

McCARTHY STONE FOUNDATION

The McCarthy Stone Foundation is a registered Charitable Incorporated Organisation (CIO) in England and Wales No. 1191504

GRANT MAKING POLICY

Policy Governance	
Policy Owner	Board of Trustees
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1. Purpose

- 1.1 The purpose of this policy is to set out the principles, criteria and processes that govern how the McCarthy Stone Charitable Foundation makes grants. It complements the Donation Acceptance Policy, which defines the basis on which the Foundation accepts donations into funds.
- 1.2 A grant is defined as a financial award the Foundation makes from its funds to support charitable activities, usually to registered charities or charitable community groups, but sometimes to other bodies.

2. Introduction

- 2.1 The McCarthy & Stone Charitable Foundation is a registered charity benefiting communities across England, Scotland and Wales, and it is governed by a board of trustees. A Head of Foundation has delegated responsibility for day-to-day activities of the Charitable Foundation.
- 2.2 The trustees ensure proper governance of the Foundation's grant-making in three ways.
 - Through grant-making principles which ensure that, even where there is donor or funding partner involvement, decisions are ultimately made by the Foundation's trustees. These principles, together with the Donation Acceptance, clarify that funds given are The McCarthy Stone Charitable Foundation's asset, albeit with degrees of restriction on their use, and that, where they are involved, donors are recommending grants, not awarding them.
 - Through published grant-making criteria which set out the activities the trustees wish to support in furtherance of the Foundation's charitable objectives. The criteria also include activities which the trustees do not wish to support because they do not consider them to be in line with the Foundation's purpose.
 - Through grant-making processes which set out how decisions are reached for awarding grants from different types of funds (both restricted and unrestricted) at the Foundation.

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3. Grant-making principles

3.1 The principles which underpin the trustees' governance of the Foundation's grant making take into account the scale and range of its grants and strike a balance between proper oversight of decision-making and responsive service for both applicants and donors.

3.2 The principles are as follows.

- The Board of trustees has ultimate collective responsibility for all grant-making decisions in line with the Foundation's charitable purposes and any restrictions agreed with donors and funding partners.
- Trustees may assign certain decision-making responsibilities to its sub-committees, Board members or staff within its scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.
- Trustees reserve the right to apply conditions to any grant.
- Trustees also reserve the right not to approve any recommendation or nomination if they (or those acting with their delegated authority) determine that the resulting grant would not be charitable or would conflict with the Foundation's stated policies or damage its reputation.
- If there is any doubt as to whether the grant falls within the Charity's purposes, the grant will not be paid until the trustees have made a determination on the matter. The trustees reserve the right to seek legal or other expert advice before making a determination.

4. Grant-making criteria

4.1 The Foundation's published guidance on criteria for applications from groups and organisations is set out in Appendix 1 of this policy. Trustees are particularly keen to help grassroots community groups and voluntary based charitable organisations in line with the Foundation's strategic themes.

4.2 As a registered charity, the Foundation can only make grants to support activity which is charitable in law. Organisations do not have to be registered charities to apply, but the Foundation will only make general running cost or unrestricted grants to charities. Grants to other types of organisation will always be restricted for a specific charitable purpose.

4.3 Trustees are mindful of the regulation and focus of Community Interest Companies (CICs) and other non-charity social enterprises. The Foundation's approach is to consider helping such organisations, where there is a sound business plan, with the

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charitable costs of start-up or expansion. The Foundation does not normally support CICs and other non-charity social enterprises with the costs of continuing services, which should be financed by the sale of goods and services in line with the governance model they have chosen.

- 4.4 Trustees expect that grants will support older people (defined as over 65 years of age) to be valued, connected and engaged with their community. This may be achieved through activities that promote connection and purpose, intergenerational activity, or community regeneration.
- 4.5 External applications for support must be made using The McCarthy Stone Charitable Foundation's application process.
- 4.6 Grant requests which the trustees will not normally support are:
- Contributions to general appeals or circulars;
 - Religious activity which is not for wider public benefit;
 - Public bodies to carry out their statutory obligations;
 - Activities which solely support animal welfare;
 - Activities which have already taken place;
 - Grant-making by other organisations.
 - Privately owned and profit-distributing companies or limited partnerships.
- 4.7 To ensure the Foundation's resources are used solely to further its charitable objectives, and it can report on the impact of grants, trustees normally expect that all grants will have one to three measurable objectives agreed at the beginning of the funding period as part of the grant offer.
- 4.8 The minimum grant in response to an external request is £500. Upper limits are programme dependent and typically the Foundation does not award grants above £7,500.

5. Grant-making processes

- 5.1 Trustees aim for the Foundation's grant-making processes to be transparent and to address the interests of applicants and the wishes of donors and funding partners. To this end, all eligible external grant requests go through a four-stage process as follows:
- 1 Allocation to available funds according to their availability and criteria. Requests that cannot be allocated to existing funds are rejected
 - 2 Assessment to determine whether the request should be shortlisted for support. Requests not shortlisted are rejected

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- 3 Review of the assessment and recommendation by a fund advisor, panel, the Board, or by a person acting with the delegated authority of the Board, for grants up to £1000 in size this can be undertaken by the Head of Foundation. Larger grants will be recommended by the Grant Sub-Committee and awarded by the Trustees. Grants not recommended are rejected
- 4 Ratification of the recommendation by the Board or a person/committee acting with its delegated authority.
- 5 The Foundation reserves the right to withdraw a grant offer at any time during the process if deemed in the best interests of the Foundation to do so.

