

Appendix 3b

Standard terms & conditions of grant aid to voluntary organisations

Introduction

These conditions of grant aid have been written as a guide for all organisations receiving grant aid from Brent Council. It also forms the legal basis for all Brent grant aid to the voluntary sector. All voluntary sector organisations and community groups (referred to as 'organisation(s)') that receive grant aid from Brent Council (referred to as 'The Council'), by signing the attached agreement form, commit to complying with these conditions. The conditions will further incorporate any additional service remits agreed by the Team/Unit, which administers the grant on behalf of the Council.

DEFINITIONS

- 1.1 Organisation means the person or the voluntary organisation to which Grant Aid is awarded by the London Borough of Brent.
- 1.2 Grant Aid means such sum and/or part of sums as may be approved for payment by the London Borough of Brent to the Organisation.
- 1.3 The Council means the Council of the London Borough of Brent.
- 1.4 Management Committee means any member of the Organisations management committee who holds the position of Chair, Secretary or Treasurer of that Committee.
- 1.5 Executive Report means the report to the Executive of the Council recommending the approval of Grant Aid to the Organisation.
- 1.6 Guidance Note means the Guidance Notes on Standard Conditions of Grant Aid for Voluntary Organisations for the time being in force.

GENERAL CONDITIONS

1. Written Undertaking and Agreement

- 1.1. All Organisations receiving grant aid from the Council shall:
 - 1.1.1. Sign and return the attached agreement form, confirming that they have read, understood and undertake to abide by the details of the Council's conditions of grant aid and by any additional conditions that will be set by the Council
 - 1.1.2. Complete and submit separately a signed agreement outlining details of the project, targets and outputs from this contract. The two documents must be signed by two members of the management committee, one of whom must be the treasurer of the organisation.
 - 1.1.3. Undertake to use the grant allocation wholly and specifically for the purpose specified in the agreement, and solely for the benefit of Brent residents. Any variation of this agreement must be requested and approved in writing in advance with the Council.
 - 1.1.4. All organisations receiving grant aid from the Council should note that the Council's agreement to give financial assistance is limited to the amount, the period and projects specified in the grant agreement. It does not imply any commitment or agreement to fund the organisation for more than the specified amount and period.

- 1.1.5. Where the grant awarded is a contribution towards the full cost of the agreed activities, the organisation shall take all reasonable steps to seek and obtain from all contributing sources, the balance of funding pledged to the project.

2. FINANCE

2.1. Grant Payment System

- 2.1.1. The Grant will be paid out in four quarterly instalments subject to performance and submission of documents identified in the schedule of grant payments.
- 2.1.2. The grant period shall be based on the Council's financial year and be paid in quarters from 1st April to 31st March each year. First quarter payment will be paid between 1st April – 30th June, the second quarter will be paid from 1st July to 30th September, third quarter from 1st October to 31st December, and final quarter from 1st January to 15th March the following year. However organisations that receive less than £500 will be paid in two half-yearly instalments.
- 2.1.3. Payment will be made by BACS through the Council's Oracle payment system on submission of an invoice that shows service details and purchase order and invoice numbers.
- 2.1.4. All organisations are required to submit an invoice (with a purchase number) details together with documentation specified in the schedule of payments to the Finance Section for settlement. The use of this system to issue grant funding in no way constitutes grant funded organisations as goods or service providers to the council.
- 2.1.5. Where grants are allocated for multiple years, payment will be made at the beginning of each quarter on a year-to-year basis.
- 2.1.6. The Council reserves the right to recommend grant payment or withdrawal to organisations based on compliance with these grant terms and conditions and/or the result of monitoring visits carried out by officers, results of performance and a review of projects.

2.2. Budget Sheet

- 2.2.1. At the beginning of the financial year all organisations receiving grant aid must submit a signed agreement form and a budget sheet (supplied by the Council), that itemise all planned expenditure and income for the year of the grant.
- 2.2.2. A revised budget sheet showing the actual expenditure to date and projected spending for the rest of the year shall be submitted after six months after the grant is awarded usually in October. This will form part of required documentation for payment of the third quarter instalment.

