

Grant Making Policy

Introduction

Gloucestershire Community Foundation (GCF) is a charitable grant making trust. It aims:

- To promote charitable purposes for the benefit of the community in the Area of Benefit, and in particular the advancement of education, protection of good health (both mental and physical), the relief of poverty and sickness and the provision of recreation and leisure facilities with the aim of improving the lives of those for whom these facilities are primarily intended;
- To enrich the lives of people in Gloucestershire¹ and to support projects that engage local people in making their communities better places to live;
- To support other exclusively charitable purposes in the United Kingdom and elsewhere, with a preference for those which in the opinion of the Trustees are beneficial to the community in the Area of Benefit.

Community Foundations work with people who want to give to a range of different charitable causes, so the aims of GCF are broad based and cover many types of charitable activity. GCF aims to be responsive to the changing needs of the community and so keeps abreast of issues in order to help fund holders and donors to target their funds to be most effective in the community.

The purpose of this document is to explain:

- The different types of fund which GCF manages;
- The principles underlying GCF's grant making decisions;
- The principles governing assessment and award of grants; and
- How successful grants are monitored.

N.B Some grant GCF programmes also include the unitary authority area of South Gloucestershire.

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Glossary of Terms

Applicant	A person or organisation applying for a grant.
Area of Benefit	The geographical area within which GCF targets most of its grant making activity. The Area of Benefit comprises the current County of Gloucestershire.
Contracted Programme	A Grant Programme run by GCF on behalf of a statutory body, local authority, organisation or charity and set up for a particular charitable purpose or activity. Each Contracted Programme will have a unique grant application, decision making, monitoring and review process in accordance with the agreement with the relevant fund holder.
Discretionary Fund	A fund, the income from which the fund holder has agreed may be distributed to the benefit of the community at the discretion of the trustees of GCF.
Donor Advised Fund	A fund in respect of which the fund holder requires to be presented by GCF with a range of grant options for them to consider. The final decision on the distribution of a Donor Advised Fund is always subject to the discretion of the trustees.
Donor Directed Fund	A fund which GCF has agreed to distribute strictly as directed by the fund holder. GCF will take steps to satisfy itself that the grant is to be used for charitable purposes and will only undertake such other due diligence and further steps in respect of the grant as may be agreed with the fund holder.
Endowment Fund	A fund permanently endowed to GCF, the capital sum of which is invested on behalf of GCF by an investment broker, to earn investment income which is then distributed by GCF.
Main Grants Programme	The grant programme used by GCF to process applications for grants not exceeding the sum of £10,000. Grants under this Programme are funded from Discretionary, Field of Interest, Donor Advised and Growing to Named Funds and from cash donations.
Field of Interest Fund	A named fund, in respect of which the fund holder has expressed a wish for distributions to be directed to a particular geographical area or sphere of interest. The final decision on the distribution of a Field of Interest Fund is always subject to the discretion of the trustees.
Fund	A distinctly identifiable sum of money either permanently endowed to, or managed by GCF, the capital and/or investment income of which is made available for distribution by GCF as charitable grants. A fund is either an Endowment Fund or a Revenue Fund.
Fund holder	A person, family, company, charitable trust or any other body that has set up a fund with GCF.
Grant	An award of money made by GCF from one of its funds, to be used for charitable purposes.

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Grant Panel	A panel set up to make decisions on applications for grants through a Contracted Programme, comprising representatives of the relevant fund holder, individuals from outside of GCF identified as having knowledge relevant to the particular Contracted Programme, and a trustee.
Grant Programme	A process for sourcing, receiving, assessing applications for a grant from a particular fund or group of funds, and for awarding and monitoring grants from that fund or funds. Grant Programmes may vary in their criteria for eligibility, financial limit, and in the role performed by GCF in grant award and monitoring.
Growing to Named Fund	An Endowment or Revenue Fund whose value is below the relevant threshold for designation as a Named Fund.
Named Fund	A fund which has been named to identify it with a particular fund holder, the operation of which is subject to the terms of a written agreement between GCF and the fund holder. A Named Fund may be an Endowment Fund with a value of £15,000 or more, or a Revenue Fund with a value of £10,000 or more.
GCF	Gloucestershire Community Foundation.
Revenue Fund	A flow through fund generally intended to be distributed in its entirety in the financial year in which the donation is made to GCF.
Trustees	The trustees of GCF.

