

Grant making policy

Help Impact (“the Charity”)

1. Purpose

- 1.1 The purpose of this policy is to detail the principles and processes that govern how the Charity makes grants.
- 1.2 A grant is defined as a financial award given to support the Charity’s charitable activities as per its purposes specified in its constitution. The Charity awards grants to charities, other organisations and individuals in the UK, Russia and worldwide as the trustees of the Charity deem to be appropriate.

2. Grant making principles

- 2.1 The Charity trustees must use the charity's funds to make grants only in advancement of the charity's objects. They avoid activities that might place the funds, assets or reputation at undue risk.
- 2.2 In order to decide whether to award a grant, trustees must meet their legal duty to protect charity assets with the necessary care and properly assess risk, i.e. trustees must carry out appropriate due diligence on organisations and individuals that the Charity gives grants to and/or works with closely.
- 2.3 Trustees must ensure that funds are properly protected, i.e. they should undertake the necessary care to ensure that they properly and appropriately monitor the use of the charity's funds, checking that funds:
 - reach their destination, and
 - are used for the purposes intended.
- 2.4 The Charity must keep proper and adequate financial records detailing the use of funds and audit trails of decisions. The Charity must keep sufficient records of both domestic and international transactions specifying that funds have been spent properly as intended and in a manner consistent with the purpose and objectives.
- 2.5 Trustees have the right to apply conditions to any grant in line with charitable purposes and with any restrictions which may be potentially agreed with donors and/or funding partners.
- 2.6 This is a general policy of the Charity not to provide payments in cash except special cases where a formal banking system cannot be used and trustees deem a cash payment to be appropriate after performing a risk assessment.

3. Grant making processes

- 3.1 The Charity applies the following steps to decide whether a grant shall be awarded:
 - Knowing a grant recipient
 - Knowing a project

- Assessing potential risks (risk management)
- Monitoring.

The paragraphs below provide more details on the steps above.

3.2 Knowing a grant recipient

Trustees should ensure that they have an understanding about who the grant recipients are. The following information needs to be received and analysed:

- Grant recipient's status and governance
- Management, operational structure and ability to deliver required services
- Values, potential communication and cultural issues
- Financial controls and records
- External risk factors
- Grant recipient's policies if applicable.

3.3 Knowing a project

Trustees should ensure that the following information is received and analysed:

- Project outline
- Necessary skills
- Estimated overall cost
- Estimated time scale.

3.4 The Charity trustees should use the "Know your partner" checklist provided by Charity Commission. The checklist is detailed in Appendix 1.

3.5 Assessing potential risks

The Charity trustees should use the risk assessment checklist provided by Charity Commission to assess potential risks of a project. The checklist is detailed in Appendix 2.

In addition to the Charity Commission's risk assessment checklist, trustees should ensure that:

- Any new risks arising during the process of a project implementation are properly reported and evaluated.
- In case there are any significant failures of control systems, they are properly reported and actioned.
- There is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems.
- Any further actions required are identified.
- Trustees are provided with relevant and timely reports in relation to the project implementation.

3.6 Monitoring

Trustees should verify the proper end use of the awarded grant and effective delivery of promises made by the recipient. This includes ensuring that:

- There is an audit trail showing the expenditure of funds by the charity, checking the funds were received and, if the funds are forwarded by the grant recipient there is an audit trail to show this
- The grant recipient delivered the project as agreed
- All the provided funds were used for intended purposes
- Any potential concerns are identified and dealt with
- Continuous monitoring of a grant recipient is performed to ensure that both the grant recipient and the project continue to be in line with charitable purposes and is delivered as agreed. This includes but is not limited to performing review of a project's milestones, quality of activities and/or services and receiving photos and/or other proofs of deliverables.

Grant monitoring report provided by Charity Commission should be used for monitoring purposes. The checklist is detailed in Appendix 3.

