

Grant making Policy for [insert name of cathedral]

1. Grant making by the Chapter

- 1.1 The Chapter has agreed that it may make occasional grants in furtherance of the Chapter’s charitable purposes, at their discretion.
- 1.2 The decision whether to award a grant is the responsibility of the Chapter and so the Chapter has adopted this policy to provide for how and to whom grants may be made by the Chapter.
- 1.3. [Subject to 1.4 below,]¹ the [Senior Management Group] shall consider the distribution of grants on the Chapter’s behalf and make recommendations to the Chapter on proposed grants for Chapter to approve.
- 1.4 [²The Chapter delegates authority to the [Senior Management Group]³ to consider and make grants on the Chapter’s behalf, in furtherance of the Chapter’s charitable purposes and objectives in accordance with the criteria set out in this policy, without prior approval from the Chapter, provided that:
 - (a) The [Senior Management Group] cannot authorise grants to any one charity in excess of [£1,000] in any financial year;
 - (b) The [Senior Management Group] cannot authorise more than £[5,000] in grants under this policy in any financial year, without the prior written consent of the Chapter; and
 - (c) Any grants made pursuant to this delegation must be reported to the Chapter at its next meeting.]
- 1.5 The amount of any grant awarded will not normally be less than [£250] or greater than [£5,000].

2. Eligibility

- 2.1 Grants will not be made to individuals. Grants will only be made to a charity which is registered with the Charity Commission in England and Wales [or, where the charity is excepted from registration with the Charity Commission, it is registered as a charity with HMRC and has a charity tax number⁴].
- 2.2 [Grants will be made to further the Chapter’s charitable purposes. Grants will normally be made to charities based within the diocese of [] (the “**Diocese**”) or to national organisations with an active local presence where assurance is given that the grant will be used within the Diocese.⁵]

¹ Include if 1.4 will be included.

² Include if the making of (smaller) grants is to be delegated.

³ Insert as appropriate for your cathedral.

⁴ Only include if the Chapter will make grants to PCCs that have an annual income of less than £100k and so are excepted from registration with the Charity Commission.

⁵ Include if required.

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3. Due diligence

3.1 Appropriate due diligence on any grant applicant and grant proposal will be carried out to ensure that:

- (a) the grantee is registered with the Charity Commission and is up to date with filing its accounts and annual return with the Charity Commission;

OR

- [(a) ⁶the grant applicant is registered with the Charity Commission or HMRC and is up to date with filing its accounts and annual return with the Charity Commission (where applicable);]

- (b) the purpose for which the grant will be used is within the Chapter's charitable purposes;

- (c) the purpose for which the grant will be used is within with the grant applicant's charitable purposes;

- (d) the grant applicant has suitable safeguarding policies in place where the applicant works with children or vulnerable adults; and

- (e) that the bank details provided into which the grant would be paid are, in fact, the grant applicant's bank details.

3.2 Where the Chapter is not the only supporter of the work or project, and to protect its reputation, the Chapter may choose to extend any due diligence beyond the proposed grant applicant to include other supporting organisations.

3.3 Grant size will be an important risk factor in determining what constitutes appropriate due diligence in relation to a grant. As a general rule, the larger the grant the greater will be the likely level of due diligence undertaken. However, where the grant applicant charity is well known to the Chapter and the relationship has been long standing and well established, the level of due diligence considered to be appropriate is likely to be lower.

3.4 Due diligence checks will normally be repeated every three years.

4. Grant information

4.1 In addition to the due diligence undertaken, in order to consider whether to approve a grant, the Chapter will normally expect, as a minimum, to be provided with:

- (a) a copy of the grant applicant's most recent set of financial statements;
- (b) details of the purchase / expenditure to be funded by the grant, including a full cost breakdown; and
- (c) confirmation of the amount of financial support already received or pledged towards the overall cost.

4.2 Once a grant has been approved, the Chapter will require the grant recipient to provide written confirmation that funds have been spent appropriately. Depending on the size

⁶ ONLY use this version of (a) ONLY if the Chapter has included the option to make grants to charities that are exempted from registration with the Charity Commission in 2.1 above.

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of the grant and the purpose for which it has been given, the Chapter may also ask the grant recipient to provide:

- (a) a photograph of any capital items funded by a grant;
- (b) receipts or invoices to evidence expenditure; and/or
- (c) a written report on the grant's expenditure.

4.3 Where the grant is for a specified project or purpose, if that purpose does not proceed and/or if the grant or any part thereof remains unused, unused funds must be returned to the Chapter within the timescales set out in the Grant Letter.

5. Administration

5.1 The Chapter will inform successful grant recipients of the amount to be granted in a letter in the form set out in the Appendix to this policy. Before any part of the grant is transferred to the grant recipient, the letter must be returned by the grant recipient to confirm that it accepts the terms and conditions of the grant.

5.2 Grants will only be transferred to a grant recipient by electronic bank transfer. The Chapter's normal payment authorisation process will be applied to all grant payments under this policy.

5.3 A record of any information provided by the grant recipient, including the results of due diligence checks undertaken and a copy of the grant letter signed by the grant recipient, shall be retained by the Chapter for a period of seven years after the grant is made. These records must be stored and subsequently disposed of in accordance with the Chapter's data protection policy and Privacy Notice and the Data Protection Act 2018.

5.4 The Chapter shall review this Policy every three years.

Date adopted by Chapter:

APPENDIX
TEMPLATE GRANT LETTER⁷
[To be printed on cathedral letterhead]

Date: []

Dear []

I am pleased to inform you that the Chapter of [] cathedral has agreed to provide a grant of £[] (the “**Grant**”) to:

[charity name], registered [HMRC] charity number [] (the “**Charity**”).

The Grant must be used for [insert purposes of Grant] (the “**Grant Purposes**”) and for no other purpose.

Within [six] months of receiving the Grant, the Charity agrees to provide the Chapter with written confirmation that the Grant has been spent for the Grant Purposes, [as well as providing:

- [(a) a photograph of any capital items purchased with the Grant;]
- [(b) receipts or invoices to evidence Grant expenditure; and/or]
- [(c) a written report on the Grant’s expenditure.]

If, [twelve] months after the date on which the Charity receives payment of the Grant from the Chapter, any part of the Grant remains unspent, the unspent part of the Grant must be returned to the Chapter, unless the Chapter agrees in writing that the Charity may use the remaining unspent Grant for another purpose.

The Charity agrees to comply with all applicable laws in relation to its use of the Grant.

[The Charity agrees that the Chapter of [] cathedral has no responsibility for any other costs incurred by the Charity in connection with the Grant Purposes, and the Charity agrees to indemnify and keep the Chapter of [] cathedral indemnified against any losses, damages, costs, expenses, liabilities, claims, actions, proceedings or other liabilities that result from or arise out of the Charity’s acts or omissions in relation to its use of the Grant or its duties to third parties.⁸]

To accept the Grant on the terms set out above, please sign a copy of this letter and return it to the cathedral [Administrator] at [insert address] or [insert email]. The Grant will not be transferred to the Charity’s bank account until a signed copy of this letter has been received by the Chapter.

Yours etc

[Cathedral Administrator / Dean]

⁷ For grants of more than £5,000, a more robust grant agreement should be used.

⁸ Consider whether the Grant Purposes and the size of the Grant make it appropriate for this requirement to be included.

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**I, _____ in my capacity as
at [name of Charity], hereby accept the Grant from the Chapter of [] cathedral
on the terms and subject to the conditions set out in this letter.**

Signed:

Date: