



## **GRANTMAKING POLICY**

**2017 - 2021**

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## **1. EXECUTIVE SUMMARY**

The purpose of the Grantmaking Policy is to outline the principles and definitions used by Essex Community Foundation within its grantmaking, and to articulate to potential and current applicants, and donors the expectations and parameters of the Foundation's grantmaking.

Separate documents set out the procedures by which we make and monitor grants.

### **Vision**

A strong generous community – an Essex where people work together to enhance the quality of local life.

### **Mission**

To inspire philanthropy and charitable giving – matching people, ideas, resources and needs to make a lasting difference.

### **Values**

We are **accountable** to our community and to our donors and funders, by being transparent in all our communications and activities.

We remain committed to being an organisation which is **approachable** by donors, grant recipients and strategic partners alike.

We encourage and support **innovation**, recognising that needs are best tackled through the independent and creative determination of people.

We act with **integrity** and **professionalism** at all times.

## **2. INTRODUCTION**

### **a. Background**

Essex Community Foundation (the Foundation) was established in 1996 as an independent charitable trust<sup>1</sup>. The aim of the Foundation is to improve the quality of life of people in our community by managing charitable funds and distributing grants on behalf of individuals, families, companies, trusts and public agencies (referred to as funds, fundholders, donors as appropriate, for the purpose of this document).

The Foundation offers a professional flexible service to assist in effective giving. In the first 20 years of grantmaking, the Foundation distributed grants totalling more than £28 million ranging in size from £100 to over £200,000, with the average grant approximately £4,000. Grants are awarded to support a wide range of charitable activity that improves the quality of life for local people.

The Foundation encourages applications from community and voluntary organisations that are seeking funding for charitable purposes for the benefit of communities in Essex, Southend and Thurrock.<sup>2</sup>

This document relates to grantmaking activity within the Foundation and sets out relevant policy. Separate documents set out the Foundation's Fund Development, Communications, Governance and Strategic Business Plan. The Foundation's committee structure ensures appropriate delivery against these plans. All committees support delivery of the objectives set out in the Foundation's Strategic Business Plan.

#### **Definitions:**

Definitions are detailed in Appendix B.

*The term Donor will be used throughout this document and refers to both Fundholders and donors.*

### **b. The Needs of the People of Essex**

There are a number of factors which impact upon the health, wellbeing, achievement and sense of belonging within the communities which make up Essex. Parts of the County have high levels of poor-health, low levels of educational attainment, high levels of crime (or fear of crime) or unemployment. In many districts, deprivation exists alongside areas of relative affluence.

In 2013 ECF published its first 'Vital Signs' report, which is an annual initiative bringing together existing statistical data with community opinion to give a 360 degree view of life in Essex. Vital Signs reports across 12 common themes including rural issues, transport, health and wellbeing and learning, presenting the information in a coherent easy to read format. The initiative originated in Canada and ECF is one of the first UK community foundations to publish a report. As a community philanthropy tool 'Vital Signs' helps to ensure the

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<sup>1</sup> Registered Charity number: 1052061

<sup>2</sup> It should be noted that the Foundation does have the power to distribute designated funds outside of Essex at the specific request of a fundholder donor.

Foundation's resources are used to address an identified need, wherever possible. It will also inform discussions with existing and potential donors and applicants for grants. The Foundation will seek to raise awareness of the needs of the County, and the way in which the resources available to it can be utilised to best effect.

### **3. AIM OF THE GRANTMAKING POLICY**

The aim of this policy is to ensure the Foundations grantmaking follows an appropriate format consistently. In awarding grants the Foundation will be fair, professional, effective, efficient and pro-active. Compliance with this policy will demonstrate a robust, transparent and accessible approach that will attract applications from the wide range of Voluntary and Community Organisations (VCOs) active throughout Essex.

The Policy is designed to facilitate donors wishes whilst recognising its key role of managing funds on behalf of fundholders. It is imperative that the Foundation remains flexible, while operating to a high standard of grantmaking.

#### **a. Quality Accreditation**

Our Quality Accreditation programme is run by our membership organisation, UK Community Foundation. The programme is based on a set of seven key standards developed by members. The programme has been formally endorsed by the Charity Commission for England and Wales since 2006.

Essex Community Foundation has successfully achieved all seven key standards demonstrating our adherence to Governance, Finance, Donor Services and Development, Grantmaking, Community Engagement and Communications. The Foundation has, where necessary, developed relevant policy documents and statements including those in relation to its grantmaking. All of the Foundation's policies underpin our Quality Accreditation and are relevant to, and observed, in the day to day delivery of grantmaking.

#### **b. Grantmaking Principles**

The key principle of the Foundation is to ensure grant funding remains available to voluntary and community groups working to support local people. The Foundation's grant funding is used to support organisations to develop new services and to continue existing work.

The Foundation takes a strategic approach to its grantmaking. Our grantmaking drives sustainable changes in both our communities and the organisations which work with them. We place emphasis on securing measurable outcomes.

The Foundation will, where appropriate, add value to a financial grant with advice, signposting other support, linking organisations and making relevant connections.

