

Grantmaking Policy

1. Introduction

1.1 The purpose of this grant making policy is to:

- ◆ Outline principles, criteria and processes of grant making adhered to by Bedfordshire and Luton Community Foundation (BLCF).
- ◆ A grant from BLCF is defined as a financial award that BLCF makes from its funds to support charitable activities
- ◆ Articulate those principles, criteria and processes for grant making to potential grant applicants.
- ◆ Provide a high standard of grant making practice for BLCF as a Foundation.
- ◆ Provide clarity for process and decisions making.
- ◆ Ensure due diligence is adhered to at all times.

2. Our Objects and Mission

2.1 Our Objects as stated in our Articles of Association are:

2.1.1 The promotion of any charitable purposes for the benefit of the community in the geographic county of Bedfordshire and the advancement of education, the protection of good health both physical and mental, and the relief of poverty and sickness:

2.1.2 Other exclusively charitable purposes in the United Kingdom and elsewhere which are in the opinion of the Trustees beneficial to the community including those in benefit (those suffering from forms of economic or social deprivation or disadvantage).

2.2 Our Mission is:

2.2.1 “To build partnerships which effectively connect donors with charities and/or community projects through effective and efficient grantmaking and philanthropy in order to strengthen the communities we work in.”

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- 2.3 Our Role:
 - 2.3.1 As a grant-maker, ensuring effective grantmaking which meets the charitable interests of donors and addresses the need in our communities.
 - 2.3.2 As a philanthropic advisor, offering information and advice which helps donors and community groups achieve their objectives, improve, and meet the need of the community.
 - 2.4 As a community leader, stimulating community dialogue and decision making which help define common goals and solve crucial problems and meet the needs in our communities
 - 2.5 We want donors, beneficiaries, and all other stakeholders to find it easy to understand the work of BLCF and our position within the community we serve.

3. Governance of Grantmaking

- 3.1 The Trustees ensure proper governance of BLCF's grantmaking in three ways:
 - 3.1.1 Grantmaking Principles ensuring that even when there is donor or funding partner involvement, decisions are ultimately made by the Foundation's Grant Panels, and are ratified by Trustees. These principles clarify the important point that funds given are a BLCF asset with a degree of restriction on their use and where donors are involved, donors are recommending grants not awarding them.
 - 3.1.2 Grantmaking Criteria which set out the activities the Trustees wish to support in furtherance of BLCF's charitable objectives. The criteria will also include activities Trustees do not wish to support as they do not see this in line with BLCF purpose. The Trustees accept that they will on some occasions make grants outside the published criteria but that in all such instances the activity supported will be for charitable purposes in law.
 - 3.1.3 Grantmaking Processes which set out in broad terms how decision making is carried out for different grants and funds.

4. Grantmaking Principles

- 4.1 The principles which underpin the Trustees' governance of BLCF's grantmaking consider the scale of grant-related activity and strike a balance between direct involvement in decisions and efficient, responsive customer service for applicants and donors.
- 4.2 The **principles** are as follows:
- 4.2.1 The Board of Trustees have ultimate responsibility for all grantmaking decisions in line with the BLCF's charitable objectives and any restrictions agreed with donors or other funding partners.
- 4.2.2 The Trustees may delegate certain decision-making responsibilities to its Grants Panel members, Board members or staff within its framework of delegation. This is subject to review.
- 4.2.3 All Trustees understand the Foundation's grantmaking principles and processes and have opportunities to engage in and learn from grantmaking activities as follows:
- ◆ Training offered by Grant Making Team in the process of panel decision making and pre process of ensuring due diligence checks via the dedicated CRM system are adhered to
 - ◆ by research, information, and consultation
 - ◆ responding to need across the county
 - ◆ promoting fairness and equality
 - ◆ prioritizing the allocation of resources to achieve maximum impact
 - ◆ reflecting the need to develop the capacity and sustainability of local, community-based organisations
 - ◆ enhancing community and voluntary activity and encouraging best practice
 - ◆ implementing, monitoring, and evaluating to ensure optimum achievement
- 4.2.4 The Trustees reserve the right not to approve a grant if it determines that the resulting grant would not be charitable or would conflict with the Foundation's stated policies or damage its reputation. In addition, the Trustees/panel members reserve the right to apply conditions to any grant.