1. Types of Fund

1.1 Endowment Funds

GCF aims to establish a permanent source of charitable funding for its Area of Benefit through the establishment of a permanent endowment fund held within the organisation. This endowment fund comprises funds that have been established by individuals, families, corporate and private sector organisations and charitable trusts. Endowment funds of £15,000 or more in value can be identified as Named Funds and most of these are Discretionary Funds but may be alternatively designated as a Field of Interest Fund, a Donor Advised Fund or a Donor Directed Fund.

1.2 Revenue Funds

1.2.1 Revenue Funds are flow through funds, generally intended to be distributed in their entirety in the year in which the donation is made to GCF. Revenue Funds of £10,000 or more in value can be identified as Named Funds and, as with Endowment Funds, most of these are discretionary funds, but may be alternatively designated as a Field of Interest Fund, a Donor Advised Fund or a Donor Directed Fund.

1.2.2 Long term Revenue Funds can be established within GCF whereby the fund holder agrees to contribute a regular amount of cash funding annually to be used as agreed between GCF and the fund holder.

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1.3 Contracted Funds

A Contracted Fund is a type of Revenue Fund, set up for the specific purposes of enabling GCF to run a grant programme on behalf of a corporate, statutory or charitable body. The grant programme will be subject to an agreement between GCF and the relevant body, who will also normally set the grant criteria. The grant application, assessment, monitoring and appeal processes may differ from those applicable to other grants, being tailored to the particular grant programme the contracting body wishes to run.

2. Grant Programmes

GCF runs a number of grant programmes to distribute grants from the various funds it holds. These are described in the following paragraphs.

2.1 The Main Grants Programme

2.1.1 GCF distributes the monies available to it annually from Discretionary, Field of Interest, Donor Advised, Donor Directed and Growing to Named Funds in accordance with the criteria for that programme. Cash donations received by GCF are also distributed through this programme.

2.2 Contracted Programmes

Some grant programmes (called Contracted Programmes) are tailored to individual funds and GCF will invite applications for grant, process these applications and award grants in accordance with these programmes, the criteria (including financial limits) and other features (including rules relating to repeat and multiple applications) of which will have been agreed with the relevant fund holder.

3. Grant Making Principles

3.1 GCF manages funds on behalf of a wide range of individuals and organisations. Funds are managed in a variety of ways depending on the service the fund holder requires of GCF. Some funds are set up to give fund holders a discretion to indicate how grants from the funds are made, either to specific charities or charitable purposes, or more generally to a particular geographical area or field of interest. Other fund holders are happy to allow GCF to distribute fund monies in accordance with the guiding charitable aims of GCF. With the exception of grants from Donor Directed Funds, distributions are subject to the final discretion of the trustees of GCF.

3.2 GCF may make grants to individuals, registered charities and organisations that can demonstrate they have charitable purposes. Grants are primarily made within GCF's area of benefit. GCF may however make grants anywhere in the UK and internationally, in accordance with its charitable aims.

3.3 The principles set out in the following paragraphs are those which generally underpin GCF's grant making. Exceptions may occur in respect of grants from those funds where fund holders have required a greater input into the grant making process, such as with Donor Advised, Donor Directed and Contracted Funds. In these cases,

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additional, or different grant making principles may be applicable, or exceptions made from GCF's usual grant making criteria.