2.3. Certified/audited Accounts

- 2.3.1. All organisations receiving grant aid from the Council must keep adequate records of all income and expenditure they receive and submit annual audited/certified accounts as follows:
 - 2.3.1.1. At the beginning of the financial year a full set of audited/certified accounts for the previous financial year signed by two officers of their management committee, one of whom should be the treasurer. This condition does not apply to organisations that have already supplied copies with initial or previous applications within the same financial year.
 - 2.3.1.2. Organisations whose gross income is **less than** £20,000 (twenty thousand pounds) per annum must submit a certified statement of accounts, as soon as possible, and not later than six months into the financial year of the grant. The accounts must be certified and signed by an independent examiner and also two members of the management committee, one of whom should be the treasurer.
 - 2.3.1.3. Organisations whose gross income **is more than** £20,000, shall submit, as soon as possible and no later than six months into the financial year,

an externally and independently audited statement of accounts. The accounts must be certified by professional auditors, and must be duly signed and counter-signed by the chair and treasurer. The accounts should provide information on the organisation's activities for the year of the report.

- 2.3.1.4. Ensure that no person involved in the preparation, certification or auditing of accounts has any business or personal relationship to another person involved in the day-to-day operation of the organisation.

2.3.2. Financial Monitoring

- 2.3.2.1. The organisation must have a separate bank account in its own name to receive grant payment
- 2.3.2.2. Have a minimum of two out of three signatories for signing cheques, at least one of whom must be the treasurer and a member of the management committee, who can approve cheques of more than £500
- 2.3.2.3. Maintain a proper system for disbursing petty cash
- 2.3.2.4. Maintain an appropriate system for tax payments, national insurance, corporation tax and any other taxes
- 2.3.2.5. Have an accounting system to properly monitor and report on financial matters
- 2.3.2.6. Produce annual accounts as described in 2.3 above.

2.3.3. Records Keeping

- 2.3.3.1. Organisations must keep proper and up-to-date records that provide a full report on its activities, in particular, in respect of the purpose of the grant, relevance, statistics on users and any other information that maybe required by the Council.

3. GOVERNANCE

3.1. Management Committee

- 3.1.1. Organisations are required to have a properly constituted management committee that meets regularly, at least four times in a calendar year. The management committee shall have a minimum of six members and a maximum of 12.
- 3.1.2. The organisation must hold an annual general meeting of members at least once a year and inform the Council in writing of any changes that take place. Copies of the minutes and other discussions should be deposited with the Council.
- 3.1.3. The organisation should notify the Council, in writing, and within ten days of holding an AGM, with the names and addresses of the elected Chair, Secretary, Treasurer and other members of the management committee.
- 3.1.4. No member of the Management Committee shall take up paid employment with the organisation within one year of their resignation from the management committee.

3.2. Capability

- 3.2.1. Organisations shall satisfy the Council, as advised by their legal services, that the service for which approval has been given falls within the remit of their constitution.

3.3. Constitution, policies and other documents

- 3.3.1. All funded organisations must submit an adopted and signed constitution and/or articles of association depending on the type of organisation. Organisations must inform the Council of any future changes to these documents.
- 3.3.2. Organisations registered with the Charity Commission are required to submit their charity registration numbers and other details.

- 3.3.3. Organisations are further required to submit to the Council annual accounts, annual reports and insurance documents as advised by Council
- 3.3.4. Organisations must further submit an equal opportunities and non-discriminatory policy, that is acceptable to the Council
- 3.3.5. Where relevant an organisation must submit a child protection and protection of vulnerable people's policies to safeguard the safety of children and of vulnerable adults and provide evidence of DBS disclosures

3.4. Employment and Equalities

- 3.4.1. Organisations must pay particular attention to equality in the recruitment and selection process of any post funded by the Council and provision of relevant Employment Protection Acts and have a policy outlining contravention procedures.
- 3.4.2. Organisations must demonstrate a commitment to and support for the Council's Equal opportunities policy in their recruitment of members, users and volunteers

4. MONITORING

4.1. Regular Performance Monitoring

- 4.1.1 Funded organisations receiving will be required to provide quarterly updates on progress

4.2. Annual Review

- 4.2.1. The Council will review its system of grant award on an annual basis and reserves the right to withdraw Grant Aid in the second or subsequent years irrespective of the recommendations accepted by the Council Executive.
- 4.2.2. Organisations receiving grant aid from the Council will be required to complete a self assessment form six months into the financial year which will be used as the basis for the annual monitoring visit.
- 4.2.3. Information on the self assessment form will include:
 - (i) Progress made towards achieving outcomes identified in the signed agreement (see 1.1.2 above)
 - (ii) Evidence of progress made towards achieving outputs set out in the signed agreement
 - (iii) Evidence of how services have reached target users
 - (iv) Evidence of how services have been promoted and where appropriate progress has been made
 - (v) Other information about how the services have been run

