

Kent Reliance Community Foundation

Grant Funding Policy

Introduction

KRCF's object is, for the public benefit, to further any purpose which is exclusively charitable under the law of England and Wales.

The Trustees have a legal duty to ensure that KRCF's funds are applied only for the charitable purposes for which they are intended, and that those purposes are charitable under English law.

The purpose of this grant making policy is to set out the principles, criteria and processes which will govern how KRCF will solicit applications and award and monitor grants.

General principles

The Trustees will have regard to the publication of the Charity Commission guidance 'Due diligence, monitoring and verifying the end use of charitable funds' in the implementation of this policy.

When considering a grant making opportunity and, once a decision has been made, monitoring the use of grant funds by a recipient, the following principles shall apply:

- The Trustees have ultimate collective responsibility for all decisions to award a grant;
- The Trustees will ensure that sufficient reserves are always retained;
- The Trustees will engage with each proposed grant recipient and obtain and consider appropriate information and due diligence in advance of making a decision to advance a grant;
- The Trustees will consider what conditions are appropriate in respect of any grant so as to ensure that its charitable funds are being used most effectively and to protect them from misapplication; and
- The Trustees will not approve any grant which might conflict with this policy or damage KRCF's reputation.

These principles shall be applied proportionately in relation to the value of a grant, and the resources of the recipient.

Funding priorities

The Trustees' initial funding priorities are as follows, and in each case for the public benefit:

- The advancement of environmental protection or improvement
- The advancement of education
- The advancement of health

- The relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage
- The relief of poverty

Within these funding priorities, the Trustees will have a particular focus on:

- **Homelessness** – Preventing homeless and supporting those who are currently homeless, or who are at risk of homelessness, including actions to prevent homelessness e.g. through the provision of financial education.
- **Vulnerability** – Supporting the most vulnerable in society and those that care for them such as those in need due to youth, age, disability, financial hardship, or other disadvantage, including those who have been in care.
- **Social Mobility** – Supporting the education of disadvantaged young people.

primarily in Kent and the South East of England.

The Trustees will not normally support:

- Activities that have already taken place.
- Activities undertaken by public bodies or organisations contracted to carry out public services on their behalf.
- Projects with a political element.
- Religious groups whose work does not have a wide public benefit.

The Trustees may award grants that fall outside of these priorities, provided that they are satisfied that the grant will further KRCF's objects and is an appropriate use of KRCF's charitable funds.

The Trustees will have regard to the Charity Commission guidance regarding charitable purposes when making grants and will take advice if they are ever in doubt as to whether a proposed Grant would further an exclusively charitable purpose and if they are still in doubt, then they will refrain from undertaking the proposed grant.

The Trustees may change the focus of their grant funding programme at any time, subject to any new focus being compatible with KRCF's charitable objects.

Applications

KRCF welcomes applications from organisations and individuals that satisfy the initial assessment criteria (below).

All applications must be made in writing through the online application portal on www.krcf.org.uk.

Applications must explain in detail how the grant will be used. In particular, the application must:

- Set out who will benefit from the grant funds;
- Describe how the costs or activities funded by the grant will benefit the intended beneficiaries and advance one or more of the funding priorities;
- Outline how use of the grant will be managed, including details of who the key individual(s) responsible for the management of grant funds and delivery of grant-

funded activities;

- Provide details of any other funding requested or received to support the purpose for which the grant has been requested;
 - Enclose your governing document and latest annual report and accounts; and
- Provide evidence of charitable status.

Initial assessment criteria

In considering whether or not to allocate a grant, KRCF will first satisfy itself that:

- The purpose of the grant falls within KRCF's charitable objects and funding priorities as given above;
- The grant application is from a charity registered in England and Wales or another form of organisation whose activities and the purpose for which the grant has been applied for are within KRCF's charitable objects and funding priorities;

The applicant is of sound financial standing and that there is nothing to suggest that the applicant may not be in a financial position to continue with its purpose generally or the purpose for which the grant application has been made.

Due diligence

KRCF recognises that pre-grant due diligence is an important part of effective and responsible grant-making, and that it helps to ensure that potential grant recipients are reputable and that they have appropriate systems to manage grant funds.

The Trustees shall carry out sufficient due diligence on all applicants that satisfy the initial assessment criteria to ensure that:

- The identity of the applicant is established;
- Funds will be applied only for purposes that are within KRCF's objects; and
- Funds are not knowingly used for money laundering in accordance with the operative Money Laundering regulations, terrorist financing in accordance with the Terrorism Act 2000, or bribery in accordance with the Bribery Act 2010.

