



Grant Making Policy

1. Purpose of this document

This document describes how Two Ridings Community Foundation makes grants. It guides us when we make decisions about grant making, and when we can or cannot award grants.

2. Our grant making principles

As the Community Foundation for North & East Yorkshire, our grant making principles are shaped by our mission, the region we serve (our place) and our structure as a Community Foundation:

1. OUR MISSION

With people at the heart of all we do, we contribute to positive change in North & East Yorkshire by developing relationships, inspiring investment, and making grants to transform lives and strengthen communities.

Principle 1: We get to know the people and organisations we fund and work with them to respond and adapt to changing needs and circumstances.

Principle 2: We are open and transparent about all elements of the applications, and decision-making process.

Principle 3: We consider that decisions about grants are best made by people closest to the issues. So wherever possible people with lived or working experience are in the grants decision making process.

2. OUR PLACE – We work predominantly in North & East Yorkshire.

We are proud to be part of the community of North and East Yorkshire and see it as a vibrant and diverse region. However, we recognise there are inequalities across our community; parts of the region have high levels of poor health (physical and mental), high levels of isolation, low levels of educational attainment, and in-work poverty. In many districts in our region, pockets of deprivation can exist alongside areas of relative affluence.

Principle 4: We use all our resources including grant making, leadership support, communications, and convening and connecting to learn about needs and issues to enable the work we fund to have the greatest impact.

3. OUR STRUCTURE AS A COMMUNITY FOUNDATION, within the wider funding ecology¹ of the region, is to align donors wishes with the needs in communities and across our region.

Whilst we recognise that organisations need running costs and multi-year awards the nature of the size and diversity of our funds means that we cannot currently deliver this with most of our grants.

Currently our awards tend to be under £10,000 and for project activity over a period of up to 12 months. Two Ridings and our fund holders are determined that such grants are useful and support local organisations to address issues they face and build their capacity to be more confident in securing further grant funding for their activity.

Principle 5: We support full cost recovery funding within any project grant funding.

Principle 6: We invest time and resources in supporting organisations with applications, especially those with the least funder capacity² to ensure a fairer and more equitable access to funding.

Because of our principles we seek to use our funding to support people and communities, local charitable organisations, and our own learning:

People and communities

- We support people from across the community, but especially people who are disadvantaged and isolated, for example due to poverty, disability, age or culture.
- We fund activity where local people have determined what is needed to address the issues facing them. This could be project activity to improve adverse situations and/or an activity to address systemic failures or inequalities.

Local Charitable Organisations

- We make grants to local charitable organisations that are well rooted in their communities, to develop and grow, including their staff and volunteers.
- We enhance community and voluntary activity and leadership, especially where it encourages good practice and collaboration.

¹ We worked with others to research the funding ecology in Yorkshire & Humber in 2021. This shows we are a critical source of funding to local, small organisations and how other funders play their part, especially the National Lottery Community Fund. To see this report visit [Yorkshire-Humber-funding-ecology-research-report-2021_FINAL.pdf \(yorkshirefunders.org.uk\)](https://yorkshirefunders.org.uk/yorkshire-humber-funding-ecology-research-report-2021_FINAL.pdf)

² Funder capacity – by this we mean organisations that have less experience and success in accessing funding and need greater support and time to access funding from the foundation.

Our learning

- We want to better understand what is making the biggest impact for funded organisations, and what more we can do to ensure the work contributes to our shared aims for the funding. (The aims of funded organisations, Two Ridings and fund holders).
- We understand that sometimes projects don't turn out as expected. We are open to learning and want our funding to be adaptable in such circumstances. This means an organisation must tell Two Ridings about any significant changes to the grant so that we can discuss and agree to their future plans.
- We will use what we learn to inform our strategy, as well as share with others.
- We will support applicants learning by giving feedback about why an application has been unsuccessful.

