



# Parish of Dittisham Charity

## Grant making policy

# Grant Making Policy for Parish of Dittisham Charity

## 1. Charitable purpose and objective:

The object of the charity is to provide or maintain any public amenities or facilities that are charitable in law for the benefit of the inhabitants of the parish of Dittisham.

- 1.1. The trustees apply the funds of Parish of Dittisham Charity at their discretion and in accordance with the charitable purposes and
- 1.2. **Projects must benefit the community as a whole, or at least a sizeable proportion of the community, and not individuals.**
- 1.3. Projects must benefit **residents of the parish of Dittisham.**

## 2. Priorities for support

2.1. **Projects which support the health of the community, improve the environment, and benefit the greatest number of members will be prioritised.**

2.2. The priorities for support will be reviewed by the trustees at each agm, or at any meeting of the trustees where a quorum is present. They may be changed depending upon circumstances and the perceived effectiveness of the application of funds. Any change to these priorities must still fulfil the charitable purpose and objectives of the charity.

## 3. Principles applied in determining support

In awarding grants, the trustees will apply the following principles;

3.1. The trustees will consider any requests or known situations that are eligible for consideration **from any geographical area within the Parish of Dittisham.**

3.2. Each request or situation will be considered on its own merits. Where situations have been previously considered (whether successful or not) any due diligence undertaken to reach an earlier decision will be made available to the trustees.

3.3. **The trustees will carry out sufficient due diligence to ensure that the request or situation meets both the charitable purposes, and the priorities for support set out in this policy.**

3.4. The trustees are content to work in partnership with other grant making bodies where funding of an entire project is beyond the scope of any single organisation.

## 4. Applicant and partner due diligence

4.1. The trustees will carry out sufficient due diligence on any potential beneficiary to ensure:

- The identity of the beneficiary;
- That funds are applied in accordance with the charity's charitable purpose;
- That funds are not knowingly used for:
  - Money laundering in accordance with the operative Money Laundering regulations;
  - Terrorist financing in accordance with the Terrorist Act 2000;
  - Bribery in accordance with the 2010 Bribery Act.

4.2. In cases where the charity is not the only supporter of the work or project, and to protect its reputation, the trustees may choose to extend any due diligence beyond the proposed beneficiary and to include other partner supporting organisations.

4.3. **Trustees can't and are not expected to carry out full due diligence on each and every grant that they seek to provide. This would simply not be workable and neither is it desirable.** Taking a risk rated approach (i.e. understanding each of the risk factors and using those factors to determine the appropriate level of work to undertake) is a recognised and acceptable approach to take.

Each risk factor is important in its own right, and the amount of time and effort spent on due diligence should reflect the risk associated with each project, situation, or work programme. **Risk factors to consider include:**

- How well do you know your donors?
- How well do you know your proposed beneficiaries?
- What governance structures are in place?
- What financial controls are in place?
- How big is the size of the grant?

4.4. Although perhaps not the most important factor, the size of any proposed grant will undoubtedly play a part in deciding the amount of due diligence that should be undertaken.

Where the overall risk is assessed as low, due diligence can be quite minimal. It might extend to paper checks on the identity of the beneficiary, but is more likely to be undertaken in a relational conversation so that the charity can get a general feel and understanding of the need or project that it is supporting.

Where the overall risk is assessed as medium a little more work might be considered to be appropriate. In order to verify the identity of the beneficiary the charity may undertake desk based research. This might include:

- a search on the internet;
- the review of official papers and other documents;
- a telephone call conversation with the beneficiary.

Full due diligence may include a written application from the proposed beneficiary, possibly including independent references. It will certainly include:

- a degree of desk based research with the aim of understanding the work;
- ascertaining the true identity of the beneficiary;
- gauging the level of management and controls that are in place.

In the most extreme cases it might also involve a visit to the project so that an assessment can be undertaken "on the ground".

Due diligence is a judgement call for the trustees and should not simply become an excuse for not supporting certain needs, requests or situations. It should be proportionate and provide the trustees with a level of comfort that removes any nagging uncertainty that funds may be misappropriated or applied for purposes other than those intended.

4.5. Where the proposed beneficiary is well known to the trustees and the relationship has been long standing and well established, the amount of due diligence undertaken is likely to be reduced.

4.6. The results of any due diligence will not last indefinitely. In cases where beneficiaries are supported for a significant period of time, additional due diligence may be undertaken on a change of circumstances that might impact the beneficiary.

## 5. Administration

5.2. For larger grants, trustees should be confident:

- Of the purpose of the proposed grant including an understanding of the work and the way in which the grant will be managed and applied;
- Of the person(s) responsible for the management of the grant and for overseeing the work;
- That all local applicable laws and working practices associated with the work are fully and properly applied;
- That suitable safeguarding policies are in place in cases where the applicant works with children or vulnerable adults.

5.3. For very large grants, in addition to the requirements set out in 5.2, trustees would expect a written report (on request) setting out the progress and achievements for the period covered and detailing any forthcoming changes to either the nature or the location of ongoing work.

5.4. With the agreement of the charity and the beneficiary, grants will be provided by means of an electronic banking transfer or a cheque. The charity's normal payment authorisation process will be applied to any payments.

5.5. Where the grant is for a specified project or purpose, and in situations where that purpose does not proceed or where any grant or part thereof remains unused, unused funds must be returned.

5.6. Where formal written applications have been received, or other records maintained, these will be stored and subsequently disposed of in accordance with the charity's policy on data protection and prevailing Data Protection legislation.

## 6. Decision making

6.1. The decision of the trustees on whether to award a grant is final.

6.2. The trustees are not obliged to provide an explanation to applicants in the event that their application is not successful.