Our grantmaking supports programmes that:

- Are informed by research, information and consultation. Specifically to individuals, families, groups and communities in Essex, and the capacity of the voluntary and community sector to impact positively on their health, safety and wellbeing.
- Respond to need across the county.
- Promote fairness and equality.
- Prioritise the allocation of resources to achieve maximum impact.
- Reflect the need to develop the capacity of local, community based organisations.
- Enhance community and voluntary activity and encourage best practice.
- Draw on independent advice, wherever this adds value to outcomes.
- Implement, monitor and evaluate to identify achievement, drawing from users of services as well as the recipients of grants themselves.

The majority of The Foundation's grantmaking is delivered through an 'open' application process, that is individual applications are matched with appropriate funds. Where significant community issues are identified, and there is opportunity to connect multiple organisations and funds, the Foundation may develop a programme of work to address the need. A programme will use the Foundation's networks and funds to link organisations to achieve a larger impact than would be possible singularly.

The Foundation has signed up to the Essex Compact codes of practice which set out principles and standards for a good, open, and fair relationship between statutory and voluntary organisations in Essex. The Compact contains commitments for both sectors and aims to provide common standards of good practice that can prevent unnecessary conflict and misunderstanding. In all the Foundation's grantmaking we will aim to complement the principles of the Essex Compact Agreement and codes of practice. The Foundation aims to adhere to the prescribed funding principles within the framework and will provide clear information in regard to timescales, accessibility, transparency, accountability and inclusiveness where practical to do so within any contractual commitments.

### **c. Funding to Organisations - Eligibility and Criteria**

Grants made by the Foundation generally fall under the broad heading of improving social welfare and of particular interest are local voluntary and charity organisations (VCOs) that can demonstrate an enthusiasm and determination to meet immediate and emerging needs and that have captured the imagination and commitment of local communities.

The Foundation encourages applications which:

1. Support either new or existing social and community activity
2. Can provide evidence that funding will make a real difference
3. Encourage community involvement and self-help
4. Are community based organisations

The Foundation primarily manages open grants programmes, i.e. programmes where applicants submit an application form. The Foundation will seek to make grants to a wide number of recipients, supporting 'grass root' delivery of services. The Foundation is also committed to supporting the ongoing needs of some organisations and fundholders where this contributes to their sustainability, or where there are few existing organisations meeting the specific needs of their communities. Where the Foundation's research identifies large

unmet need, new programmes may be developed that seek out applications and award higher value, longer term funding.

All applicants will need to demonstrate their Public Benefit as defined by the Charity Commission. The criteria upon which the Foundation accepts applications are:

1. From VCOs, or other non-profit making organisations, providing that the organisation demonstrates that it exists for the public benefit and/or the purpose for which they are seeking a grant is charitable.
2. For the benefit of people living within the administrative county of Essex, Southend or Thurrock (the Foundation can, at the request of a donor, award funds outside of Essex) and
3. Organisations with a permanent presence in Essex, Southend or Thurrock, (National or regional organisations may apply if they can demonstrate their work will directly benefit local people).

The Foundation greatly values the importance of developing effective relationships with individual funded organisations and with the voluntary sector more generally, and currently works with over 200 people on grant panels to ensure we tap into local knowledge. Grant panels are a vital resource as they enable the Foundation to embed itself within local communities, and provide transparency and accountability to our grantmaking process. Equally, 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 of the growing voluntary and community sector in Essex.

The Foundation will not normally support:

1. Organisations whose work does not support people living within the administrative county of Essex, Southend and Thurrock<sup>3</sup>
2. Organisations that are for the sole relief or benefit of animals or plants
3. General appeals i.e. a request for a general contribution to a larger project where an identifiable aspect has not been defined
4. Political promotion including political party activity
5. The support or promotion of a religious doctrine; mission; proselytise or promotion of the beliefs of a particular faith (beyond basic religious/cultural awareness raising)
6. Statutory agencies and bodies including Parish Councils in the discharge of their statutory obligations
7. Retrospective or deficit funding
8. Organisations or activity that cannot demonstrate Public Benefit as defined by the Charity Commission
9. Funding third party investment funds
10. Funding grantmaking by other organisations

The diversity of funds under the management of the Foundation continues to develop. When a fund is restricted, i.e. to fund projects in a specified geographic area, or for a specific purpose, the Foundation may encourage applications from relevant organisations to meet

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<sup>3</sup> It should be noted that the Foundation does have the power to distribute designated funds outside of Essex at the specific request of a fundholder donor.

the requirements of the fund. The Foundation will use its network of VCOs, local infrastructure groups and/or use its own database to highlight potential applicants.

As part of its professional service to fundholders the Foundation has in place a designated fund policy (Appendix A) that outlines how funds can be awarded to a named charity at the specific request of a fundholder or donor. Any wish on the fundholder's behalf to designate named charities to receive donations will be discussed during the set-up of a fund, this may include organisations being currently supported; a fundholder may also request the Foundation to make a donation to a specific charity.