4.3. Self assessment

- 4.3.1. Self assessments should provide the following information:
 - (i) Information about service users recorded in accordance with protected characteristics under the Equality Act
 - (ii) Identify a process for collecting feedback
 - (iii) Information about all the organisation's activities particularly the ones funded by the Council's grants

4.4 Audit

- 4.4.1 Organisations are required to be available for site visits from officers to meet staff, users and members of your management committee to support any performance monitoring as per Schedule of Requirements in Appendix A or audit process. There is an expectation that an organisation will authorise vetting with appropriate agencies where concern is raised about the suitability or credibility of an organization and its governance, e.g. the council deems it inappropriate to fund an organisation where trustees or the organisation itself have been found to be involved in financial irregularity, fraud or other related offences.

5. EQUIPMENT, FURNITURE, VEHICLES, COMPUTERS, TRAINING AND PREMISES COSTS

5.1. Receipts

- 5.1.1. Organisations whose grant aid is a contribution towards the purchase of equipment, furniture, computers or vehicles shall produce receipted invoices for the full cost before grant aid payment is made. Where an organisation has insufficient funds the Council may make payments directly to suppliers as its portion of the agreed cost.

5.2. Asset inventory, purchase and sales

- 5.2.1. The organisation shall submit and maintain an inventory of all assets purchased with Council funds, which should include:
- (i) a brief description of the asset
 - (ii) serial number
 - (iii) date of purchase
 - (iv) sale of item and date, and
 - (v) income received from such sales.
- 5.2.2. The organisation shall not dispose of any item of equipment or furniture, etc., bought from Council funds without the Council's prior written consent, within the first five years of purchase
- 5.2.3. Where items are disposed of in accordance with condition 5.2.2, above the organisation shall refund to the Council on demand, such part of the grant aid, as may be determined. Such sums will not exceed the level which the Council considers to be equivalent to the market value of items of the time of disposal.

5.3. Insurance

- 5.3.1. All organisations shall take out insurance policies for all risks specifically including:
- (i) public and employer's liability
 - (ii) fire and other risks to the property
 - (iii) risk arising from the use of vehicles, and
 - (iv) theft or damage to property and contents and produce evidence of insurance on request

5.4. Limitation

- 5.4.1. The Council will accept no liability whatsoever to any organisation or third party for any costs, claims, damages or losses however incurred during the funding period. The organisation shall not be or be deemed to be, an agent of the Council and shall not present itself as such to any third party.

6. ACKNOWLEDGEMENTS

6.1. Publicity

- 6.1.1. Organisations that receive grant aid from the Council shall, wherever possible, publicise Council support on all public literature, buildings and vehicles. The provision of Grant Aid shall be acknowledged within its annual report and accounts.
- 6.1.2. A Council logo is available for this purpose is available from the Council on request.

7. WARNING

7.1. Non-Delivery

- 7.1.1. The Council reserves the right to recover all or part of grant aid awarded should an organisation fail to deliver any of the outcomes specified in the report or uses the Grant Aid for unauthorised purposes.
- 7.1.2. The organisation shall keep the Council informed of all matters relating the use of the Grant Aid and in particular, submit all relevant information/documentation in

respect of the grant. They must notify the Council in writing of any changes to the factors that formed the basis on which grant aid was approved.

7.2. Political/Religious activity

- 7.2.1. The organisation shall not promote or oppose any political party or party political causes and shall not use any part of the grant aid to engage in party political activity or further or propagate a religious faith.

8. DISSOLUTION

- 8.1. The chair of the management committee of any organisation that is dissolved or, being a limited liability company goes into liquidation, shall immediately notify the Council in writing to this effect.
- 8.2. In the event that an organisation is dissolved or goes into liquidation, any of its assets that have been bought with Grant Aid monies and/or any unexpended grant aid monies shall be returned to the Council. Unless agreed otherwise such agreements shall be on terms decided by the Council.
- 8.3. No further grant aid will be paid to the Organisation with effect from the date of the dissolution notice.

End.