

## P09 - Grant Making Policy

### Introduction

Quartet Community Foundation (Quartet) 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, and the conservation of the environment for the benefit of the public.
- 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 Quartet is broad based and cover many types of charitable activity. Quartet 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 Quartet manages;
- The principles underlying Quartet's Grant making decisions;
- The principles governing assessment and award of grants; and
- How successful Grants are monitored.

### Glossary of Terms

<b>Applicant</b>	A person or organisation applying for a Grant.
<b>Area of Benefit</b>	The geographical area within which Quartet targets most of its grant making activity. The Area of Benefit comprises the four unitary areas of Bristol, Bath & North East Somerset, North Somerset and South Gloucestershire.
<b>Catalyst Grants</b>	Catalyst Grants are used to facilitate grant making by fund holders with an interest in supporting specific organizations or issues. As the availability, amount and criteria for Catalyst Grants are determined by individual fund holders, organizations are able to apply for a grant only if they have been invited to do so by Quartet staff. Catalyst Grants are also used to facilitate Grant making by Fund holders who do not wish to be constrained by the financial limits of the Express Programme.

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<b>Contracted Programme</b>	A Grant Programme run by Quartet 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.
<b>Discretionary Fund</b>	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 Quartet.
<b>Donor Advised Grant</b>	Donor Advised Grants cover situations where a proposed grant has been initiated by the donor, but it is agreed that Quartet will undertake “light touch” due diligence on the donor’s behalf. The final decision on the distribution of Donor Advised Grants are always subject to the discretion of the Trustees.
<b>Donor Directed Fund</b>	A Fund which Quartet has agreed to distribute strictly as directed by the Fund holder. Quartet 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.
<b>Endowment Fund</b>	A Fund permanently endowed to Quartet, the capital sum of which is invested on behalf of Quartet by an investment broker, to earn investment income which is then distributed by Quartet.
<b>Express Programme</b>	The Grant Programme used by Quartet to process applications for Grants not exceeding the sum of £5,000. Grants under the Express Programme are funded from Discretionary, Field of Interest, Donor Advised and Growing to Named Funds and from cash donations.
<b>Field of Interest Fund</b>	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.
<b>Fund</b>	A distinctly identifiable sum of money either permanently endowed to, or managed by Quartet, the capital and/or investment income of which is made available for distribution by Quartet as charitable Grants. A Fund is either an Endowment Fund or a Revenue Fund.
<b>Fund holder</b>	A person, family, company, charitable trust or any other body that has set up a Fund with Quartet.
<b>Grant</b>	An award of money made by Quartet from one of its Funds, to be used for charitable purposes.
<b>Grant Panel</b>	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 Quartet identified as having knowledge relevant to the particular Contracted Programme, and a Trustee.

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<b>Grant Programme</b>	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 Quartet in Grant award and monitoring.
<b>Growing to Named Fund</b>	An Endowment or Revenue Fund whose value is below the relevant threshold for designation as a Named Fund.
<b>Named Fund</b>	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 Quartet 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.
<b>Quartet</b>	Quartet Community Foundation.
<b>Revenue Fund</b>	A flow through fund generally intended to be distributed in its entirety in the financial year in which the donation is made to Quartet.
<b>Trustees</b>	The Trustees of Quartet.

## 1. Types of Fund

### 1.1 Endowment Funds

Quartet 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 Quartet. 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 Quartet whereby the Fund holder agrees to contribute a regular amount of cash funding annually to be used as agreed between Quartet and the Fund holder.

### 1.3 Contracted Funds

A Contracted Fund is a type of Revenue Fund, set up for the specific purposes of enabling Quartet to run a Grant Programme on behalf of a corporate, statutory or charitable body. The Grant Programme will be subject to an agreement between

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Quartet 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

Quartet 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 Express Programme

2.1.1 Currently under the Express Programme applications are invited for the award of a Grant of up to £5,000. The purpose of the Express Programme is to allow Quartet to respond effectively to a range of priority community needs and to focus its Grant making where a small amount of money can make a significant difference.

### 2.2 Contracted Programmes

Some Grant Programmes (called Contracted Programmes) are tailored to individual Funds and Quartet will invite Grant applications, process these applications and award Grants in accordance with the criteria of the Programmes which will have been agreed with the relevant Fund holder.

### 2.3 Catalyst Grants

These grants are made from individual funds where Quartet brokers a relationship between specific organisations or issues and particular fund holders with an interest in supporting them. The size of individual grants made in this way are limited only by the funding available from specific fund holders. Quartet would normally solicit bespoke applications from identified organisations and for agreed amounts which are then assessed as per Section 5.

### 2.4 Other Programmes

From time to time Quartet runs other grant programmes for specific purposes with particular criteria. These are usually time-limited and are publicised through the website and other media. Prospective applicant organisations are encouraged to be alert to these opportunities.