#### **d. Funding to Social Enterprise and CICs**

The Foundation recognises that a Social Enterprise (SE) and Community Interest Companies (CIC) are increasingly part of the wider Third Sector and as such they are often in a good position to tackle social issues by generating income as part of their normal operation. When a SE or CIC makes a grant application it is important for the applicant to demonstrate a sound business model and/or strong financial track record.

The Foundation will consider more favourably a SE or CIC that has been registered with the appropriate Regulatory Body for twelve months prior to the date of the grant application. The Foundation would normally expect a SE or CIC to have become self-sustaining within four years from incorporation but will consider applications from those that have been established for a longer period than this, providing the application is for capacity building or a new initiative that will develop services for the benefit of the user group.

#### **e. Funding to Schools and Academies**

The Foundation will not directly fund any educational organisation, except in exceptional circumstances e.g. when directed by a fundholder or where there is no independent voluntary support group. In such circumstances the educational organisation would have to demonstrate to the Foundation's satisfaction that funding is intended to promote activity above and beyond the organisation's statutory obligations, and that the activity proposed demonstrates a wider community benefit. Evaluation and monitoring funded activity will be agreed with the Foundation as part of the funding agreement.

The Foundation will consider applications from independent, voluntary groups associated with an educational organisation, such as Parent Teacher Associations or Friends of School, provided the funding requested is not intended to support the educational organisation's statutory obligations and that the activity proposed demonstrates a wider public community benefit.

#### **f. Funding to Individuals**

Although the Foundation generally supports VCOs our Memorandum of Association allows discretion to award grants to individuals.

##### **1) Education and training**

The Foundation's Education Panel is chaired by an ECF Trustee and will agree grants to individuals from discretionary funds for education and training.

The grant will only be made to the educational establishment. Only in exceptional circumstances will a grant be paid directly to an individual.

2) Other applications

The Foundation also manages a number of funds, both donor advised and discretionary, which support individuals to take the next step in their chosen area/discipline e.g. arts, sport or sciences where finance is the barrier to their development, or where the individual has mental health issues.

Agreement of grants to individuals from donor advised funds will be made with the fundholder.

In both the above cases, individual applicants will be required to provide evidence of the likely impact that any award will have on their personal development and/or the organisation or community where they work or volunteer.

The Foundation may choose to award a grant on the condition that the balance has been secured from alternative sources. The grant will only be released once confirmation has been received.

**g. Partnerships**

The Foundation places a great emphasis on partnerships and will work with partners from the statutory and non-statutory sectors. These can range from sharing intelligence about needs, to agreeing common priorities and strategies for commissioning, to aligning or formally pooling resources for investment. Partners can also work together on stimulating the development of new local organisations to deliver services, as well as maintaining and growing the capacity and capability of existing ones.

The Foundation will encourage partners to focus on outcomes wherever possible, rather than inputs and outputs, which we hope will allow recipients of funding to innovate. Where the Foundation acts effectively as an agent (predominantly for central government or European funds), it will ensure that clarity exists about the expected outcomes and the metrics required to demonstrate its effectiveness to the funder.

**h. Charities Act 2011**

In 2011, Parliament repealed the Charities Act 2006, amongst other linked legislation. As the regulator of all charities in England and Wales, it is in the Charity Commission's interests that the approach to public benefit maintains and, if possible, increases the public's trust and confidence in charities.

All applicants to the Foundation must be able to demonstrate their public benefit in order to be considered for funding. This means the aims of the organisation or the activities that require funding must fall within, or are analogous to, the 13 descriptions of charitable purposes as set out by the Charity Commission. Please visit <https://www.gov.uk/government/publications/charitable-purposes/charitable-purposes>

### **i. Equal Opportunities**

The County of Essex is one of considerable diversity of need, opportunity, people and culture and the Foundation believes that enhancing equality of opportunity is part of its core function. The grantmaking of the Foundation plays a constructive role in challenging and responding to disadvantage and inequality. Applicants will need to demonstrate that they actively promote equality through their Governance and Policy, Service Delivery, Fundraising and Recruitment and Employment.

### **j. Safeguarding Children and Vulnerable Adults**

The Foundation recognises that it has a duty, as does every organisation working with children or vulnerable adults, to put in place safeguards to protect these client groups according to legislation. The Foundation is also committed to ensuring that all grant recipients understand and are aware of this duty. Grantees must have in place safeguarding policy(ies) and procedures that satisfy current legislation and best practice.

## **4. SOURCES OF FUNDING**

The Foundation manages funds on behalf of individuals, families, companies, associations, charitable trusts and public sector agencies. The role of community foundations, wherever they exist, is to offer a professional flexible service to assist fundholders and donors to give effectively and achieve their philanthropic objectives, whatever their area of interest or level of giving.

Community Foundations are increasingly recognised by European, Central and Local Government as an effective conduit for channelling funds efficiently and effectively into the voluntary and community sector.