3. Translating these principles into our funding programmes

Two Ridings Community Foundation predominantly manages its funds by open programmes which work along these lines:

1. A donor establishes a fund.
2. We set up a funding programme with one or more application rounds.
3. Applicants complete an online application form which is then submitted to meet a certain deadline.
4. An internal due diligence and assessment process takes place.
5. A decision-making panel determines the allocation of the funds available based on how well the applications meets the objectives for the fund.
6. Applicants are informed of a decision and payment made to successful applicants.
7. Two Ridings may contact or visit a successful applicant to learn how their work is progressing.
8. Funded organisations submit an end of grant report.

See Appendix A for Grants Process flowchart.

The following summarises how we approach the phases of due diligence, funding criteria and equitable access to funding.

3.1 Does the organisation meet the fundamental due diligence requirements?

- **Are they a valid charitable organisation?**

We can fund charities, Community Interest Companies (CIC), and constituted and community organisations. Please note we have additional requirements for CICs, this is detailed in Appendix B.

- **Is it a small or medium sized organisations?**

By this we mean an organisation with an annual turnover of under £500,000.

We would not normally make grants to larger organisations with an income more than £500,000 and several funds would not permit this within their criteria.

Occasionally to achieve a desired outcome in a specific area, Two Ridings may choose to provide funding for larger organisations.

- **Is it locally managed?**

We support organisations with a management committee/board of trustees in North & East Yorkshire. Two Ridings only consider applications from regional/national organisations or organisations outside the area if it can evidence that the amount of money offered would make a significant difference locally.

It is unlikely that a grant would be awarded where it forms only a very small part of a larger project.

- **Is it well governed?**

We expect to see evidence of good governance and appropriate policies and practice regarding safeguarding.

We expect an organisation to have:

- a written constitution or governing document
- a bank account which requires at least two unrelated signatories
- a management committee/board of trustees with at least 3 unrelated members
- financial accounts.

If an organisation is working with children and young people or vulnerable adults, we need the organisation to have an appropriate safeguarding policy in place.

3.2 Does the application meet our funding criteria?

To be fair and equitable we need to base any funding decision on clear and transparent criteria.

As most of our funds are oversubscribed (i.e., have more applications than funds can cover) there are always judgements that need to be made about which applications will best deliver the objectives of the funding.

We aim to make this judgement process fair whilst recognising that some applications may need more support to be considered alongside others from organisations with more experience and confidence in funding.

The following is used to determine how well the application meets the funding criteria:

- **Did the application evidence how they meet the published funding guidelines?**

All guidelines are published on our website and make clear whether there are additional criteria in case of oversubscription. This evidence should be provided within the application form but with scope for any issues or clarification to be resolved at the assessment stage.

- **Was the application submitted on time and with all the required information provided?**

We can accept late applications sometimes but the request for late submission must be received and accepted before the deadline.

- **Did the applicant organisation work with Two Ridings to ensure that the telephone assessment could be carried out within a reasonable time frame?**
- **If they are an organisation that we have not funded before, do we have all the information requested?**

Where a fund is particularly oversubscribed priority may be given to first time applicants or those applicants that have not received funding from a particular fund for a period of two years.

- **If they are an organisation that has had funding from us before, have they satisfied the monitoring requirements and are we satisfied with previous delivery of funded projects?**
- **Is the project budget realistic and of a proportionate scale to the size of the organisation?**
- **Are the levels of reserves realistic and proportionate to the size of the organisation?**

If there are larger than expected reserves is there an explanation for this?

3.4 How we offer fair and equitable access to funding

The following additional support will be applied to ensure we offer fair and equitable access to funding:

- We offer support and advice to all applicants. We do this through applicants being able to call and email us directly and via our monthly online Drop-Ins. We also attend funding events.

- Where a fund is complex or of a significant scale, we also offer workshops to provide specific advice on how to be successful with an application.
- We can offer one-to-one support to applicant organisations, but only where the following criteria are met:
 1. Where possible the member of team giving the advice is not involved in any assessment or decision making for that application.
 2. The applicant organisation has not been funded by us or has had several unsuccessful applications despite the organisation meeting the funding criteria.
 3. There is evidence of any advice given being used in subsequent applications.
- We offer alternative approaches to submitting applications to ensure people with different abilities are not disadvantaged.

