



WSRA POLICY No F4: Legacies Policy

Introduction

Legacies are donations made in a will and distributed after the death of the legator. They can be specific items eg land or jewellery or they can be cash gifts. A Pecuniary gift is a specific amount of money, whilst a residual gift is normally a percentage of the remaining estate after all specific and pecuniary gifts are distributed.

Where the total estate value is over the inheritance tax threshold there are advantages in leaving gifts to registered charities, both in terms of reducing the taxable value of the estate and also reducing the rate of IHT payable.

As a registered Charity the WSRA relies on legacies as a key part of its budgeting and fundraising activities. The Charity would struggle to survive without legacies. Like all Charity income, legacies can be either restricted or unrestricted. Restricted income is income that has been given for a specific purpose eg restoring a named locomotive, whereas unrestricted income can be used at the Trustees discretion including covering overhead costs.

WSRA Practice

All legacy income donated for a specific purpose is placed into a restricted fund and ringfenced for that use. The WSRA has three long-term restricted funds and various smaller shorterterm funds. Legacy income donated to the charity without instructions for use is processed as follows:

- Larger legacies (over £5,000) are placed into their own named Designated Fund to ensure a full audit trail and transparency. The funds are then spent on charitable purposes decided by the Trustees.
- Legacies of £5000 or less are allocated to help cover overhead costs.

All legacies over £5000 are subject to the WSRA's **Admin and Fundraising Costs Policy**, which allocates up to 9% of restricted income to help cover the charity's overheads and fundraising costs. This means that at least 91% of all legacies received over £5000 is used for charitable purposes.

Policy Author	Jacquie Green – General Manager
Date confirmed by WSRA Board	8 th March 2022
Date Implemented	1 st April 2022
Revised by	Mike Sherwood (Trustee)– September 2024
Review Interval	2 years
Next Review Due	September 2026