4. ASSOCIATED DOCUMENTS

- TOR-4117 Funds Raised for Global Health Uncommitted
- TOR-4118 Funds raised for Indigenous Health

Approver EGM, Finance and Support Services

Authoriser Council

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