Please note, we want to build relationships with applicant organisations and would always encourage any applicant to speak to us in advance of applying to ensure their application is aligned to the outcomes of the fund. Nonetheless any attempt to unduly influence any member of Two Ridings team to gain unfair advantage when their application is being considered is inappropriate and could lead to an application being withdrawn.

4. How the panel allocates funding

Two Ridings decision making panels commit to making decisions based on merit, on the case for support made in the application and the assessment report.

Under charity law and Charity Commission guidance, the responsibility for approving a grant rests ultimately with the Two Ridings Community Foundation Board of Trustees.

However, following our experience of participatory grant making and place-based funds, Two Ridings considers that panels of people with lived and working experience of the issues and/or places are the most effective way to make informed decisions about grants.

This devolving of decision-making responsibility by trustees does require that appropriate and proportionate measures be in place, and this is reviewed quarterly by the Grants Committee. The Grants Committee reviews the controls in place and can add additional mitigations in exceptional cases.

Controls include:

- Panel membership is determined by the terms of the fund agreement but wherever possible members are recruited through a transparent process whereby opportunities are advertised, and people are selected based on their suitability for the role.
- All panel members have an induction (see website). This may be when the panel is first established or if a member joins later, they will have an induction prior to their

first meeting.

- All members agree to work to our Deciding Together principles (see website).
- All panel members have a formal term of office – usually three years - with the potential to renew for a further three years.
- A member of Two Ridings senior team (Chief Executive or Head of Partnerships and Programmes) will be a member of a panel, especially where it is a new or complex fund. A trustee of Two Ridings may also be a member to provide additional oversight should the grants committee agree it would be beneficial.
- There is a formal scheme of delegation for grant making (see Appendix C).
- In some exceptional circumstances it may be necessary for grant awards over £3000 to be agreed by the Chief Executive and Head of Programmes and Partnerships with reference to the Chair of the Grants Committee. This would only happen where delay might be detrimental to the planned project. The project must be considered a good fit with the aims of the fund, a high priority for funding and it is considered in the interest of Two Ridings to expedite a decision.

5. Other types of applications

5.1 Funding individuals

Although Two Ridings Community Foundation generally supports charitable organisations, we do have the discretion to award grants to individuals. Two Ridings manages some funds that support individuals where circumstances mean they are in need and finance is a barrier to accessing opportunities. Examples include Street Aid funds in York and Harrogate and a North Yorkshire fund for care leavers. We also support individuals through our Disaster & Recovery funds when these are mobilised, for example people displaced by major flooding events.

In all instances, individual applicants will be required to evidence the likely impact that any award will have on them. The application process may involve a third party verifying that an applicant has met the criteria (including proof of income).

5.2 Closed or solicited application processes

When a fund is restricted, i.e. to fund projects in a specific geographic area or for a specific purpose or theme or donor-advised, Two Ridings may solicit applications from certain organisations to meet the requirements of the fund. In the event this happens Two Ridings will use its networks of voluntary, community and social enterprise organisations, local infrastructure organisations and/or use its own database to identify and target potential applicants and partnerships.

We will put in place checks and balances to ensure that we can evidence the reason for the closed nature of the programme and the explicit criteria used to determine which organisations are invited to apply. This process will be approved by Two Ridings grants committee in the programmes forward plan.

6. What we cannot fund

The following is a list of our general exclusions for funding.