- 3.4 When GCF makes grants to registered charities or organisations established for charitable purposes, applications will only be considered where the applicant organisation can demonstrate that it meets the following requirements:
- It is governed by a management committee or trustee body consisting of at least three individuals who are not related to one another.
 - It has an adopted written constitution or governing document that clearly sets out its charitable purposes and provides for the proper administration of the organisation.
 - It operates a bank account in the name of the charity or organisation, with a minimum of two authorised signatories. Authorised signatories must be trustees or appropriately authorised senior officers of the organisation.
 - In addition, GCF does not make grants to national organisations based in Gloucestershire with an annual turnover of £5 million or more.
- 3.5 Organisations set up as Community Interest Companies, an Industrial and Provident Society, or as recognised Social Enterprises must demonstrate that they have clear charitable purposes and that there is a defined social benefit.
- 3.6 In exceptional circumstances, and through a Contracted Programme only, grants may be made to individuals through particular funds. The Fundholder and GCF will agree the checks required to ensure that monies are distributed safely and accountably. This will be detailed in the fund agreement between GCF and the Fundholder.
- 3.7 Grants will not normally be made to the following types of organisation or for the funding of the following types of activity:
- Individuals – although in exceptional circumstances they may be considered.
 - General appeals.
 - Statutory organisations or the direct replacement of statutory funding.
 - Political groups or activities promoting political beliefs.
 - Religious groups promoting religious beliefs.
 - Arts projects with no community or charitable element.
 - Sports projects with no community or charitable element.
 - Medical research, equipment or treatment.
 - Animal welfare.
 - Projects that take place before an application can be processed.
 - Activities that are intended to raise funds for other organisations.

Unless otherwise prohibited by the terms of its trust, occasional exceptions to these exclusions may be made by agreement between GCF and a fund holder in respect of a Donor Directed or Contracted Fund.

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- 3.8 Full cost recovery means the costing of a project to cover the total costs of the work to the organisation. GCF supports the principle of full cost recovery and where appropriate will include in the grant awarded an element that can be apportioned to the management of the organisation. For capital projects, we require 75% of the budget to have already been fundraised for an application to be considered.
- 3.9 However, grant aid may be limited by the criteria of the individual grant programmes. Distributions from Contracted Funds and Donor Directed Funds may have criteria that exclude any “core” funding so not all grants will contain an element of full cost recovery.

4 Equality and Diversity

GCF is committed to supporting, developing and promoting equality and diversity in all its practices and activities and aims to establish an inclusive culture free from discrimination and based upon the values of dignity, courtesy and respect. GCF is committed to eliminating discrimination and advancing equality on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief (including lack of belief), sex and sexual orientation and to fostering good relations between different groups.

5 Assessment of Grant Applications

5.1 Introduction

The following paragraphs set out the general principles behind the grant assessment practice of GCF. It is intended as an overview of how these processes work and how GCF can assist applicants through the process. These paragraphs are an overview of processes as applied to the Main Grants Programme. Different, or additional criteria may apply to applications for grants from contracted programmes .

5.2 Pre-application advice

Organisations are encouraged to contact GCF before making an application to discuss the most appropriate grant programme for them. GCF staff can give general guidance on the eligibility of a project for a particular grant programme as well as the completion of application forms.

5.3 Assessment

- 5.3.1 On receipt of an application, GCF will make basic checks for eligibility, including as to the fit of the charitable project with the criteria for the grant programme, and the proper constitution of the charity or other organisation which is applying for a grant.
- 5.3.2 In assessing an application for a grant, GCF will consider such matters as the management of the applicant organisation, whether the application evidences a clear need to be addressed which appears achievable, value for money, and appropriately costed, and the financial probity and sustainability of the applicant organisation.
- 5.3.3 GCF will generally expect the annual accounts of an applicant organisation to show reserves maintained at a reasonable level relative to running costs of the organisation (in the order of three to six months minimum). With very small organisations GCF will expect evidence of “good housekeeping” and that organisations are using their funds

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appropriately. Generally, organisations with unrestricted reserves of nine months or more will not be considered for funding.

- 5.3.4 GCF will expect referees to be identified by the applicant and will normally take these up as part of the assessment process. Referees should normally know the work of the organisation in a professional capacity but not be directly involved.

5.4 **Policies for the Protection of Children & Vulnerable People**

All projects working with young people will be required to have a safeguarding policy and applicants working with vulnerable people will also be required to have a policy covering relevant working practices.

5.5 **Equality and Diversity Policies**

GCF does not require every group to have a formal equality and diversity policy, as this might be a barrier to some of the very small groups that apply to GCF for grant aid. GCF will expect applicants to comply with all statutory obligations with regard to equality and diversity and may require evidence that the applicant operates in a way that appropriately addresses equality and diversity issues.

