

LONDON BOROUGH OF MERTON

Voluntary and community sector grant funding conditions



Form Cond1/09

1. Introduction

- 1.1 We recognise and respect the independence and value of the voluntary sector. 'Independence' means freedom for you to choose the focus of your organisation; and to carry out the work according to the aims and terms set out in your organisation's governing document.
- 1.2 We will take account of this in dealings with you. We will not interfere in the way you run your organisation unless we need to – (see reserve conditions at the end of this document).
- 1.3 If you accept a grant from us, this will involve you in certain responsibilities. We will expect you to; have good management and financial practices, promote equal opportunities and show that you can effectively deliver your service or carry out your activity, in a safe and responsible manner.
- 1.4 Your grant – aided activities should benefit the people who live, work or study in Merton. If your grant - aided activities are solely for people who live, work or study in Merton, they should be based within the borough boundaries. You must also take positive steps to involve local people in managing your project.

2. Management and Organisation

- 2.1 You must send us your governing document (such as constitution or memorandum and articles of association), with your grant application. This document must show that your organisation is:
 - a) independent;
 - b) open to its users being involved in decision making
 - c) has clear and democratic procedures for reporting and decision making
- 2.2 You must tell us about any changes to your governing document
- 2.3 You must have a management committee which holds regular management committee meetings. There must be open elections to elect committee members. All your general meetings must be open to all members. You must provide us with the names and addresses of all management committee members and you must name one contact person. (We do recognise other forms of organisation, but this needs to be discussed and agreed with the relevant departmental officer).

See Reserve Conditions at the end of this document for the circumstances under which management committee agendas and minutes will be requested by the Council.
- 2.4 We accept that difficulties and disputes within your organisation are the responsibility of your management committee. Because such problems may have an impact on grant aided activities, you should inform us at an early stage of such difficulties.

- 2.5 You must carry out your business in a way that avoids 'conflict of interest'. This means that management committee members and staff must not use their position or influence within the organisation to gain advantage for themselves or others.
- 2.6 An individual cannot be a member of the management committee and a paid employee of the organisation
- 2.7 Paid employees may go to management committee meetings if management committee members agree, but they cannot vote
- 2.8 Any management committee member who has a financial interest in a contract for goods or services must declare that s/he has an interest in the decision. They must not vote on awarding those contracts.
- 2.9 Your organisation must be non profit – distributing. Any income generated by your group must be used for the benefits of the community it serves, in line with the aims and objectives outlined in the governing document

3. Equal Opportunities

- 3.1 You must comply with the requirements of the Sex Discrimination Act 1975; the Race Relations Act 1976 and Race Relations (Amendment) Act 2000; the Equal Pay Act 1970; Health and Safety legislation; and the Disability Discrimination Act 1995. You should ensure access to services and activities by disabled people, through making appropriate reasonable adjustments. In order to comply with the above you must have a written equal opportunities policy and demonstrate that you are actively opposed to all forms of discrimination. You must be able to show us that:
 - a) you have taken positive and practical steps to make sure that people from all communities are made welcome and are able to use your services
 - b) you have taken positive steps to welcome people from all communities on to your management committee who support the aims of your organisation
 - c) your employment practices are fair and you will not discriminate in relation to pay and conditions of employment, recruitment, promotion and career opportunities
 - d) you are monitoring your success in putting your equal opportunities policy into practice
- 3.2 For further information on the above please contact:
 - For issues concerned with service delivery please contact LBM's Diversity and Community Cohesion Manager on 020 8545 3864
 - For issues concerning human resources/ personnel please contact LBM's Human Resources Team on 020 8545 3369

4. Employment Practices

- 4.1 You must observe all current employment legislation, including European Directives affecting the employment of staff. You should promote equal opportunity and unlawful discrimination in accordance with the Race Relations

Act 1976, The Race Relations (Amendment) Act 2000, the Equal Pay Act 1970 and Sex Discrimination Act 1975 and the Disability Discrimination Act 1995. Every effort should be made to ensure access to employment for disabled people, through making appropriate reasonable adjustments.