### **a. Fund and Awards Profile**

A detailed description of the type of funds and awards held and made by Essex Community Foundation is shown in Appendix B. Where funds are restricted by the fundholder or donor, the Foundation has to consider how it might balance their preferences and priorities with those articulated in this policy. This will require the Foundation to present a reasoned case to illustrate how a restricted fund can address identified need, whilst staying true to the original wishes of the fundholder or donor.

## **5. GOVERNANCE**

### **a. Board of Trustees**

The Foundation's Board of Trustees (The Board) is responsible for the distribution of all funds under its management. It is responsible for setting the framework within which grants are made, and requires assurance that the grants made meet the principles outlined in this policy. The Board delegates authority for grantmaking to the Grants and Programmes Committee.

Further information is available in the Foundation's procedural documents.

## **b. Trustees and Fundholder Engagement**

Visits to grant recipients by the Foundation's Trustees, fundholders, donors, and members of Advisory Panels are encouraged. Visits to organisations bring to light the issues effecting Essex and raise awareness of local community activity.

Fundholders and donors will be encouraged to make visits predominantly to those organisations where their fund has made the award and the Foundation will be active in keeping fundholders and donors informed about how funds have been used.

## **6. GRANT MANAGEMENT**

### **a. Introduction**

Grant applications will be accepted, assessed and satisfied in compliance with this policy. In some instances, especially where the Foundation is managing a statutory sector grant programme, the fundholder will ask for elements to be added to the process. For example, fundholders or donors may have specific requirements regarding the way in which applicants should be assessed or the information they require at the monitoring stage.

### **b. Minimum and Maximum Grant Value**

Funds, unless specifically stated in the grant advert or agreed individually by the CEO of the Foundation, have a minimum value of £250 and a maximum value of £10k

### **c. Application Forms and Guidelines**

The Foundation is committed to making all grant application forms accessible to local voluntary and community groups, regardless of size and professional fundraising expertise.

All applications should be submitted on our on-line system (<http://www.essexcommunityfoundation.org.uk/grants/our-grantmaking/apply/>).

The application form is designed to gain essential information about the organisation and its eligibility for funding. It requires information regarding the structure of the organisation, the request for funding, how the money will be used, how a grant will benefit the local community and how outcomes will be monitored and reported.

### **d. Assessment**

The aim of the grants assessment is to ensure the applicant organisation meets the eligibility and criteria of the Foundation and to establish and summarise the overall need for their services. Assessment Guidelines exist in support of the Grantmaking Policy and provide detailed guidance on how applications are assessed. It is the responsibility of the Chief Executive to ensure the guidelines are up to date and available to all grants assessors.

The Foundation consistently receives requests for funding which exceed the funds available. So that applications can be prioritised a scoring system is used. A maximum of 5 points is awarded to each of the following categories:

1. Value for Money
2. Evidence of Need
3. Management and Governance
4. Community Involvement
5. Lasting benefit

If requested to do so and if appropriate, the Foundation will complete visits and assessments that lead to recommendations to external organisations regarding their allocation of grants. (i.e. The Foundation visiting Essex based organisations and subsequently reporting their findings to a third party). This will only be done with the agreement of the visited and assessed organisation, and at the request of the third party organisation.

#### **e. Grant Decision Making**

The process involved in the administration of grant awards from unrestricted and restricted funds is described in detail in the procedural document. Most donor advised funds have some restrictions placed on their distribution. It is the responsibility of the Chief Executive to take relevant restrictions into account when recommending awards for approval.

The Foundation's Grants and Programmes Committee has delegated authority from the Board of Trustees to approve grants made by the Foundation as set out in the Foundation's Articles of Association. The Grants and Programmes Committee must approve all grant awards.

If a fundholder or donor wants to support an organisation, project or activity that the Grants and Programmes Committee has rejected then the Chief Executive of the Foundation must report the matter to the Chair of the Grants and Programmes Committee for discussion and resolution.

Grants will be assessed and a response given to grant applicants within 2 months of receipt, or as soon thereafter as possible.

#### **f. Terms and Conditions**

Funding is awarded to an organisation with Terms and Conditions, which must be accepted by the organisation before payment is released. Every organisation in receipt of a grant must, as part of their Terms and Conditions, inform the Foundation immediately of any change to their circumstances. Any significant change must be reviewed and acknowledged by the Chief Executive, and where a specific change to the use of the grant is requested authorisation from the Foundation is required. Failure to notify the Foundation of any material change may result in the grant being withdrawn and all funding being returned. Funding for one project cannot be transferred to another project without prior agreement.

### **g. Breach of Terms and Conditions**

In the event the Foundation considers an organisation 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 organisations in breach for a minimum of 2 years and then only if the organisation is able to provide evidence that is acceptable to ECF, of action taken to strengthen management capacity, including support sought from the local Community Voluntary Service or relevant umbrella organisation.

Changes to Terms and Conditions may be implemented by the Foundation at any time. All agreed changes to the Terms and Conditions will be recorded in the Foundation's database.

