OCF Grant-Making Policy

1. Purpose

1.1 The purpose of this policy is to set out the principles, criteria and processes that govern how the Community Foundation makes grants. It complements the Gift Acceptance and Stewardship Policy, which defines the basis on which we accept donations into the Foundation's funds.

1.2 We define a grant as a financial award we make from the Foundation's funds to support charitable activities. Grants are usually made to registered charities or charitable community organisations, but sometimes to non-charities or to individuals for exclusively charitable purposes.

2. Introduction

2.1 The Community Foundation is a Charitable Incorporated Organisation (England & Wales) No. 1151621 benefiting communities particularly, though not exclusively, in Oxfordshire. It is governed by a board of trustees. A staff team led by the Chief Executive has delegated responsibility for day-to-day activities.

2.2 The Foundation's trustees ensure proper governance of grant-making in three ways:

- Grant-making principles ensure that, even where a donor or funding partner is involved, trustees ultimately make all grant decisions. Together with the Gift Acceptance and Stewardship Policy and philanthropy agreements, the principles make clear that funds given are the Foundation's asset, although with degrees of restriction on their use. Where they are involved, donors are recommending grants, not approving them.
- Grant-making criteria set out what trustees wish to support to further the Foundation's charitable purposes. Trustees exclude certain activities which they do not consider to be in line with the Foundation's purposes. Trustees may occasionally make grants outside published criteria, but the activity supported will always be legally charitable.
- Grant-making processes set out how we make decisions to award grants from different types of funds at the Foundation.

3. Grant-making principles

3.1 The principles which underpin governance of the Foundation's grant-making take account of the scale and range of our grants, and balance proper oversight of decision-making with responsive customer service for 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 can assign certain decision-making responsibilities to sub-committees,

Board members or staff within their scheme of delegation. Such delegated decisions are subject to scrutiny and review from time to time.

- Trustees can apply conditions to any grant.
- Trustees can decide not to approve any recommendation or nomination if they (or those acting with their delegated authority) decide that a grant would not be charitable, would conflict with the Foundation's policies or damage its reputation.

4. Grant-making criteria

4.1 The Foundation publishes criteria for applications from organisations and individuals via our website. The aim is to support a wide range of causes in line with donors' wishes, while prioritising certain places and issues which trustees agree from time to time. We generally focus on small, local charities and community organisations (those with income up to £1 million, with priority to those up to £0.5 million) in our primary area of benefit (Oxfordshire). We will support larger charities, but generally only where they are the best placed organisation to meet a priority need, a donor nominates them for a grant, or they have a fund with us designated to support their work. Other organisations, like schools, usually only get grants from funds the Foundation has been given for that purpose.

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 to us. But if an organisation is of a type and size that requires it to register, we will usually only consider a grant if it is taking steps to do so. We can only make core or unrestricted grants to charities. Grants to non-charities will always be restricted for a specific charitable purpose.

4.3 All applicant organisations must have a governing document, a governing body of at least three unrelated individuals and a bank account in the organisation's name with at least two unrelated signatories.

4.4 The Foundation can provide restricted funding to social enterprises like CICs are not charities but where the grant will support charitable purposes for public benefit.

4.5 The Foundation can provide restricted funding to social enterprises like CICs are not charities but where the grant will support charitable purposes for public benefit. To be eligible, non-charity social enterprises must provide a plan explaining how the organisation is or aims to be financially resilient with trading as a core part of its income. If we agree that plans are appropriate for the organisation's age and size, we can then consider applications for:

- i. reasonable direct costs of services that address a new or unmet community need or which provide new ways of addressing issues.
- ii. building the organisation's capacity to develop and run such services.
- iii. equipment, land, and buildings in line with our rules on capital grants to non-charities in paragraph 4.6.

4.6 The Foundation will consider applications for capital costs like equipment and the development of land or buildings. If an applicant is a charity, legally any funds that come from selling such assets may only be used for charitable purposes. Because non-charities, including CICs, Community Benefit Societies, Parish Councils etc. do not have this legal requirement, for them we can only fund capital costs where:

- i. it is a condition of our grant that if the organisation sells any assets we fund, it must apply the value it gains for the same purpose set out in our grant offer, or return that portion of the grant to us;
- ii. the applicant's governing document specifies that if it transfers assets (for example, if it winds up), it will be to a charity or for a restricted charitable purpose.

4.7 In line with Charity Commission guidance, the Foundation treats safeguarding with the highest importance. We will only consider grants where applicant organisations are able to demonstrate that safeguarding is a priority, and that they have adequate safeguarding policies and procedures in place. The Foundation has a Safeguarding Policy which details our own approach and responsibilities.