- Organisations whose work does not support people living within the administrative areas of York, North Yorkshire, East Riding of Yorkshire, and Hull unless the fund allows for such activity outside our normal area of benefit.
- For-profit organisations such as sole traders, companies limited by shares, private companies where there is no charitable benefit. (Exceptions in extraordinary circumstances e.g. in response to disasters, such as floods).
- Public bodies to carry out their statutory obligations.
- Work that has already been carried out – we do not fund retrospectively.
- Work for the advancement of a religious doctrine; mission, proselytising, or promotion of the beliefs of a particular faith. Applications can be accepted from faith-based organisations provided that the grant benefits the wider community and is open to all regardless of faith and to those of no faith.
- Political promotion including political party activity.
- Organisations whose core purpose is grant making.
- Holidays or trips unless there are noticeably clear community development benefits.
- General appeals or sponsorship.
- Work where the main beneficiaries are animals.

7. Our approach to understanding the impact of grants made

Reporting to Two Ridings should be easy for funded organisations and valuable for both funder and applicant. We will only ask for information we need and use. We will give feedback and follow the principles for better reporting.

- Our approach to learning is based on setting mutually agreed outcomes for the work we fund. We understand these outcomes can change over time.
- We encourage organisations to tell us when things are not going well, and to change and adapt their work over the course of our grant with the consent of Two Ridings

Community Foundation.

- We will only ask for information we need and use and commit to sharing what we learn.
- We welcome getting to know funded organisations and encourage organisations to invite us to events and meetings - we will make every effort to attend if we can, and if not, we will try to highlight and support the valuable work in other ways.
- When an organisation applies for funding, we will ask them to tell us the outcomes they hope our support can contribute to.
- We will discuss how these outcomes map to our impact goals using the United Nations Sustainable Development Goals (SDGs), and mutually agree outcomes and indicators of progress for them to report at the end of the grant.

8. Reporting

Following the Institute for Voluntary Action Research's (IVAR) 'principles of better reporting', we encourage organisations to submit a report that they are already producing. This could be an Impact Report, a report for their trustee board, a progress report they've written for another funder, or their Annual Report.

- Ideally this report will cover their progress towards the agreed outcomes for the work, and refer to the agreed indicators, but if we need more information, we can give them a call.
- If they don't already have another report, they can use our short progress report template.
- We don't just want to hear about their successes. We want to know when things don't work out; why they don't go well; and how they learn from it and use that knowledge to move forward.
- How openly organisations report to us, and how they learn and change over the course of our grant, can be key to a further grant.
- If organisations do not already have a written report, we are open to other forms of reporting.
- We will aim to visit a cross section of funded activity during the course of the activity to learn how it is going.
- If an organisation does not submit their end of grant reporting, they must not apply to Two Ridings Community Foundation for a further two years.

9. Changes to funded activities

We are a flexible funder, but as a charity ourselves we must keep track of material changes to the grant-funded work or serious incidents that should be reported the Charity Commission.

- This means an organisation must tell Two Ridings about any significant changes to the grant so that we can discuss and agree to their future plans.
- An explanation of what we consider to be "material changes" are in our Terms and Conditions.

10. Equity diversity and inclusion

Two Ridings has a separate Equal Opportunities policy which contains a section relating to grant making activities and is reviewed every two years.

- In addition, we expect all funded organisations to be able to demonstrate a commitment to equal opportunities and may require evidence that the applicant operates in a way that addresses equality and diversity issues.

11. Safeguarding children and vulnerable adults

Two Ridings Community Foundation recognises that it has a duty to put in place safeguards to protect children and vulnerable adults according to legislation regarding beneficiaries, trustees, staff and volunteers and has a separate policy which is reviewed annually.

Two Ridings is also committed to ensuring that all grant recipients understand and are aware of this duty and must, where relevant, have in place a safeguarding policy. The policy must be in line with current legislation and best practice and contain procedures for dealing with issues of concern or abuse and be working towards the reduction of risk. Full details can be found in our separate safeguarding policy and published on our website to guide applicants.

Two Ridings will signpost organisations to infrastructure organisations if there is a need for further support.

12. Terms and conditions

- The grant will be spent on the purpose approved by Two Ridings Community Foundation.
- It is a condition of any grant award that the organisations receiving the funding publicly acknowledge the award. Two Ridings would expect its logo, available to download from their website, to be used to support this.