- 4.2 You must give all your employees
- a) a contract of employment
 - b) a job description
 - c) your organisation's equal opportunities statement
 - d) your organisation's disciplinary and grievance procedure
- 4.3 Agency staff used by your organisation for short periods of time would be covered by the terms drawn up between yourself and the relevant Agency. Casual staff should be given a short statement of the terms of their employment and the duties required of them.
- 4.3 If you recruit volunteers to help run your services, we would expect you to adopt and implement a volunteer's policy. This would include anti discriminatory practices as outlined in 4.1. above, as well as the items mentioned in 4.2b), c) and d).

5. Financial Procedures

- 5.1 You must have a bank account in the name of your organisation into which the Council will pay the Grant. All cheques drawn on the account must be signed by 2 signatories, unless the Council and the Organisation otherwise agree, at least one of these signatories will be an officer of the Management Committee of the Organisation.
- 5.2 You must show us that you have proper financial accounting systems and practices, including proper arrangements for paying taxes and National Insurance.

As a matter of good practice - organisations are advised to refer to SORP 2001 and adhere to its general principals. In addition the Council requires that:

- a) All funded organisations have their accounts independently examined
 - b) All funded organisations whose gross income or total expenditure is above £50,000 must have their accounts independently examined by a qualified accountant
 - c) The accounts should contain such details as the Council may reasonably require and comply with the requirements of SORP
- 5.3 You must send your accounts or financial statement to us by 31st October of the following financial year. If your AGM is held after this date, you may send draft accounts at 31st October and the final accounts once these have been agreed by the AGM. If you do not use the same financial year as us, you must send them no later than six months from the end of your financial year.
- 5.4 If requested, you must send a half yearly budget statement by 31st October, giving details of actual spending for the first half of the financial year and a budget projection for the second half of the year.

5.5 You must have enough insurance to cover all risks – theft, fire, employers and public liability and third party damages. We cannot be held liable for any losses. You must prove to us that you have enough insurance cover.

5.6 Where a grant has been made to cover salary costs (in part or in full) of a specific post, that grant may not be used for any other purpose without prior written consent from us.

6. Political Activity

6.1 You must not use your grant to pay for publicity that is for or against any political party.

7. Using your grant

7.1 You must only use your grant for the agreed purposes. If you do not, or if you do not spend all of it, you must obtain written agreement from us before using it for any other purpose.

7.2 You must keep us informed at all times about how you use your grant. In particular you must tell us:

- a) about any significant change in the circumstances of your organisation; and
- b) about any significant change in the needs you have identified and which we used to decide on your grant

7.3 We can ask you to repay us all or part of the grant if you do not use it for the purposes for which we gave it

7.4 In the event of dissolution, any or all of the Organisation's assets purchased with Council grant aid will be returned to the Council unless agreement of the relevant Contact Officer of the Council is given in advance. This would be confirmed in writing.

8. Monitoring and Evaluation

8.1 You must take part in the Council's monitoring and evaluation programme, which will be carried out on an annual basis. You will be informed in advance of areas we will be monitoring, and of any documentation that needs to be seen.

8.2 You must supply, on request, any information reasonably required by the officers of the Council to enable proper assessment, monitoring and evaluation of the grant awarded. This will include co-operation with Joint Reviews, Social Services Inspections, Audit Inspections or any other national or local government reviews.

8.3 You must comply with the Data Protection Act 2000 and should be aware that the proposed Freedom of Information Act may require the Council to disclose information on voluntary organisations in receipt of grant aid.

9. Other sources of funding

9.1 You must tell us about all other sources of funding for your project/ organisation.

10. Acknowledging our help

10.1. Where Council funding exceeds 50 % of an organisation's turnover, or exceeds £50,000, whichever is the greater, acknowledgement of the Council's assistance must be included as appropriate in all printed materials. It is recognised that this may a while to achieve and should be negotiated with the relevant Contact Officer. Where the funding is less than this percentage, or the amount stated, acknowledgement should be made in publicity material, annual reports and newsletters.

11. Ending your grant

11.1 The Council reserves the right to withdraw, reduce or withhold any grant. The decision to withdraw, reduce or withhold the grant would be agreed by the relevant Portfolio Holder and Head of Service. Except in exceptional cases, e.g. where there is a suspected financial irregularity, we will normally give at least 3 months notice from the decision to final withdrawal of funding.