## 3. Grant Making Principles

3.1 Quartet 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 Quartet. 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 Quartet to distribute Fund monies in accordance with the guiding charitable aims of Quartet. With the exception of Grants from Donor Directed Funds, distributions are subject to the final discretion of the Trustees of Quartet.

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- 3.2 Quartet may make grants to individuals, registered charities and organisations that can demonstrate they have charitable purposes. Grants are primarily made within Quartet’s geographic Area of Benefit (Bath & North east Somerset, Bristol, North Somerset, South Gloucestershire). However, Quartet may 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 Quartet’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, additional, or different Grant making principles may be applicable, or exceptions made from Quartet’s usual Grant making criteria.
- 3.4 Generally, when Quartet makes Grants to registered charities or organisations with charitable purposes, the charity or organisation must have:
- a management committee, board of Trustees or board of Directors with at least 3 unrelated people as members;
  - a written constitution or set of rules that sets out their purpose and how this will be managed;
  - a bank account in the name of the charity or organisation with at least two signatories to authorise cheques. Cheque signatories should be senior staff or members of the management committee of the charity or organisation.
- 3.5 The recipient organisation does not have to be a registered charity but must have charitable aims together with the following:
- A management committee/board of trustees/board of directors with at least 3 unrelated people as members. Companies must have 3 directors registered with Companies House.
  - A written constitution/set of rules that sets out the purpose of the organisation and how it is managed.
  - Up to date annual accounts or financial records that show the organisation’s balance of funds, income and expenditure.
  - A bank account in the name of the organisation with at least two unrelated signatories. Alternatively, if the applicant organisation is small, and does not have a bank account, another charitable organisation could look after the funds, but the applicant organisation must provide written authorisation from the organisation that will hold the funds.
- 3.6 Organisations set up as Community Interest Companies (CIC) and Companies Limited by Guarantee will be supported where:
- their work has a demonstrable social benefit
  - the organisation has a minimum of three directors, the majority of whom are not paid employees
  - the salaries and benefits of any paid directors must be approved by a majority of non-executive directors and must be reasonable and proportionate to the work they do and the financial position of the organisation
  - CICs must have an asset lock body with objectives which are both charitable and similar to the CIC

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- Companies Limited by Guarantee must also be a registered charity
- CICs are limited by guarantee, rather than limited by shares.

Some discretion will be exercised for newly established organisations. Quartet will consider supporting that start-up or expansion of their charitable work, or the delivery of specific charitable activities. Quartet will not normally support CICs with the costs of continuing their services after five years of operation, which should be financed by the sale of goods and services in line with the governance model they have chosen.

3.7 The majority of our grant programmes award grants only to organisations. In exceptional circumstances, and through Contracted or Donor Directed Programmes only, Grants may be made to individuals through particular Funds. The Fund holder and Quartet will agree the checks required to ensure that monies are distributed safely and accountably. This will be detailed in the fund agreement between Quartet and the Fund holder.

3.8 Grants will not normally be made to the following types of organisation or for the funding of the following types of activity:

- Animal welfare
- Arts projects with no community or charitable element
- Direct replacement of statutory funding
- Medical research
- Political groups or activities promoting political beliefs
- Promotion of any Religion
- Sports projects with no community or charitable element
- General appeals

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

3.9 Full cost recovery means securing funding for all the costs involved in running a project/activity including an apportionment of core management costs or overheads. Quartet Community Foundation supports the principle of full cost recovery in relation to projects. Where appropriate applicants can include such costs in their application proportionate to the activity being undertaken.

3.11 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 be able to include an element of full cost recovery.

#### 4 Diversity and Equality

Quartet recognises that everyone has a unique contribution to make to the life of our communities and is committed to providing equality of opportunity. Quartet welcomes the involvement of all people and aims to treat everyone with equal respect.

Quartet is keen to uphold the principles of equal opportunities in all grant making activities – publicity, application, assessment and decision making. Quartet considers

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all requests fairly against the criteria for relevant funding schemes. Priorities within discretionary grant programmes take account of the needs to recognise diversity. Quartet tries its best to meet the needs of smaller community organisations and aims to reach people who are most disadvantaged or isolated, helping them to take advantage of opportunities that would not otherwise be available to them.

Quartet undertakes to ensure that:

- Eligible groups are fully aware of our grants programme, by widening public knowledge of the organisation
- Guidelines and application forms are written in plain English and are jargon free
- Grant assessment is consistent between staff members and assessment is carried out in accordance with the published grant making guidelines, taking into account any fund holder requests and amount of funding available
- Training is offered to staff, trustees, committee members and all volunteers so that they are aware of disability and cultural issues that may affect an application
- The application and decision-making process is transparent
- Grant recipients uphold equality opportunity principles and implement them in their activities

## 5 Assessment of Grant Applications

### 5.1 Introduction

The following paragraphs set out the general principles behind the Grant assessment practice of Quartet. It is intended as an overview of how these processes work and how Quartet can assist applicants through the process. These paragraphs are an overview of processes as applied to the Express Programme and Catalyst Grants. Different, or additional criteria may apply to applications for Grants from Contracted Programmes.

