

# GRANT MAKING POLICY



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The aim of the policy and procedures is to provide guidelines for the Town Council when it considers and decides whether or not to fund requests for grants and donations.

## 1. INTRODUCTION

Faversham Town Council annually sets a grant aid budget in order to provide financial assistance to a range of organisations, projects and activities which provide services for local residents. Requests are received from voluntary and community organisations. Applicants for funding must meet the main eligibility criteria set out below in order to be considered for grant aid. It is at the discretion of the Town Council as to what extent such requests must meet the supplementary criteria also set out in this document.

The grant aid budget is discretionary funding and as such is separate from any other services which the Town Council may fund under contract to fulfil statutory obligations or the delegated works of its Committees.

In the event of the Town Council receiving more requests for funding, in any one financial year than there are budgeted resources available, only those to which it assigns the highest priority will receive funding. The Town Council reserves the right to reject applications or fund only part.

## 2. CATEGORIES OF GRANT OR DONATION

Grants or donations may be categorised into five main types or headings, namely those requested by:-

- Locally based organisations and charities, which in turn subdivide into:-
  - i) Those based in Faversham Town;
  - ii) Those based in the immediate locality but outside Faversham Town;
- National charities and organisations usually with a substantial link to Faversham or its residents.
- Local good causes that have a significant benefit to the town or its residents.
- In exceptional cases a grant to an individual or individuals to take forward a local project.
- Discretionary donations of small amounts can also be made

### 3. POLICY FOR CONSIDERING APPLICATIONS FOR GRANTS AND DONATIONS

Before considering whether to make grants and donations to any organisation or project, the policy requires three main checks to be made against the following criteria:-

- The organisation/project is properly constituted, structured and administered in relation to its financial management and controls. Evidence needs to be sought that appropriate management mechanisms are in place and that accountability is provided through formally elected or delegated members/managers/trustees. This will require the production of the most recent set of audited accounts or annual income and expenditure information.
- The organisation or project needs to show evidence of efforts made to raise their own funding requirements.
- It is important that the Town Council knows whether other bodies are being asked to award or have already approved awards. The fact that other granting bodies have been asked for, or have made grants/donations, to an organisation or project, does not exclude Faversham Town Council from awarding. Each case should be determined on its own particular merits, after appraisal of the information provided.
- The Town Council reserves its right to withhold repeat applications in year or over a number of years on the basis of equity.

In addition to policy criteria, the Town Council may wish to seek evidence against all or some of the following supplementary criteria:-

- there is clear evidence of local need or demand for the proposed project/activity
- the grant will help provide a facility or service that will be of real and direct benefit to local residents
- local residents will lose, or have significantly diminished, a service if a grant is not awarded
- the applicant does not clearly fall within the remit of some other statutory agency, e.g. hospital, school, parish council.
- the applicant is not seeking funding for significant capital e.g. buildings or major equipment.
- the project/activity has a starting date within nine months of the date of request for grant aid
- the project/activity is properly thought through, is viable, of good quality and will ensure proper use of public funds, providing value for money.

- the organisation/project can demonstrate that it has the experience and competence to undertake what is proposed.
- the project/activity has defined aims, beneficiaries and outcomes.
- mechanisms are in place for monitoring and evaluation of the project/activity
- the organisation/project demonstrates clear knowledge and commitment to equal opportunities, child and adult protection policies (where appropriate) and Health & Safety

#### 4. APPRAISAL PROCESS

Having complied with policies and such assessment against the supplementary criteria as is deemed appropriate, the Town Council will undertake decision making by

- Not to make grants and donations to organisations that make, or attempt to make, profit for the benefit of members or owners over and above revenue expenditure, e.g. running costs, staff costs, premises maintenance and general overheads.
- So far as organisations and charities are concerned, only to make grants and donations to those which are in main governed by trustees.
- Not to make grants and donations to national organisations /charities, unless the request comes from a local branch. In this case there should be clear evidence of the grant being used by that local branch and that there accrues a specific and direct benefit to local residents according to need. Examples of local branches of national organisations/charities, which might fall within this definition, are Age UK, Samaritans, and CAB. The definition would not include such national charities as, for example, Cancer Research, British Heart Foundation where benefit is population based.
- To focus the bulk of the grant/donation expenditure, primarily, upon organisations/projects located within Faversham Town boundary, and recognised as being Faversham-based and predominately serving the local community of Faversham.
- Not to make grants/donations to locally based organisational/charities in the immediate vicinity of Faversham, but outside Faversham Town, unless they meet the criteria for locally based branches of national organisations/charities or have a well defined link and benefit to Faversham residents.

All requests for grant aid are to be received in writing with completed application form to the Town Clerk. Such requests need to address all relevant criteria of this policy. The Clerk will promptly pass such requests to the Town Council or committee to assess the request against the criteria, then with a resolution to the whole Council. The resolution will be debated and voted upon in accordance with standing orders.

## 5. BUDGET FOR GRANTS

The Town Council will agree each year an appropriate annual budget for expenditure on grants/donations. Not all of this must be spent in the year, nor the full amount of application be granted to each organisation. Grants can be made of variable amounts from £50 to £5000. The higher the amount granted the more likely for match funding to be required.

## 6. CLAWBACK/SUSPENSION OF GRANTS

The Town Council reserves the right to claw back a grant awarded, or suspend a grant in the process of being awarded. Such circumstances would arise, for example, where a grant had been used for purposes other than those for which it was awarded.

Should the Town Council become aware of any financial mismanagement, or have other serious concerns regarding the management or running of an organisation/project by the recipient of a grant, or any of the resultant services or activities, it reserves the right to suspend grant aid payments, or in extreme circumstances demand clawback. In such circumstances, the Town Council will, in the first instance, seek explanation and offer to assist in the resolution of such problems/difficulties via its officers.

Any grant is for use in the financial year in which it is awarded. If an organisation has not spent all or any of its grant within the financial year, the balance should be returned to the Town Council. If the money is still required, a new application, or a request for an extension, must be made in good time to the Town Clerk.

## 7. MONITORING AND EVALUATION

The Town Council will request feedback from all organisations showing that they have spent the grant according to the grant terms and conditions. Such information will assist other applicants in the overall management and development of activities/projects. It is for the organisation receiving the grant to ensure the appropriate level of monitoring. Organisations/Representatives will be invited to attend the Annual Town Meeting to present feedback on their activities/projects.