

DONATION, GRANT and LOAN POLICY

GENERAL NOTES

For the purposes of this policy donations and grants differ only in that a donation is given without the need to be specific about how it is used whereas a grant must be spent specifically for the purpose agreed. Most applications under this policy will be defined as a grant and be subject to the following considerations.

The aim is to ensure that all our award-making activity is:

- open
- transparent
- fair
- competitive
- supports local organisations

Our awards are open to established voluntary or community groups, as well as new or informal groups of parishioners who are or intend by the date of application to become formally constituted.

PARISH COUNCIL POWERS and SECTION 137

A Parish Council has a number of powers granted under various Acts of Parliament which enable it to spend money. Since 2008 the “Power of Wellbeing” and more recently the “General Power of Competence, Localism Act 2011” allow Parish Councils more flexibility in how they spend money within the local community. In order to use either of these powers it is necessary that the Council has a qualified Clerk, and at least two thirds of the councillors have been elected rather than co-opted or appointed. Currently Cottenham Parish Council does not meet these criteria, therefore all donations and grants are considered using a list of powers and functions covered by Acts of Parliament. Should the grant/donation not be eligible under these powers, Section 137 of the Local Government Act 1972 can be considered (Power of last resort). This permits the Council to spend up to a certain limit on anything which in the opinion of the Council is in the interests of the parish, or any part of it, or is in the interest or all or some of its inhabitants.

This amount is limited to a figure per head of the electorate on the electoral role on 1st January before the commencement of the financial year. The figure is index-linked and for 2019/20 is £XXXX per registered elector. The Parish Council has no obligation to spend all or any of the money available under Section 137. This money is not ‘gifted’ to the Parish Council; it forms part of the Precept which the Parish Council makes on the District Council. The cost of any grants or donations is therefore reflected in residents’ Council tax bills.

Annually, the Council’s Finance, Legal & Administration Committee (FLAC) will review applications received by the published deadline to:

- screen out those applications which do not meet the qualifying criteria, and
- identify donations and grants that can be supported outside s.137, and
- identify and normally exclude applications where the organisation’s reserves are sufficient to fund the project or 1 year’s activity
- identify “first-time” s.137 applications, and
- rank qualifying applications in descending order of cost per beneficiary

At its precept-meeting in January, before setting the precept, the Parish Council will:

- allocate a “donations and grants fund”
- decide which qualifying applications will be funded with preference given to:
 - applications which can be funded outside s.137, then
 - “first-time” applicants in the event of insufficient funds for all applications, then
 - rank in terms of cost per beneficiary

WHO CAN APPLY?

To be eligible for the award of a grant an organisation must:

- be established for charitable, benevolent, social, cultural, recreational or philanthropic purposes,
- have a constitution, or set of rules, which define its aims, objectives and operational procedures,
- be able to provide a copy of its latest annual accounts and/or most recent bank statement.
- have its accounts checked and signed by a person independent of the group,
- have a bank account operated by a minimum of at least two joint signatories.

WHAT CAN BE FUNDED?

The project should be something that makes the local community a better place in which to live, work or visit:

- it should benefit people who live in the parish
- there must be clear evidence that local people support the project and are involved in carrying it out
- applications do not have to be from groups that already exist
- each group may only make one application per financial year
- applications will be considered for day-to-day running costs and individual projects
- projects above £1,000 must complete within 12 months and be supported by a grant agreement

THE FOLLOWING ARE NOT ELIGIBLE

- Support for individuals or private business projects.
- Projects that are the prime responsibility of other statutory authorities.
- Projects that improve or benefit privately owned land or property.
- Projects that have already been completed or will have been by the time the grant is made.

CONDITIONS OF SUPPORT

The Council may make the award of any grant subject to all or some of the following conditions. Required conditions will be at the discretion of the Council and take into account your organisation's individual circumstances.

- The application must be made using the official Cottenham Parish Council application form which is available from the Clerk and, normally, submitted in accordance with the published schedule in October.
- Where expenditure on a specific project exceeds £2,000 quotes from at least three providers must have been received.
- Details must be provided of the extent to which funding has been sought or secured from other sources or own fund-raising activities.
- Funding must only be used for the purpose agreed with the Parish Council and if the monies are not spent on the items agreed, they must be returned.
- Funding must be spent within the financial year awarded and cannot be added wholly or partly to your reserves.

- If your project costs are more than you anticipated on your application, any shortfall must be met by you – Cottenham Parish Council will not be in a position to make up any shortfall.
- In order to fully understand your project or activity the Parish Councillors may wish to visit your project or activity, prior to the project or activity commencing. They may also wish to conduct a site visit once your funded project is underway.
- Payment will normally be made by BACS transfer to a previously-nominated bank account, verified by provision to CPC of a paying-in slip.
- As a minimum, you will write to confirm receipt of the payment for audit purposes, or as the payment is handed over you will sign a form or receipt at the same time.
- The need to provide evidence of expenditure (receipted invoices) to the Clerk to the Council on completion of your project will be discretionary – based on the amount given and the purposes given. (If required, this evidence of expenditure should be equal to, or more than, the total of the amount of the grant detailed on your application.)
- Any unused funds at the end of the financial year in which the grant is paid out must be returned to Cottenham Parish Council.
- You must acknowledge Cottenham Parish Council's support in all publications, publicity and annual reports.
- You should show the funding awarded separately in your published financial accounts and Cottenham Parish Council should have access to your financial records, on request, where appropriate.
- A representative of your organisation should give a report at the Annual Parish Meeting (held on an evening between March and May each year) on how you spent the money and if appropriate how your project went.

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