The Trustees shall adopt a risk-based and proportionate approach to due diligence, having regard to factors outlined in **Appendix A**.

Steps that may be taken in completion of the due diligence exercise are also set out in **Appendix A**.

Policy for assessment of applications

In assessing and allocating grants, the Trustees are encouraged to consider:

- The aims and purpose of the grant being applied for, likely target populations and geographies.

- The extent to which the purpose of the grant application is already being supported by other bodies.
- The quality of the application and the likelihood of successful outcomes.
- Whether the grant application is for (a) for a single year grant to be allocated or (b) for a grant to be awarded over a number of years ("multi-year grant").
- The results of the due diligence exercise.
- All reasonable applications regardless of the applicant's turnover or charitable status.

In prioritising awards, KRCF:

- May prioritise applicants that have not been awarded a grant from KRCF in the previous three years.
- Will prioritise grant applications which clearly demonstrate what the grant funding will be used for over applications that suggest that KRCF grant will act as substitute or additional funding to an already well-funded organisation.

In the case of a multi-year grant application, KRCF will:

- Commit no more than £50,000 in aggregate over the total period in respect of which the multi- year grant has been applied for.
- Only in exceptional circumstances consider applications for a commitment longer than three years duration.

KRCF will in all cases:

- Have regard to the overall mix of grants it has allocated at any one time.
- Consider making a grant subject to such additional conditions as it considers appropriate.
- Where appropriate, consider and apply the additional considerations set out at **Appendix B**.

Ongoing monitoring of allocated grants

The Trustees will keep a written record of all decisions to award grants (in whole or in part).

The key terms of the grant and any conditions attached to it will be set out in a grant letter. The successful applicant must sign this grant letter to indicate their acceptance of the terms and conditions.

In order to satisfy itself that the grant is being used for the purpose for which it was allocated, KRCF will take steps to monitor the use of the grant. Arrangements for monitoring the grant should be proportionate in relation to the value of a grant, the resources of the recipient, and the information obtained during the due diligence exercise.

Steps that may be taken to monitor the grant are set out in **Appendix C**.

Review

This Policy will be subject to a review at least 12 months from the date of last approval.

This Policy will be reviewed more frequently as necessary in the event of an amendment to either the regulatory requirements or KRCFs internal requirements.

Date of policy: 15 April 2025

Date approved: 20 May 2025

Date of next review: May 2026

Appendix A – Due Diligence

The following is an inexhaustive list of factors to consider when deciding an approach to due diligence in respect of a grant applicant:

- The size of the potential grant;
- The duration of the potential grant;
- The legal status of the applicant (including whether the potential grant recipient is a charity registered with the Charity Commission for England and Wales);
- The nature of the relationship between KRCF and the applicant;
- The resources of the applicant (e.g. whether the due diligence or resulting terms and conditions of a grant would impose an unduly large administrative burden on a small charity);
- The activities to which the potential grant will be applied, in particular to ensure that none of the grant-funded activities fall outside of KRCF's objects and funding priorities;
- The profile of the applicant in the media and any consequent reputational risks;
- Whether the applicant has previously received a grant or other support from KRCF; and
- Any other significant risk factors which are apparent to the Trustees.

The following is an inexhaustive list of steps that may be taken as part of a due diligence exercise:

- Review of applicant's objects and constitutional documents;
- Review the applicant's status as a charity, including (where it is required to do so) evidence that the applicant has been registered with a charity regulator;
- Review of the applicant's main activities;
- Review of the applicant's accounts and annual reports;
- Review of the applicant's internal financial controls;
- Review of the applicant's key organisational policies (e.g. safeguarding policy);
- Review of the qualifications and experience of applicant's trustees and senior staff (if relevant);
- Review of the applicant's third party funders;
- Review evidence that the applicant has a bank account;
- Assessment of whether the grant will be used for the general purposes of the applicant or a specific project and, if the latter, review of a detailed project plan with timescales and resource needs;
- Instructing a representative of KRCF to meet with the applicant or conduct a site visit; and
- Where KRCF is not the only supporter of the activity or project, extending any due diligence beyond the applicant to include other partner organisations.

Appendix B - Additional considerations

Conflicts of interest

The Trustees must declare the nature and extent of any direct or indirect interest that they hold in respect of any applicant that could, or could be seen to, prevent them from making a grant decision only in the best interests of KRCF.