4.8 As well as the above requirements on legally charitable activity, funding non- charities and on safeguarding, the trustees have decided that external requests for any of the following are not eligible for our funding:

- Contributions to general appeals or circulars.
- Activities where the primary benefit is the advancement of religion.
- Activities where the primary benefit is to enable a public body to conduct its statutory obligations.
- Activities where the primary benefit is the advancement of animal welfare.
- Activities which have already taken place.
- Grant-making or equivalent gifts in kind by other organisations (although we can fund provision of necessary goods for a service e.g. food parcels or activity packs).
- Applications from privately owned and profit-distributing companies or partnerships.

4.9 To ensure the Foundation's resources are used solely to further our charitable objectives, and so we can report on impact, we normally expect all grants to have up to three measures of success agreed as part of our grant offer.

4.10 Organisations receiving their first grant from the Foundation must submit satisfactory monitoring before we will accept further applications. We will not accept applications from any applicant where monitoring on previous awards is overdue.

4.11 Our minimum grant in response to an external request from an organisation is £1,000. The minimum for a donor-nominated grant is £500. There is no upper limit, but applicants should be mindful of the Foundation's average grant size.

4.12 We only accept applications from individuals to funds we specifically advertise for that purpose. Exceptionally, we may support an individual based on a donor nomination. Minimum grants to individuals may be lower than those to organisations.

5. Grant-making processes

5.1 External applications must be made using the Foundation's on-line application process. However, we will take reasonable steps to provide information in alternative formats in line with the Diversity, Equity, and Inclusion policy.

5.2 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. So, all eligible external grant requests go through a process as follows:

- Allocation to available funds according to their criteria. We have to reject requests that cannot be allocated to any available funds.
- Assessment by staff to decide whether a request can be shortlisted. We have to reject applications we cannot shortlist, unless a donor/partner wishes to see them.
- Review of shortlisted applications, and recommendations for which to support, by a fund advisor, the Board, or by a person or panel acting with our trustees' delegated authority. We have to reject applications which are not recommended unless we can allocate them to another available fund.

- Ratification of the recommendation to support by the Board or a person or panel acting with our trustees' delegated authority.
- Offer of feedback to unsuccessful applicants.

5.2 The process for donor-nominated grants is:

- A fund advisor nominates an eligible organisation or individual in need for a grant.
- Staff conduct due diligence on governance and finance in line with OCF's due diligence process to confirm the nomination can be supported.
- Subject to this due diligence, the Foundation's trustees, or a person or panel acting with their delegated authority, ratify nominations and award grants.

If a donor wishes to nominate an organisation for a grant other than as above (including for a restricted purpose), we will ask the nominee to apply or submit a proposal which we will assess on the same basis as external funding requests.

5.3 The Foundation can also make one-off or regular grants to one or more organisations designated by a donor at the point a fund is set up. Such grants are subject to due diligence to ensure our funding will be used for exclusively charitable purposes and recipient organisations remain solvent.

5.4 In addition to external funding requests, donor-nominated grants, and designated fund grants, we may invite or commission proposals, provide funding in collaboration with others or combine fund contributions if doing so meets the Foundation's strategy, priorities, and criteria for funds.

5.5 Trustees delegate responsibility for approval of grants from different funds as follows – following and part of the Pathway for Payment Process. This document should be read together with the latest version of the Grants Due Diligence Process which is completed before grants are submitted for approval.

5.6 Trustees delegate responsibility for approval of grants from different funds as follows.

- Ratification of recommendations from donor- and panel-advised funds and for donor nominated grants is delegated by the trustees to the Chief Executive. The Grants and Impact Committee receives a report on ratified grants quarterly.
- External requests or invited proposals for up to and including £10,000 may be approved by the Head of Grants and Inclusion and decisions ratified by the Chief Executive.
- External requests or invited proposal for amounts over £10,000 are approved by the Head of Grants and Inclusion and Chief Executive and ratified by the Chair of the Grants and Impact Committee.

5.6 Recommendations to approve high-risk and unusual grants of any type must be referred to the Chair of the Grants and Impact Committee, who will decide whether to refer it to the Board. Examples include where:

- the grant is outside of our primary area of benefit, Oxfordshire
- a grant from a fund could generate direct private benefit to the fund's donors, fund advisors and related parties (e.g. donor's family members or business interests) – see the Gift Acceptance Policy
- 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;
- 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 senior staff have a conflict of interest;
- there is a risk of damage to the Foundation's reputation;
- the nature of the funded activity would raise significant safeguarding risks;
- there is a potential conflict with the Foundation's policies (most notably the Gift Acceptance Policy).

The intention of this policy is to direct all grants made from the date of its approval. However, OCF accepts that where grants are made from a fund whose MOU was agreed before the date of this approval, these grants can be made even if they conflict with this policy, as long as they do not conflict with charitable law. Nonetheless, such grants will be escalated to the board for approval by exception.