5. Grantmaking Criteria

- 5.1 The aim of the grantmaking criteria is to provide clear information from Trustees to those individuals and groups who wish to apply for grants.
- 5.2 The Trustees wish to make grants or bursaries to a wide range of organisations and individuals and are particularly keen to help grassroots community groups, individuals and small-to-medium-sized charitable organisations within Bedfordshire and its environs. BLCF only makes grants to national organisations where there are strong relationships/partnerships in the primary area of benefit and the proposal has potential to achieve a substantial impact because of the grant, and it does not duplicate service provision already delivered in the area.
- 5.3 All applications must be able to demonstrate their Public Benefit as defined by the Charity Commission.
- As an independent registered charity, BLCF can only make grants to support activities which are charitable in law. Organisations do not have to be a registered charity but must be constituted, have sound governance and have a committee of at least three **unrelated** Trustees/Directors (if they have more than this the majority must be unrelated individuals with no personal or financial interest in the organisation and the balance of power must rest with the unrelated members). In addition, the organisations service provision must be for a specific charitable purpose and/or for the benefit of the community. See our Social Enterprise and CIC guidance document.
- 5.4 Trustees expect grants will normally support one or more of the following areas:
- ◆ Services and activities that are proven to work: evidenced to helping to maintain, expand and/or develop new service provision, which is of high standard, effective and efficient and not a duplication of any existing services in the area.
 - ◆ Developing the organisation: developing infrastructure and strengthening capacity
 - ◆ Partnership work including good practice and correct and up to date policy and procedures:

5.5 Grant requests which the Trustees will not normally support are:

- ◆ Religious or political activity which is not for wider public benefit
- ◆ Projects not benefiting people living in Bedfordshire (with the exception of a few identified areas via the London Luton Airport Near Neighbours fund)
- ◆ Direct replacement of statutory obligation and public funding
- ◆ Groups with significant financial free reserves
- ◆ Retrospective grants (activities which have already taken place)
- ◆ Contribution to endowment fund, payment of deficit funding or repayment of loans
- ◆ National charities that are not providing clear local benefits
- ◆ Overseas travel or expeditions
- ◆ Sponsored or fundraising events or groups raising funds to redistribute to other causes
- ◆ Medical research and equipment for statutory or private healthcare
- ◆ Start-up funding for a project that is unable to start within nine months
- ◆ Commercial ventures, unless the group is a registered not for profit organisation
- ◆ General appeals
- ◆ Animal welfare, unless the project benefits people (e.g. disabled riding schemes)
- ◆ Fees for professional fundraisers
- ◆ Statutory agencies including Parish Councils and schools in the discharge of their statutory obligations
- ◆ Applications from individuals (unless via our bursary or specific individual funding streams)
- ◆ Organisations or an activity that cannot demonstrate public benefit as defined by the Charity Commission
- ◆ Private business for profit

Applications for repeat/continuation funding for the same project are generally not encouraged. However, different funds have their own restrictions which applicants are asked to consider carefully, before applying. Continuation/repeat funding for the same project may be subject to a reduction of 20% from previous years funding.

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- 5.6 Organisations that apply to the foundation can only have a **maximum** of 3 'active' applications at any one time. Those supported must be for different projects with their own specific focus, need and outcomes.
- 5.7 All applications for support must use the BLCF online application process. Hard copies of applications or applications sent by email will not be accepted

6. Grantmaking Processes

- 6.1 In setting grantmaking processes, the Trustees have determined the process should be accountable, transparent and address the interests and wishes of both applicants and donors. To this end, all applications go through a four-stage process as follows:
- ◆ **Allocation** to available funds according to eligibility and criteria. Applications which do not meet criteria or are not eligible or cannot be allocated to a live fund are rejected.
 - ◆ **Assessment** by the Grantmaking Team who carry out all due diligence procedures and ensure all required documentations has been submitted.
 - ◆ **Review** assessment by an independent Grants Panel, attended by at least one Trustee from the Board, or by a person acting with the delegated authority of the Board to ensure due diligence and to ratify the process
 - ◆ **Ratification** of any grants awarded at a panel meeting up to £15k can be made at the Grants Panel by the attending Trustees. Awards over £15k in any one year must be presented to the Board of Trustees for full ratification.
 - ◆ **Queries** that occur during a Panel discussion can be approved by the Trustees, as long as the nature of the query is resolved in full following the meeting, without need for the application to come back to a panel. In the event it is not resolved the decision will need to go back to a panel again or escalated to the Board for final decision via **Resolution Report**.
- 6.2 In addition to responding to external grant requests the Trustees may at their discretion invite or commission proposals or provide

funding in collaboration with other funders where doing so would meet BLCF's strategic objectives.