Situations in which a conflict of interest may arise include where:

- A Trustee (or a person connected to them) stands to benefit from a grant from KRCF; or
- A Trustee has a duty of loyalty to a third party that conflicts with their duty to KRCF.

Any such conflict of interest must be declared and managed by the Trustees in accordance with KRCF's conflicts of interest policy.

If an application is made by a Trustee, or a person connected to them, for grant funding to be received by them personally, this represents a conflict of interest and the non-conflicted Trustees must either reject the application or, if they consider that it is in KRCF's best interests to make the grant, seek authorisation from the Charity Commission before making it. Such grant applications are unlikely to occur.

If an application is made by an individual or organisation where the Trustee would have a conflict of loyalty, for example, because they are also a trustee of the applicant, the conflicted Trustee must:

- absent themselves from any discussion of the grant application by the non-conflicted Charity Trustees; and
- have no vote and not be counted as part of the quorum in any decision of the non-conflicted Trustees on the grant.

If an application is supported or proposed by a Trustee, where that Trustee does not have a conflict of loyalty but there is some other connection, for example, because the Trustee is fundraising or volunteering with the applicant, then there may be a *perceived* conflict of interest. The non-conflicted Trustees should consider how this should be addressed, and manage any potential reputational or other issues in line with KRCF's conflicts of interest policy. In some circumstances, this may include the relevant Trustee absenting themselves from any discussion of the grant application, and not having a vote, or being counted as part of the quorum.

Protected characteristics

- If an application demonstrates that grant funds would provide benefits solely to individuals of a "protected characteristic" (within the meaning of section 4 of the Equality Act 2010 (**EqA 2010**)), or the specific project which the Charity is intending to fund only benefits such individuals, the Trustees must have regard to the requirements of the EqA 2010 when deciding whether to make the grant.
- "Protected characteristic" means the following characteristics: age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. For example, an organisation which benefits only people below a certain age would be benefiting only people with a protected characteristic (to the necessary exclusion of all individuals who do not share that protected characteristic).

- It is not in and of itself a problem to fund an organisation that provides benefits in this restrictive way, however in accordance with the EqA 2010, the Trustees must consider whether the grant can be justified, for example on the grounds that:
 - the beneficiaries of the recipient charity suffer a disadvantage linked to the protected characteristic; and
 - the grant being provided will enable or encourage the beneficiaries of the recipient charity to overcome that disadvantage.
- The provisions of the EqA 2010 allow for justification on other grounds, however this is likely to be the most common justification in the context of the Charity's grant recipients.
- The Trustees shall if they consider it appropriate or necessary take legal advice on the application of the EqA 2010. If the grant cannot be justified, the Trustees must not approve the grant.

Incidental Private Benefit

- The Trustees will have regard to the Charity Commission's Guidance on public benefit and in particular the requirement that any private benefit derived from the Charity's activities must be no more than incidental.
- A 'private benefit' means a benefit that someone receives from a charity. That 'someone' might be an individual or an organisation. If someone benefits from a charity as one of the charity's beneficiaries, this is still a private benefit but it is proper for them to receive that benefit, provided it is incidental to carrying out the charity's purpose. Private benefit is 'incidental' where (having regard both to its nature and to its amount) it is a necessary result or by-product of carrying out the purpose.

Appendix C – Grant monitoring

The following is an inexhaustive list of steps that may be taken as part of ongoing grant monitoring:

- Require regular (annual/6 monthly) written or verbal project updates from grant recipients, summarising key achievements or problems encountered, indicating whether targets have been met and giving reasons for any delay in implementing work funded by the grant.
- Require some or all of the following:
 - copies of formal records such as receipts, invoices, bank statements and management accounts to show that funds have been used for the purpose for which they have been awarded and in accordance with the terms of the grant;
 - a final written report on completion of the work funded by the grant, showing how funds have been spent, evaluating where the work has been successful and identifying lessons that can be learnt; and
 - information regarding any proposed changes to the proposed activities.
 - reports any change of circumstances that might adversely impact on the delivery of the agreed outcomes of the funded project.
- Invite recipients of grants to make a presentation to KRCF's Board on how the project is proceeding and how the funds allocated by KRCF have been applied.
- In the case of a multi-year grant, re-evaluate the awarding of the grant in a subsequent year if KRCF becomes aware of a change in circumstances that may adversely impact the grant recipient's ability to use it for the purpose for which it was allocated.