### **h. Appeals and Feedback**

A grant applicant cannot appeal the Foundation's decision not to fund or to partially fund, if the decision is based on insufficient funds being available. Appeals will only be allowed in the following cases:

1. Where the organisation provides evidence that the Foundation's representative showed prejudice in considering the request, or
2. The details provided to the Grants and Programmes Committee or the donor advised panel were factually incorrect in some material aspect.

The appeals process is outlined in Appendix C.

The Foundation will provide verbal feedback to any applicant that would like more information regarding the success or failure of their application.

### **i. End of Grant Reports and Monitoring**

The completion and return of an End of Grant Report (EOGR), within the provided timeframe, is a requirement of the Foundation. The Foundation works with many donors including companies, individuals and local authorities to support organisations across the County and, as part of our ongoing relationship, we update our fundholders and donors and let them know the difference their funding is making; this not only strengthens our relationship with them but also increases their knowledge of the issues facing many organisations.

The outcomes achieved from the funding provided by the Foundation will be used to identify need and best practice in service delivery. These will support the development of the Foundation's grantmaking in the future.

Failure to submit a satisfactory EOGR breaches the Foundation's Terms and Conditions as detailed above. Failure to return an EOGR by the specified deadline may also affect any future funding, that is, the Foundation may choose not to accept future applications for a minimum of 2 years. Applications will then only be accepted if the organisation is able to

provide evidence of action taken to strengthen management capacity, including support sought from CVS or relevant umbrella organisation. In such an event the CEO together with the Grants and Programmes Committee will review and consider the application.

Where multi-year funding is agreed, an appropriate monitoring framework will be implemented. The Foundation will have a right to undertake a monitoring visit to any of the funded projects or programmes at a mutually acceptable time.

Monitoring visits may cover a wide spectrum of activity and will aim to cover larger grants and a selection of organisations making repeat requests for funding. The only exception will be where the funding has been for a single capital item, the purchase of which could be verified through documentation and end of year accounts. It would still be necessary to establish the benefits in respect of service provision from the acquisition of the capital item. Should a visit be required to an organisation then the meeting must not take place at an applicant's home.

#### **j. Fraud**

The Foundation takes fraud very seriously and the Foundation is committed to ensuring that the appropriate guidance and information is available to all grant assessors to mitigate the risk of fraud at every opportunity.

There is unlikely to be any clear evidence that an organisation is fraudulently applying for funds and so the Foundation values the importance of following up intuitive feelings when assessing funding applications. When used appropriately, such intuitive feelings can lead the assessor to probe more deeply and carry out more rigorous investigation of a particular applicant.

In the event the Foundation considers that a grant has been used fraudulently, the Foundation will seek to recover the full grant and any associated costs. We will inform the relevant regulatory authorities, who may include the Police and legal action will be considered.

#### **k. Lone Worker**

The Foundation's Health and Safety Policy details the overarching requirements for all employees when working either in the office, at home or on external visits or meetings. If the employee does not have a mobile phone, one will be made available to them. Whenever possible all visits should take place in a public place and if this is not possible a suitable meeting location will be agreed. If working on their own employees are required to leave details of their whereabouts in the office and on the Public Calendar in Outlook. These should include:

- a) Contact details of the destination including a postcode
- b) Name of the person they are visiting
- c) Timings and duration of visit
- d) The purpose of the visit.

## **I. Impact**

The Foundation continually drives to improve the way that it gathers evidence of the impact of its grantmaking. The Foundation is currently supporting the development, by UK Community Foundation, of a UK network wide Impact Assessment Framework. This will complement the online application and End of Grant Report. Currently the Foundation carries out the following to demonstrate impact:

1. Independent evaluation reports of specific funds
2. End of Grant reports from all grant recipients
3. Donor/fund-holder visits to organisations
4. Regular e-updates
5. Stories and news on website and other social media
6. Press coverage on grants awarded and new funds available
7. Press coverage by grant recipients
8. Case studies published on website and in the Annual Review
9. Donor evenings, bringing donors and grant recipients together
10. Award evenings celebrating organisations and their work
11. Feedback from stakeholders and networks

The CEO together with the Head of Communications will ensure that a sufficient communication programme is in place to share with stakeholders the Foundation's impact as a grant maker.

## **7. FUTURE REVIEW**

This policy is a working document and is used to guide and clarify the grantmaking activity of the Foundation. The policy has been developed over time and looks to reflect the needs and requirements of the voluntary and community sector, Essex Community Foundation and our donors.

The policy will be reviewed every three years by the Grants and Programmes Committee and ratified by the Board of Trustees to ensure that it continues to meet the social needs of the people of Essex, Southend and Thurrock, as well as any changes in regulation or legislation. Any intermediate changes to the policy will be agreed with the Grants and Programmes Committee.

For further information please contact:

Essex Community Foundation  
121 New London Road  
Chelmsford  
Essex  
CM2 0QT

## **Appendix A**

### **Donor Designated Donations Policy**

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Essex Community Foundation (ECF) provides a tailor-made service, reflecting the individual interests and circumstances of each donor, and offers a professional flexible service to assist individuals to give effectively and to achieve their philanthropic objectives, whatever their area of interest or level of giving.