- 6.3 Panel members and Trustees retain a discretion to require formal ratification in any application it deems appropriate at any stage.
- 6.4 Details of funds, criteria and links to application forms are available on BLCF website and funds are also publicised through appropriate voluntary and community sector organisations and funding advisers.
- 6.5 BLCF aims to ensure that the application process is easy to understand and designed to capture essential information in relation to the organisation and the project requiring funding. Supporting documents must be provided with the application and failure to do so may result in an application being rejected or withdrawn.
- 6.6 BLCF staff assess all applications against this grantmaking policy and the criteria provided by the donor. Factors considered are evidence of the need for the project, value for money, management, governance, lasting benefit, and community involvement. Further information may be requested if required. **For requests up to £5000**, the Head of Impact & Programmes may decide in consultation with colleagues or trustees, provided that all reasonable checks have been carried out on the project. These requests may also be expedited via a Fast Track process. Funding is awarded to an organisation/individual with terms and conditions which are implicitly agreed by the applicant on acceptance of a grant/bursary, signed by applicant and for organisations must also be countersigned by a Trustee/Director and returned to BLCF before payment is made. Payment could take up to 6 weeks to process. Every organisation must as part of their terms and conditions inform the Foundation in writing immediately of any change in circumstances and where a specific or material change to the use of the grant is required, or where project costs and/or funding change significant. If any change needs to be made the organisation must complete the relevant 'Change of Request' form. Authorisation must be obtained from the Head of Impact & Programmes.
- 6.7 If BLCF considers that an organisation/individual has breached terms and conditions, the Foundation reserves the right to request

the return of the total grant awarded. No future applications for funding will be accepted from such organisations for a minimum of 2 years and then only if the organisation is able to provide evidence of action taken to strengthen management capacity.

- 6.8 Changes to standard terms and conditions may be implemented by the Foundation at any time but will not apply retrospectively to grants already awarded.
- 6.9 All organisations/individual in receipt of funding are required to comply with appropriate and proportionate monitoring requirements in line with the level and nature of the funding. Failure to comply may affect future funding.
- 6.10 An organisation/individual can appeal the Foundation's decision to reject an application only in the following two cases:
 - 6.10.1 Where the organisation/individual provides evidence that the Foundation's representative showed prejudice in considering a request or
 - 6.10.2 The details provided to the Grants Panels were factually incorrect in some material aspect, such that the Panel's decision was based on false premises
 - 6.10.3 Any appeal must be submitted to BLCF within 14 days of the decision for the attention of the Head of Impact & Programmes. The appeal should clearly state the grounds for appeal and provide full supporting documentation. The appeal will be considered by a Trustee who will provide a decision within 21 working days, this decision is final.
 - 6.10.4 BLCF will encourage organisations/individuals who have received funding over two years to seek funding from other sources.

7. Grants Panels

- 7.1 The Trustees delegate decision-making responsibility for all grants awarded to the Grants Panels.
- 7.2 The Grants Panels must approve all grant awards exceeding £5000. Should a donor or fundholder want to support an organisation that

the Panel has rejected, then the Head of Impact & Programmes must discuss the matter with the CEO.

- 7.3 Grant Panels consist of people from local community organisations both statutory and voluntary, who can add their local knowledge and specialist skills to those of BLCF staff and Trustees to help decision making on grants that relate to specific places or areas of need or projects of a particular nature. Panel members should not work for or be involved in any way with organisations who apply for funding, but exceptions can be made where specialist expertise is required on a panel. BLCF expect panel members to attend training on grantmaking to ensure a good working knowledge of all principles and processes.
- 7.4 BLCF staff provide secretarial support to the Panels and are responsible for managing the grant making process on a day to day basis. The Head of Impact & Programmes is also responsible for recruiting, interviewing, and inducting new panel members as required, the BLCF administrator will also ensure that they complete Declarations of Interest. Panel members are required to declare any actual or perceived conflicts of interest at the start of each meeting.
- 7.5 The Grants Panels must have a minimum of 6 members and maximum of 12 (excluding donor representatives) and are quorate if 3 are present. Panel members can serve for a term of up to 3 years and this term can be renewed for a further 3 years only after a review is held with the Chair of the Panel or Head of Impact & Programmes. No further renewal is permitted. This clause does not apply to panel members nominated by donor organisations.
- 7.6 The following Grants Panels are in operation
- 7.6.1 The **General Panel** (which includes national funds and any one-off specialist funding programmes as required) meets to discuss all applications for funding except for those which are donor advised.
- 7.6.2 The **Luton Youth Fund Panel** meets to discuss applications to the Luton Youth Fund only and has members with experience of youth work, provision, and knowledge of the area.
- 7.6.3 The **Jane Cart's Trust** is operated by their own Board of Trustees who make decisions on bids to that charity and agree if awards