- All grant funds provided by Two Ridings must be used solely for charitable purposes.
- The grant will not be paid until an organisation have submitted their bank details form and a copy of a bank statement/letter no older than twelve months and any other specific requirements detailed in the section above. The official start date of the grant is the date at which the grant is awarded, or a later date as determined by the organisation.
- Organisations will inform us of any material change to the project/proposal or their organisation, none of which will be made without our agreement. They must inform us of any material changes, even if they have not yet drawn down the funding.
- Material change shall mean any significant change to the grant's expenditure, the grant's outcomes, any serious financial or governance issue facing their organisation, or any safeguarding issue with the organisation and/or the organisation's staff. If they are not sure whether the issue or change which has arisen is a material change, please err on the side of caution and speak with our Grants team.
- Organisations will inform us of any serious incident report the organisation makes to the Charity Commission during the lifetime of our grant or any serious incidents that meet this threshold if they are not regulated by the Charity Commission.
- Organisations will send us a progress report as documented in their Grant Terms and Conditions.
- Organisation will keep accurate and comprehensive financial records of the spending associated with our funding and submit these with their progress report at the end of each agreed reporting period.
- We may ask to visit an organisation to see the activity funded during the life of our funding.
- Any part of the grant that is not required for the purpose approved will be refunded to us.
- We reserve the right to withhold a grant or require repayment if:
 1. We find that any false information is supplied to the Foundation deliberately.
 2. The work undertaken is not the work for which the funding was approved and where we have not approved these changes.
 3. Their organisation becomes insolvent or goes into administration, receivership or liquidation and the funding has not been used for its intended purpose.

13. Confidentiality

We reserve the right to make public the name of the organisation and the broad nature of our offer, but we won't disclose the detail except in confidence to the fund holders and as required by law and/or by regulators (e.g., Charity Commission).

We may use personal information provided by an organisation to conduct appropriate identity checks.

14. Data protection

We will use the information organisations give us during the application process and during the lifetime of any funding for administration, analysis and research purposes. We recognise the need to maintain the confidentiality of vulnerable groups and their details will not be made public in any way, except as required by law.

- We will sometimes add additional conditions to an individual grant to take account of particular circumstances. These will be included in the grant offer letter.
- All data will only be used for the purposes that it was given and will be used and stored securely in accordance with data protection regulations.