ECF offers a full service to our donors with the purpose of encouraging their charitable giving in Essex. It is sometimes the case that the donor wishes to continue an existing relationship with a named charitable organisation. Once funds are gifted to ECF, its Board of Trustees are responsible for that money. Any wish on the donor's behalf to designate named charities to receive donations will be discussed during the 'gifting' negotiations. This allows for an agreement between the donor and ECF to clarify the donor's interests and to include written authorisation to make specific donations. Once the fund is established, the donor may request a donation to a specific charity.

#### **Process for awarding donor designated donations:**

1. ECF primarily directs funds to charitable organisations whose beneficiaries live or work in Essex. ECF Trustees have the authority to distribute designated funds outside Essex at a donor's specific request.
2. Our added value is our knowledge of local issues and the detailed assessment and monitoring process that we bring to applications seeking funding.
3. When a donor requests a specific donation the donor is informed that payment is being made outside our grants assessment process. Beyond confirmation that the organisation is registered to undertake charitable activity, ECF will not monitor the use of the grant and cannot take responsibility for the effective use of the grant.
4. ECF will make reasonable enquiries to satisfy themselves that the designated charity meets our minimum criteria for good practice. Charitable registration will normally form the basis of ECF enquiries and will be of greater importance if the organisation is unknown to ECF or operates outside Essex. Unregistered voluntary and community organisations that operate in Essex may be considered for support; the grants assessor will ensure that suitable enquiries are carried out regarding their eligibility to receive financial support.
5. In circumstances where ECF cannot identify the organisation as acting within its charitable remit, ECF will consult the donor and recommend to the donor that the donation is not made. If no agreement can be reached, ECF reserves the right to decline to make the donation.
6. Designated charities, which are identified to receive annual payments, are only paid on receipt of the Charity's Annual Report to ensure that they are still carrying out their charitable objects and meeting financial diligence.

7. ECF Trustees are made aware of all such requests, at Board meetings, if the timing of the request allows, or if not, through an email to all members.
8. All such donor requests are confirmed in writing and recorded in the donor's Fund File for audit trail