should be made from their own funds or from the endowment they hold with the Foundation. In the latter instance, awards of up to £5000 can be made without referral to the Foundation Board.

- 7.6.4 Mark West Fund a specific fund to help reduce inequalities for women and girls in Bedfordshire and is supported by the **EVOLVE Panel**.
- 7.6.5 **LuDUN** a fund for disabled people in Central Bedfordshire to support them into education, training, or employment.
- 7.6.6 Specific fund panels can be created if necessary to support the need of specialist and specific donor fund as required, but must always have at least 1 BLCF Trustee present

- 7.7 The General Panel, Luton Youth Fund Panel and The EVOLVE Panel must have a Trustee in attendance throughout the Panel meeting, but it is not necessary for them to be the Chair.
- 7.8 Any meetings can be carried out by email or telephone conferencing. In this event, documents will be circulated, and a request will be made for a recommendation from individual members by a given date. All votes received by that date will be recorded. This procedure will be used where it is not possible to convene a meeting at an agreed time or where there is a need to provide a swift response to an applicant group.
- 7.9 Decisions which can be made by the Panels, include agreement to fund, not to fund, or a pledge until the rest of the funding has been secured from other sources. There will be a time limit on pledges. Deferral until next panel meeting will only be allowed under exceptional circumstances. The panel may decide to include conditions as part of the grant awarded, which will be included in the Terms and Conditions sent out.
- 7.10 All applicants will be notified of panel decision within 10 working days of panel, either by email, telephone, or letter.

8. Prevention and Detection of Fraud

- 8.1 The Foundation takes fraud very seriously and are committed to mitigating the risk of fraud at every opportunity.
- 8.2 The Foundation staff will look for the following indicators in all grant applications – very new group, very few or related management committee members, discrepancies in financial information provided, only one account signatory, failure to comply with statutory charity commission requirements, relationships between Trustees/committee members/account signatories.

Individual grants/bursaries

- With regards to Individuals receiving support this is offered at an upper limit and risk of £1000.
- Grants/bursaries awarded for individuals require clear indication of a UK bank account
- Receipts for all expenses incurred and only for reasonable and approved fees for individuals will be allowed, in conjunction with the terms laid out under the funding criteria.
- Bursary or grant programmes may work with referral community partners who may apply on behalf of their service users, Partners be responsible in ensuring individuals meet the criteria conditions and eligibility for any such applications.

8.3 The following are examples of grant fraud:

- 8.3.1 **False Applications** – inventing an organisation, providing false information about an organisation or an individual within the organisation making an application for personal gain.
- 8.3.2 **False Claims** – activity not being carried out, activity carried out at a substantially lower cost, false or altered documents.
- 8.3.3 **Double Funding** – non-disclosure of funding provided by other funders for the same project, false accounting of shared costs, non-disclosure of own funding.
- 8.3.4 **Misappropriation of payments** – interception of cheques, alteration of cheques, creating a false bank account.
- 8.3.5 **Grant not used for purpose given** – funds used for a different project within the organisation, additional unauthorised items

purchased with the grant, non-return of excess grant, funds used for personal benefit.

8.3.6 **Non-compliance with conditions of grant** – selling off funded assets, providing false monitoring, non-disclosure of changes that would result in grant being reduced/suspended.

8.4 Should the Foundation consider that a grant has been used fraudulently, they have a discretion to seek to recover the full grant and any associated costs. They will also inform the relevant regulatory authorities which may include the police and legal action will be considered.

9. Policy Review

9.1 This policy is a working document and as such is used to guide and clarify grantmaking of the Bedfordshire & Luton Community Foundation. This policy will be reviewed every two years by the Board of Trustees to ensure that it continues to meet the needs BLCF and of the communities in Bedfordshire and Luton as well as any changes in regulation or legislation.

9.2 For further information please contact:

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