### 5.2 Pre-application advice

Organisations should read the 'Before Applying (essential information)' section on the Quartet Community Foundation website before submitting an application. Organisations are also encouraged to contact the Community Foundation to discuss their proposed application/activity if they are in anyway unsure about the application process or which grant programme they should apply to. Community Foundation staff can give general guidance on the eligibility of a project/activity for a particular Grant Programme.

### 5.3 Assessment

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5.3.1 On receipt of an application, Quartet will make basic checks for eligibility, including the fit of the charitable project with the criteria for the Grant Programme, and the proper constitution of the organisation which is applying for a Grant.

5.3.2 When assessing an application, the Quartet Community Foundation will consider such matters as:

- The management of the applicant organisation
- Whether the proposed activity fits the criteria for the specific grant programme
- Whether the application evidences a clear need to be addressed
- Whether the activity fits well with exiting services/activities in the community and is not duplicating existing services/activities
- Whether the activity appears achievable
- Whether the activity is value for money, and appropriately costed
- The financial position and sustainability of the applicant organisation

This is not an exhaustive list as other matters may be considered depending on the grant programme.

5.3.3 We will consider an applicant organisation's financial reserves when considering the health and sustainability of the applicant organisation. We would recommend that an applicant organisation holds enough reserves to cover a minimum of 3 months of the organisation's annual expenditure. If for any reason an applicant organisation has less than 3 months in financial reserves, they will need to make it clear in the application why the organisation's reserves are at this level. If the organisation has a reserves policy, then we will consider how the organisation is performing against this policy.

5.3.4 If your organisation is holding significant financial reserves you will need to make it clear in the application why the reserves cannot be used to cover the cost of your activity.

5.3.5 For the majority of our grant programmes applicant organisations must provide a referee. Referees should know the work of the applicant organisation in a professional capacity but not be directly involved.

#### 5.4 **Policies for the Protection of Children, Young People and & Vulnerable Adults**

All projects working with children and young people under 18 years of age or vulnerable adults (aged 18 and over) will be required to have a safeguarding policy.

#### 5.5 **Diversity and Equality Policies**

Quartet 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 Quartet for Grant aid. Quartet will expect grant recipients to uphold equality principles and implement them in their activities and may require evidence that the applicant operates in a way that addresses appropriately equality and diversity issues.

#### 5.6 **Health and Safety**

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With regard to health and safety issues, Quartet will assess each application for a Grant in a manner appropriate to the size and scale of the 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 Quartet 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 Quartet, 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 Quartet will only consider applications for Grant aid for school-based activities which are above and beyond the scope of statutory provision. Quartet 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.

## 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 Quartet 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 who have been awarded a Grant under the Express Programme may apply for Grants from that Programme for up to three years in succession. Quartet will generally not fund a fourth application under the Express Programme without applicants having sought alternative funding elsewhere for at least one intervening year. Other Grant Programmes managed by Quartet may have particular rules governing the availability of Grants to fund activities over successive years and these rules will be set out in the guidelines for the grant programme.
- 8.3 When considering an application for repeat funding, Quartet will take into account evidence from previous monitoring reports as to the impact of Grants already made and will also look for evidence of sustainability and the 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. The Trustees remain accountable to Fund holders for ensuring that Grants are used for charitable purposes, and that in making any Grant,

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Quartet has complied with the terms of any contract between Quartet and a Fund holder in respect of that Grant.

## 10 Complaints

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

## 11. Monitoring Grants

- 11.1 Monitoring reports will be required from grant recipients to confirm that the grant they received has been used appropriately and to assess the impact of the activity on the identified need. 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. We may also arrange to visit the grant recipient as part of the monitoring process.
- 11.2 No further grants will be awarded to an organisation until all outstanding monitoring reports that are due are satisfactorily completed and returned to Quartet Community Foundation.
- 11.3 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 Quartet's Grant Programmes.
- 11.4 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 Quartet. These checks may involve a visit to an organisation or project.
- 11.5 Quartet 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 Quartet will expect the surplus to be returned.

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## 12. Suspected Fraud

- 12.1 Quartet takes fraud very seriously and are committed to ensuring that the appropriate guidance and information is available to all grant assessors to mitigate the risk of fraud at every opportunity. Fraud can take place in all stages of grant funding i.e. application stage, grant awards and within the monitoring and evaluation. Quartet has a range of measures in place to safeguard against fraud.
- 12.2 We greatly value the importance of developing effective relationships with individual funded organisations and with the voluntary sector. By developing stronger, clearer relationships and by building trust with funded organisations, we can help to prevent any misunderstandings, remain a flexible and accessible funder for local organisations and continually strengthen the Foundation's knowledge.

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