## **Appendix B**

### **DEFINITIONS**

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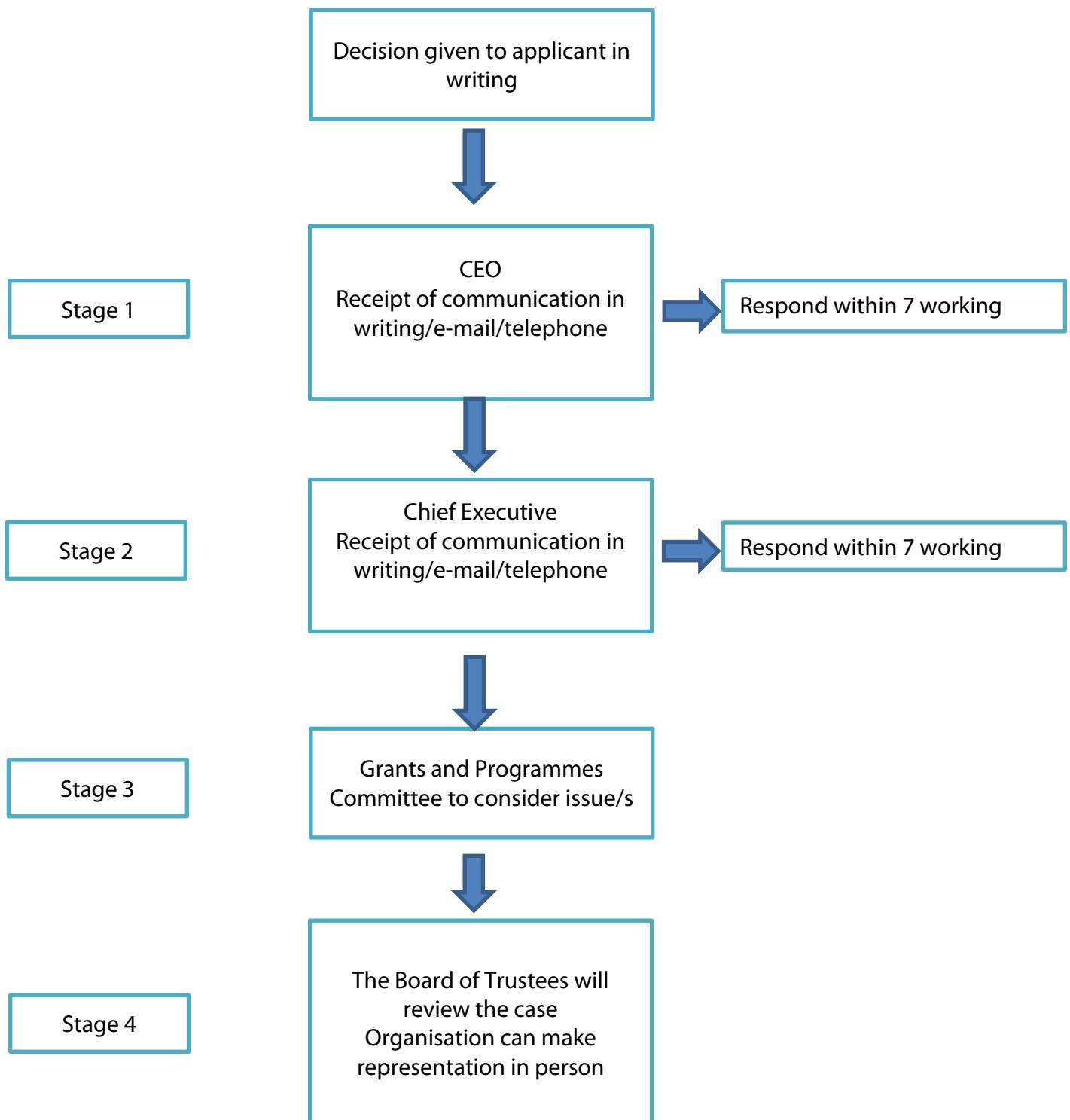
<b>Advisor</b>	A person with privileges in relation to a Fund which may include setting and reviewing criteria, making recommendations on grants and agreeing succession arrangements. The role has no formal part in either the governance or management of the Foundation as a whole or of its funds.
<b>Advisory Panel</b>	An Advisory Panel is more than one Advisor with privileges in relation to a Fund which may include setting and reviewing criteria, making recommendations on grants and agreeing succession arrangements. The Panel has no formal part in either the governance or management of the Foundation as a whole or of its funds.
	A Panel could include the Donor/s, their family members or a group nominated by the Donor/s. Other examples include the Trustees of an existing Trust that has been transferred to ECF or nominated members of staff of an organisation that has established a Fund.
<b>Anonymous</b>	A Fund where the identity of the Donor will not be revealed in any publicity or communications. The Donor would only be identified if ECF was legally obliged to divulge the information.
<b>Designated Donation</b>	Provides a regular sum, paid as an annual donation to a specified charitable organisation, for a specified period of time, within or outside Essex at the request of the Donor when a Fund is established or at any other time. Designated donations are made in line with ECF's Designated Donation Policy.
<b>Discretionary</b>	A Fund where the grantmaking decisions are made exclusively by ECF Trustees.
<b>Donation</b>	A gift to charity that is irrevocable and cannot be returned to the donor.
<b>Donor/s</b>	The individual/s or organisation making the donation to Essex Community Foundation.
<b>Donor Advised Fund</b>	A Fund that has Advisors or an Advisory Panel who make decisions about the Funds grant expenditure. All grant decisions will be approved by Trustees who have ultimate responsibility for all of ECF's grantmaking.
<b>Endowment Fund</b>	Funds which are invested by the Foundation in its endowment, in line with its investment policy, a copy of which is available upon request. The endowment is professionally managed over the long term in order to provide financial returns to support stable and growing grant distribution across Essex. The majority of ECF's endowment funds are expendable.
<b>Expendable Endowment</b>	ECF's Endowed funds are managed as expendable endowment. This gives discretion to ECF Trustees to draw down capital from the investment if and when required. The Trustees will always consider the long term aim of ECF's investment strategy before making any decisions.

<b>Fees</b>	The contributions taken by the Foundation from funds to support its operating costs e.g. staffing and overheads.
<b>Flowthrough Fund</b>	Flowthrough Funds are non-invested funds which are expended within a defined period. Typically flow-through monies are awarded as grants during the year in which they are given.
<b>Fundholder</b>	The individual/s or organisation that has created the Fund. The Fundholder/s will be named on the fund agreement.
<b>Grant</b>	A financial award made by the Foundation from its funds to support charitable activities, usually to registered charities or charitable community groups, but sometimes to public bodies or individuals.
<b>Named Fund</b>	An endowed fund established and held in the name of the donor/s or a name of their choosing. The name of the Fund does not need to contain the name of the donor.
<b>Restricted</b>	Where the Donor has specified that the Fund's purpose is restricted to a particular charitable theme e.g. community safety or for a specific area e.g Colchester.
<b>Unrestricted</b>	A Fund that is used for general charitable purpose.