15. Appeals, complaints & feedback

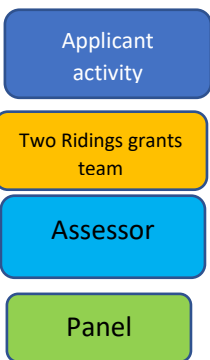
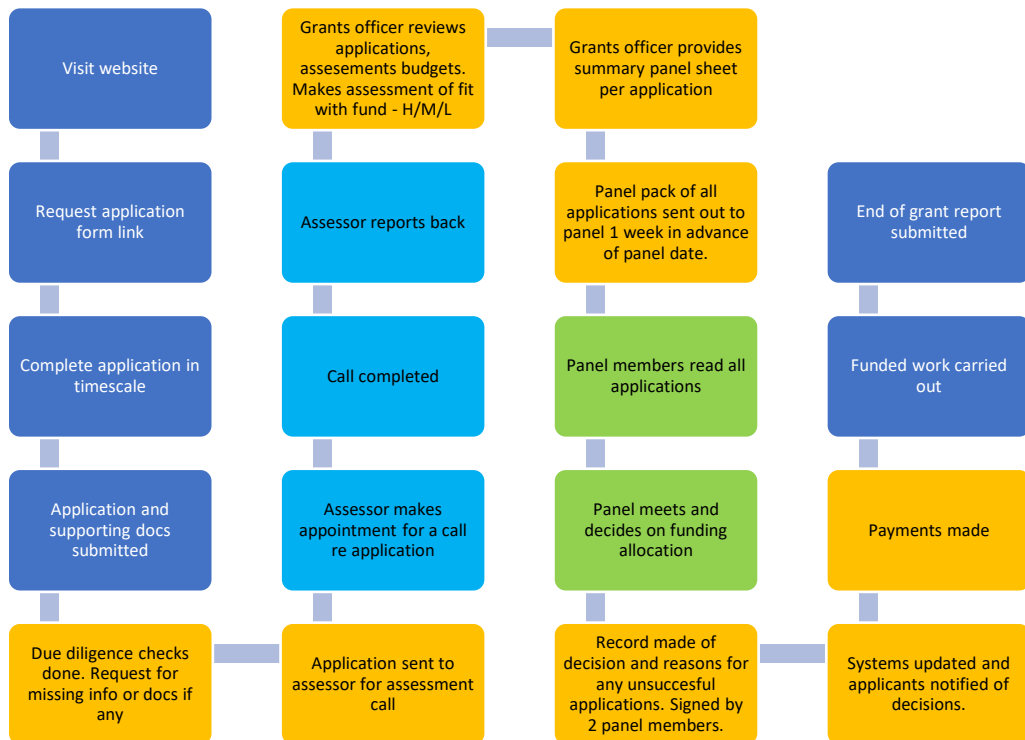
There is no appeals process for grant awards. If an applicant feels dissatisfied with the outcome, they can make a complaint and our complaints policy provides further details of how to do this. Alternatively, an anonymous Feedback form can be filled in via the Two Ridings website to provide feedback on any stage of our processes.

16. Fraud

In the event Two Ridings Community Foundation considers that an organisation is fraudulently applying for funds or a grant has been used fraudulently we will seek to recover the full grant and any associated costs. We reserve the right to inform the relevant regulatory authorities, which may include the police, Charity Commission. Legal action may be considered.

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Appendix A Two Ridings Community Foundation Grants Process Flow Chart



Appendix B Additional criteria for Community Interest Companies (CIC)

In addition to meeting our general criteria, as a CIC you will need to demonstrate the following if your application for funding is to be considered:

Criteria	Demonstrated by Two Ridings checks
That there are a minimum of two unrelated directors	Check identity of directors at Companies House and ask for confirmation that the directors are not (a) related through family, marriage, or civil partnership (b) business partners or associates.
That the organisation has charitable objectives and benefits a community within the objectives of the Foundation	Check CIC 36/37 Public Benefit Statement
The CIC is not limited by shares	Governing document
The CIC has a named body in their asset lock	Governing document
That salaries and benefits paid to directors are reasonable and proportionate to the work that they do and the financial position of the organisation.	Annual accounts and/or annual CIC 34 report, statement of income and expenditure to be provided with accounts.

Items will be checked as part of our due diligence process. We may request further information.

Appendix C: Two Ridings Community Foundation decision making process and delegations by type of fund

Type of fund	Grant size	Decision making process.	Decision making done by	Decision making sign off
<p>Donor advised funds – Donor involved in decision making.</p> <p>Can be an open process but often closed (often small fund, or very specific beneficiaries)</p> <p>Donor not able to promise donations ahead of due diligence and checks</p>	<p>Up to £3000</p>	<p>Donor comes with decision, or we suggest potential groups and they decide</p> <p>Due diligence must happen</p>	<p>Donor</p>	<p>Team send record of decision to donor</p> <p>Donor gives confirmatory email.</p> <p>Salesforce field Grant Approved updated with approved and date of decision</p>
<p>Donor advised funds Donor involved in decision making.</p> <p>Usually a formal process, usually a panel, often open applications</p>	<p>£3000 and above</p>	<p>Presented to the donor usually via panel process for consideration, decision by Donor(s)</p> <p>Guidance and Support from Grants Team in order to make informed decision</p>	<p>Donor, supported by Two Ridings Staff</p> <p>Panel Decision</p>	<p>Record of decisions is prepared by Grants staff and signed by chair of panel and another panel member. (must be done within 5 working days of panel)</p> <p>Salesforce field Grant Approved updated with approved and date of decision</p>
<p>Donor discretionary funds decision-making is at the Foundation’s discretion.</p>	<p>Up to £3000</p>	<p>Recommendations are endorsed by panel or email by a panel constituted based on the fund agreement in negotiation with donor.</p>	<p>Panel and Two Ridings</p>	<p>Team sends record of decision to panel for panel to confirm.</p> <p>Salesforce field Grant Approved updated with approved and date of decision.</p>