5.2 The process for donor-nominated grants is:

- The donor nominates a grant to a UK-registered charity, or a similarly regulated organisation for charitable purposes
- For organisations, due diligence on governance and finance is conducted by staff to confirm the nomination can be supported.
- The nomination is ratified by the Board or the person/committee acting with its delegated authority

5.3 In addition to responding to external grant requests and donor nominations, the trustees may at their discretion invite or commission proposals or provide funding in collaboration with others or by combining fund contributions, where doing so would meet the Foundation's strategy and priorities for its unrestricted and discretionary funds.

5.4 Trustees delegate responsibility for approval of grants as follows.

- A list of all ratified grants is formally reported to the Board at quarterly meetings.
- External requests or invited proposal for amounts at £1000 and above from unrestricted and discretionary funds are dealt with by the Board or a grants panel it may choose to establish to act on its behalf. In such cases, the funds are treated as panel advised and recommendations ratified by the Board as set out above.
- Grants and donations made from *restricted* funds donated by McCarthy Stone Ltd and up to the value of £5,000 may be approved by the Head of Foundation. Grants and donations made from *unrestricted* funds up to the value of £1,000 may be approved by the Head of Foundation.

5.5 Recommendations to approve high-risk and unusual grants of any type are not delegated and must be referred to the Board. Examples include where:

- there is a question as to whether the grant would be for a charitable purpose;
- there are risks around an organisation's long-term liquidity or solvency;

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- the grant is for unusually large sum, or for a type of organisation, activity or area of benefit not usually supported;
- one or more trustees or committee members have a conflict of interest;
- there is a risk of damage to the Foundation's reputation; or
- there is a potential conflict with the Foundation's policies.

6. Variations to this policy

6.1 The Board of trustees may vary the terms of this policy from time to time. Applicants should review grant information on the foundation website prior to applying.

APPENDIX 1: GRANT-MAKING CRITERIA

How do I apply?

- All applications must be made using The McCarthy Stone Charitable Foundation's application process. This is detailed on our website at: www.mccarthyandstone-foundation.org.uk
- Please contact the Foundation team on 01202 292480 if you require any further information

Who can apply?

- We make grants to a wide range of grassroots community groups and voluntary organisations whose purpose and objectives are aligned to those of The McCarthy Stone Charitable Foundation. The Foundation does not make grants to individuals.
- You do not have to be a registered charity to apply, but the work you ask us to support must be legally charitable. However, please note that we can only make grants for general running costs or unrestricted purposes to charities. Grants to any other organisations will always be restricted for a specific charitable purpose.
- You must have a governing document (constitution, rules, memorandum and articles of association etc.), a governing body of at least three unrelated individuals, and a bank account in your group's name with at least two unrelated signatories.
- For general McCarthy Stone Charitable Foundation grants, you must have an annual turnover under £500,000 p.a. as evidenced in your annual report or management accounts.

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- If you have previously had a grant from The McCarthy & Stone Charitable Foundation, we will not consider any new application unless you have sent us all the required grant reports.
- Grant recipients may apply for funding for a maximum of TWO consecutive terms and may not reapply for funding for 12 months after the term of the second grant ends. Unsuccessful applicants may not apply again for 12 months unless advised otherwise by the Head of Foundation.

Which area do I need to be in to apply?

- McCarthy Stone Charitable Foundation grants are for activities in England, Scotland and Wales. We do not fund organisations in Northern Ireland or work carried out overseas.

What sort of support is available?

- General McCarthy Stone Charitable Foundation grants are usually for amounts up to £7,500. They can be towards running costs (including salaries), projects, equipment or capital developments. In some cases, the foundation may make an offer of a partial award. Where this is the case, the foundation will discuss this with the recipient in advance of issuing a formal grant offer.
- The work can be new, continuing or a one-off initiative. Where possible the foundation looks to fund unrestricted, but grants may be restricted where deemed appropriate by the Head of Foundation or Board of Trustees.
- Some funds and programmes offer larger grants. We usually do this by inviting a proposal to us. In all cases, you must have a strong case for support. That means being able to explain what you will do with the grant, who will benefit and how you know the work will make a difference to the intended beneficiaries or cause.
- We will not fund requests to support:
 - Contributions to general appeals or circulars;
 - Religious activity which is not for wider public benefit;
 - Public bodies to carry out their statutory obligations;
 - Activities which solely support animal welfare;
 - Activities which have already taken place.
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When will I get a decision?

- We normally take up to twelve weeks to make a decision and will use our best endeavours to let you know if you have been awarded a grant or not within this timeframe. If we think your application might be suitable for a particular fund but the decision process will take more than twelve weeks we will contact you to let you know.

APPENDIX 2: EXPLANATION OF TERMS USED IN THIS POLICY

- Discretionary fund: a collective term for funds where decision-making is at the Board's discretion but where the donor, partner or trustees have specified a field-of-interest.
- Panel advised: a fund where the donor or the Board wishes a panel or committee to recommend grants on their behalf.
- Restricted fund: a legal and accounting term describing a fund which the Foundation must use for certain specific purposes defined by the donor.
- Unrestricted fund: a legal and accounting term for funds which the Foundation may use at its discretion to support its charitable purposes.