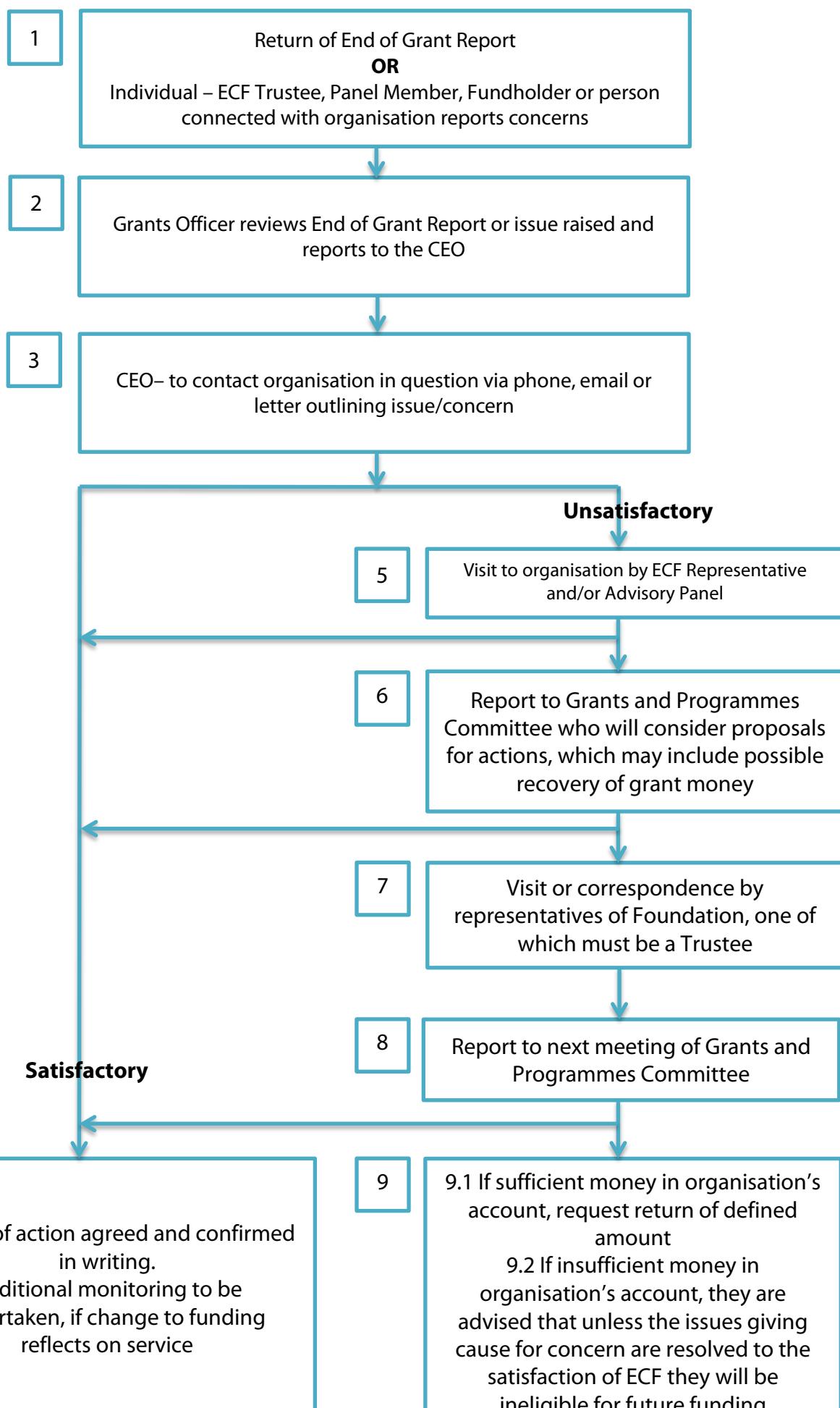
## **Appendix C**

### **Grants Appeals Procedure**

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## Appendix D Unsatisfactory Monitoring Outcomes



## **Appendix E**

### **Grant Panel Confidentiality Policy**

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#### **Aim**

This appendix identifies how an Essex Community Foundation (ECF) grantmaking or community fund panel will adhere to the applicant's right to confidentiality during the process of reviewing and granting applications.

#### **Purpose**

Grant assessors and grant panel members may need to have access to confidential and/or sensitive information or data when assessing a grant application. All information will be treated as confidential by assessors and panel members unless agreed with applicants.

#### **1. Grant Applicants**

We assure all applicants that their applications and all the information that they provide are confidential and comply with current Data Protection. Details of individual applications will be discussed only with people who have a 'bona fide' interest in the application. This is generally limited to fellow members of the grants panel, outreach and support providers, referees, staff and staff of ECF.

1.1 Grant applicants have the right to expect that information given will be used for the purpose for which it was given and should not be released to anyone else either inside or outside the organisation, without their consent.

1.2 Information relating to an individual will not be given to a third party without the individual's consent.

1.3 There may be exceptional circumstances where it would be appropriate to breach confidentiality or divulge inflation. Such circumstances could include:

- Where an individual will be placed at risk of physical danger or where withholding information could cause harm or injury to the individual
- Where a criminal offence has been or will have been committed.

In such circumstances, the matter will be discussed with the Chair of the Grants Panel and the CEO of Essex Community Foundation.

#### **2. Implementation**

2.1 Grant applicants will be informed of the confidentiality policy and their right to complain if inappropriate information appears to have been divulged without their consent.

2.2 Grants panel members, staff and volunteers will be made aware of the confidentiality of grant applications. This will be included in recruitment and induction processes.

- 2.3 In exceptional situations (see 1.3 above) the staff member must inform their senior manager.
- 2.4 Unauthorised breach of confidentiality will be considered as a serious case of misconduct and could lead to disciplinary action.
- 2.5 Nothing in this policy overrides the right of the Chair (or their nominee) or the CEO to access all incoming and outgoing communications. This right will be exercised only in exceptional circumstances.