Type of fund	Grant size	Decision making process.	Decision making done by	Decision making sign off
		Or in case of small grants process: recommendations by Grants officer brought to a panel with Grants co-ordinator and Head of Programmes and Partnership*	Panel of Two Ridings Staff	Record of Decision is signed off by Head of Programmes & Partnerships + CEO or Head of Finance & Operations. Salesforce field Grant Approved updated with approved and date of decision.
<p>Donor discretionary funds decision-making is at the Foundation's discretion</p> <p>Panel with membership from local place or with other relevant stakeholders or Grants Committee.</p>	Over £3000	<p>Applications are decided by panel – using the recommendations and information from the Grants Co-ordinator and officer.</p> <p>Opportunity for discussion informed by panel members, grants officer/coordinator and information with applications.</p> <p>Advisors may attend to bring local knowledge and lived/learnt experience</p> <p><i>Two staff members attending – one as advisor one as panel member.</i></p>	<p>Panel or Grants Committee depending on agreement with donor</p> <p>Supported by Two Ridings Staff</p>	<p>Record of decisions is prepared by Grants staff and signed by chair of panel and another panel member. (Must be done within 5 working days of panel).</p> <p>Salesforce field Grant Approved updated with approved and date of decision.</p>

Type of fund	Grant size	Decision making process.	Decision making done by	Decision making sign off
<p>Subset of above</p> <p>Participatory/piloting new processes</p> <p>These funds may have specific requirements regarding the process. However, there was a means for Two Ridings to set essential overriding criteria.</p> <p>Panel with membership from local place or with other relevant stakeholders.</p>	<p>No limit other than that set by fund agreement</p>	<p>Default position is that Applications assessed by office grants team/volunteer assessors and submitted to the local panel to make recommendations on funding.</p> <p>Additional checks or layers of oversight to be added in advance of any decision making. This is done at Grants Committee.</p>	<p>Panel</p>	<p>Default position is that Record of decisions is prepared by Grants staff and signed by chair of panel and another panel member. (must be done within 5 working days of panel)</p> <p>Salesforce field Grant Approved updated with approved and date of decision</p>

Responsibility for oversight of all decisions is delegated to Grants Committee. List of awards made goes retrospectively to Grants committee.

*If Head of partnerships and Programmes not available a member of SLT attends in place or meeting is rolled over to next panel meeting.

Appendix D Additional Criteria for Community Benefit Societies

Criteria	Checks
That the organisation has charitable objectives and benefits a community within the objectives of the Foundation.	Governing Document
The CBS has a charitable dissolution clause and asset lock.	Governing document
The Society should have at least three unrelated Officers.	Governing Document; Management committee list

Community Shares	Checks/Conditions
Does the organisation follow good practice for receiving community investment?	We require information covering the previous three years: accounts & auditors report, copy of their annual return or financial summary, list of officers, the Society's Rules, a copy of any community share offer in the last 5 years plus a business plan associated with it; and any registered changes in their assets over the previous five years. We expect to see some transparency around this information e.g. published on the organisations website.
Is there an intention to issue interest on shares?	Some CBSs have it written into their governing document that there will be no issuing interest on shares. If this is the case, they will be eligible without additional conditions.
If there is the possibility to issue interest on shares.	Governing Document. Additional Conditions if so: The CBS must not use grant funds as interest on shares, nor must the CBS use grant funding in order to be able to offer interest.