Appendix 1 – Charity Commission’s “Know your partner” checklist

1. Basic information

- Name of partner
- Working name (if applicable)
- Principal address
- Website
- Main contact name
- Telephone and email
- Trustees names and addresses
- Senior management staff name and position

2. Legal status and formation of partner organisation

- Legal status
- Type of governing document (attach copy)
- Date established
- Country
- Charity registration (if applicable)
- Relevant policy documents (attach)
- Working language(s)
- Brief description of partner’s objects and activities
- Bank details
 - Name of bank
 - Sorting code
 - Account number
- Partnerships with other organisations (if any)

3. Proposed partnership work

- Outline of project
- Technical and other skills necessary
- Estimated overall cost
- Estimated time scale
- External and other risk identified

4. Assurance

- Summary of other due diligence checks carried out
- Confirmed partner is complying with other regulatory requirements, where applicable (eg – accounts lodged on time; registration with relevant regulatory bodies)
- Partners accounts examined (for several years if applicable)
- Proscribed organisation & designated entity checks made (date, outcome to attach)
- Partnership agreement signed (attach)
 - Date signed

- Position of partner signatory
- References taken up (attach)
- Other open source checks
- Overall conclusion as to suitability, including assessment of capacity to deliver project
- Board approval given
- Signature and date

Appendix 2 – Charity Commission’s risk assessment checklist

1. The activity/project

- Is the activity clearly within the charity’s objects?
- Are proper policies and procedures in place to prevent beneficiaries being put at risk?
- Are partners/staff/volunteers sufficiently trained to be able to carry out the work?
- What lessons has the charity learnt from its own previous experience, or that of other organisations working in the same area and/or type of activity?

2. Legal

- Are there any specific laws and requirements to be aware of in carrying out the activity?
- Are there any UK and/or local sanctions in force?

3. Finance

- What is the charity’s financial position and is there enough money available to support the proposed activity?
- Will there be an impact on tax (for example, VAT implications)?
- How will the money get to the project site? Will it go through bank accounts direct to the recipient?
- Will Money Service Businesses be used?
- Will cash couriers be required?

4. Partners

- Are partners being used? What risks does this pose?
- Have these partners been used before?
- Will a written agreement be in place?
- What are the risks of the partner not delivering?
- Can money be recovered if necessary? What problems might there be?

5. External Factors

- What factors are outside the trustees’ direct control?
- Charities working internationally should ensure their risk assessment takes account of any relevant circumstances arising in their particular country or region of operation. Specific risks could arise from working in an area where there may be:
 - internal conflict or other violent or military action
 - known terrorist or criminal activity
 - poor infrastructure in remote or sparsely populated areas
 - changes in government/political environment
 - lack of banking facilities
 - high levels of bribery and corruption.

Appendix 3 – Charity Commission’s grant monitoring report – declaration by partner organisations

1. Basic information

- Partner name
- Address
- Principal contact (name, telephone, email)
- Project for which grant being made
- Project duration
 - Start date
 - Estimated completion date
- Reporting period
- Date report due and date submitted
- Report type (monthly/ quarterly/ six-monthly/final)
- Amount of grant (also state local currency if applicable)
- Whether single grant or stage payment
- Period for which the grant is being made
- Total amount of grants to date (including this one)
- Date next funding request expected

2. Project objectives and milestones

- Summarise planned key stages and milestones
- If project has already received funding, state whether progress to date is within plan
- State reasons for any significant variation from plan, and action required
- Narrative report submitted (Yes/No – attach other evidence)
- Summary of achievements and key developments
- Any delays in project implementation. If so, explain reasons
- Summary of main risks, challenges or significant problems
- Significant changes to project plans and/or activities

3. Financial reporting

- Budget utilisation report (Yes/No)
- Confirm information/documentation received (invoices/bills, bank statements, management accounts, audit reports, other)
- Budget monitoring report (Yes/No)
- Date and amount of last funds received)
- Amount requested for next funding period
- Summary of overall budget and expenditure year to date, including variance
 - Overall budget
 - Spent YTD
 - Variance (amount, %)
 - Summary of action required to correct variances)
- Specify any funding received

- Specify any new funding received (source, amount, purpose, duration)
- Specify any key changes in personnel
- Summary of arrangements for periodic financial reports to be made.

4. Beneficiaries/impact

- Details of charitable services provided by project, including number and distribution of beneficiaries (if applicable)
- Any proposed changes to agreed selection criteria
- Any proposed changes to agreed identified beneficiaries
- Do beneficiaries know their entitlements?
- Have reports been given to beneficiaries and other stakeholders?
- Feedback received (government agencies, NGOs, beneficiaries, other).

Declaration

The information provided on this form, and the attached supporting documents, are a true and accurate.

Signed

Date

Position