5.6 **Health and Safety**

With regard to health and safety issues, GCF will assess each application for a grant in a manner appropriate to the size and scale of activity. Applicants must demonstrate awareness of and steps taken to manage their obligations with regard to health and safety under relevant legislation and common law, even where the Health and Safety Acts do not require a particular applicant to have a written policy on health and safety. The law requires applicants as a minimum, to take reasonable action to ensure the health and safety of their users and members and GCF will expect to see evidence of compliance with this obligation.

6. **Applications from Faith Based Organisations**

- 6.1 Whilst promotion of any religion is not an activity which will receive grant funding from GCF, faith-based organisations may still be funded provided that the grant supports benefit to the wider community and is not intended to influence people's religious choices or to promote a particular belief system.

7. **Applications for/from Schools**

- 7.1 GCF will only consider applications for grant aid for school-based activities which are above and beyond the scope of statutory provision, and generally from associated groups. GCF will not generally make grants for purchases or activities which fall within an existing statutorily funded budget, even where that budget may be insufficient to fund the school's ambitions. Exceptions to this may apply in respect of a Contracted Programme with a particular educational focus at the request of a fund holder.

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8. Repeat & Multiple Applications

- 8.1 In any one financial year applicants can apply to any one or more of the grant programmes run by GCF for which they are eligible. In any one year, it is therefore possible that an applicant may receive a grant from more than one grant programme.
- 8.2 Applicants are generally not permitted to apply more than once in any one year to the same Grant Programme.
- 8.3 Applicants who have been awarded a grant under the Main Grants Programme may apply for grants from that programme for up to three years in succession. GCF will generally not fund a fourth application under this programme without applicants having sought alternative funding elsewhere for at least one intervening year. Other grant programmes managed by GCF may have particular rules governing the availability of grants to fund activities over successive years and these rules will be set out in the criteria for grant application.
- 8.4 When considering an application for repeat funding, GCF will take into account evidence from monitoring as to the impact of grants already made and will also look for evidence of sustainability and development of the applicant organisation.

9 Grants Decision Making

- 9.1 The way in which a decision to award a grant is made will depend upon the grant programme to which the application was submitted. The decision to award a grant may be delegated by the trustees to senior staff, a grant panel or, in certain instances, fund holders. Where ever possible we seek to utilise community grant panels with lived experience and which reflect the diversity of the county we live in. The trustees remain accountable to ensure that grants are applied to charitable purposes, and that in making any grant, GCF has complied with the terms of any contract between GCF and a fund holder in respect of that grant.

10 Complaints (also see the Complaints Policy)

- 10.1 In all GCF's grant making, care is taken to assess all applications against published criteria in a consistent and equitable way. GCF will explain in writing as clearly as possible why an application is not successful and there is no right of appeal. If the applicant has complaints about the application of GCF's principles and procedures, the GCF complaints management system is available.
- 10.2 GCF aims to be transparent in its governance, and to engender the trust and confidence of its Fund holders, wider stakeholders and the general public. GCF aims to maintain an effective complaints management system as a way of maintaining and building relationships.
- 10.3 GCF's complaint management system aims to be a fair way of dealing with feedback and complaints from Fund holders, staff, volunteers, grant recipients and other members of the public.

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11. Monitoring Grants

- 11.1 Most grants will be monitored. The occasional exception will be in the case of grants from Donor Directed Funds, where routine monitoring will not take place unless otherwise specifically agreed with the fund holder.

Monitoring reports will be required from grant recipients to confirm that the grant they received has been used appropriately and to assess its impact. In addition to the information contained in the monitoring form, tangible evidence of the progress of the project, such as publicity material, photographs and feedback from users should be submitted.

- 11.2 Information from monitoring reports will be used in assessments of any future grant applications from the same organisation and may also be used for overall evaluation purposes to demonstrate the impact of GCF's grant programmes.
- 11.3 The trustees will undertake regular sample checks of applications, grant assessments and monitoring as part of their accountability for the proper use of funds administered by GCF. These checks may involve a visit to an organisation or project.
- 11.4 GCF will expect monitoring results to demonstrate the proper disbursement of the grant aid. Where it becomes apparent that the full amount of the grant has not and will not be expended for the purposes originally intended for the grant, then GCF will expect the surplus to be returned to GCF for onward distribution as other grant aid.

12. Review

This policy is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for GCF or every 24 months whichever is the soonest.