11.2 All groups will have a right to appeal against any decision to withdraw, withhold or reduce funding, to the relevant Cabinet Member and Head of Service. The Council's Scrutiny process may also discuss issues concerning reductions or withdrawals of grant funding

11.3 Upon withdrawal of funding, or in the event of the group closing, your organisation must return to the Council any cash balances in excess of liabilities as at the date of withdrawal.

11.4 The Council shall not be held responsible for any payments due as a result of a reduction in or withdrawal of Council funding – e.g. redundancy costs

11.5 The Council may withdraw the funding all or a proportion thereof where funding is dependant on external funding and it is withdrawn. For example the Supporting People fund.

11.6 The Council will make payment up to and including the date that the Organisation receives notification that the external funding is to be withdrawn

12. Special Conditions

12.1 We may, from time to time, if necessary, alter, delete or add to the conditions of grant aid after appropriate consultation with the voluntary sector, or individual group concerned.

12.2 Specific grant conditions to may be applied to any grant your organisation is offered. Where special grant conditions have been applied, these will supplement the general conditions as outlined in this document. Special conditions will be discussed with your organisation before they are included in these conditions.

13. Reserve Conditions

These may be invoked if there any doubts relating to the adequacy of the service being provided with Council funding. See also the Good Practice Guidelines for the Council's Approach to Voluntary Organisation's in Difficulties.

- 13.1 Nominated Council officers shall be given access to the organisation's premises, normally by prior arrangement, at all reasonable times and be entitled to inspect documents and papers necessary to enable monitoring of compliance with these conditions on the understanding that confidentiality, e.g., of users, staff, etc., will be respected. The Council will normally give prior written notice of any such inspection of documents, specifying the officers involved and the purpose of the visit. The provision will not restrict the making of unannounced visits which some organisations have agreed as a means of assisting in the general monitoring process of services being provided with Council funding.
- 13.2 The Council reserves the right to send a representative to attend Management Committee meetings in an observer capacity on the understanding that, where appropriate, confidentiality will be respected and the representative will only have an interest in matters which affect the service being provided with Council funding.
- 13.3 Minutes of Management Committee meetings shall be made available to the contact officer if requested, on the understanding that confidentiality will be respected and the contact officer will only be interested in the minutes which relate to matters which may have an effect on services being provided with Council funding.
- 13.4 If the Council requires, the Management Committee, or delegated officers, shall make available to the Council's Directorate of Finance, or any other authorised Council personnel, the financial records and supporting documentation immediately.
- 13.5 The Council reserves the right to nominate an officer to attend interviews for posts which are partially or fully funded with Council funds, in an advisory capacity.
- 13.6 The Council reserves the right to see job descriptions, and person specifications, for staff whose salaries are being met in full or in part through Council funding. The organisation shall notify the Council in advance of any proposed changes to such job descriptions, and person specifications, which may have an effect on the service being funded by the Council.

14. Good Practice Guidelines

All organisations should endeavour to conform to these guidelines

- 14.1 The Management Committee, or its equivalent, as defined in the Constitution shall meet regularly and not less than four times a year. The organisation should inform the Council of the names of its officers, or, in the case of a collective/ co-operative, the nominated persons. The Council should be informed of any changes of officers taking place during the year.
- 14.2 The Council should receive notice of an organisation's Annual General Meeting, which should take place within 15 months of the previous AGM.

- 14.3 Written information on services provided including any charges, should be available in appropriate ways to publicise the service for users and potential users.

15. Data Protection

- 15.1 Any personal information given to the Council will be used in accordance with the requirements of the Data Protection Act 1998. We have a duty to protect public funds we administer and may use information that you have provided for the prevention and detection of fraud.
- 15.2 We may also share this information with other bodies responsible for auditing or administering public funds for these purposes.
- 15.3 For further information, go to <http://www.merton.gov.uk/legal/nfi-fdp.htm> or contact the data protection officer, by email data.protection@merton.gov.uk or by phone 020 8545 4182. Further information is available from <http://www.auditcommission.gov.uk/nfi/fpindex.asp>

16. Accepting the Conditions

When we give you a grant we will tell you:

- a) the process by which the grant was authorised
 - b) the date of the decision
 - c) the amount of grant
 - d) of any specific conditions attached to the grant
- 16.1 One of your trustees must sign and date these conditions accept the grant and the conditions of grant aid.