

RESOURCING INDIVIDUALS

Introduction

At the Board Meeting of 29th June 2022, the Board approved the team's request to begin making grants to (some) individuals. Making grants to individuals (and un-constituted groups) is fraught with potential pitfalls and potentially subject to greater scrutiny by regulators, so it is important we follow the process agreed below. As this process is in an experimental stage, we anticipate it will change over time, however at this stage we are only able to make grants that are:

- For specific projects (therefore restricted funding and not for core-funding)
- For grants of £20,000 or less

The Process

When making grants of up to £20,000 to individuals who are not representing registered charities or companies, we must follow the process set out below:

Assessing the application

1. Ensure the project is clearly for work that is
 - charitable and meets a charitable purpose;
 - for public benefit, and will be accessible to a large enough section of the public
 - offering no unacceptable private benefit to the grantee or associated parties (that is, any financial benefit to the grantee or associated parties is incidental and proportionate related to the costs of running the project).
2. IMPORTANT: We MUST check the benefits status of the individual – if they are currently in receipt of any benefits we will need to seek further advice before agreeing any funding.

Due Diligence Stage

3. Request a copy of ID (Passport, Drivers Licence, etc) to check name and address of the individual (for second and subsequent grants, only need to check address is the same).
4. If the money is going into a personal bank account, we require a copy of a bank account statement, to cross-check the name and address of account holder.
5. We must then offer a restricted grant of up to £500 to the individual to pay for tax advice to work out the implications of receiving the grant. The main grant then follows 4 weeks later – unless the individual informs the Foundation that they don't want the grant. The individual does not have to take up our offer of paying for the advice, but their acceptance or refusal must be noted in the letter that accompanies the grant terms and conditions (*see template letter below*).

The Grant Terms and Conditions

6. In the terms and conditions we must:
 - set out clearly that the grant is for charitable purposes and public benefit
 - specify what work the funding will be for
 - set out in detail the budget as it relates to it.

We should use our 'non-charitable' terms and conditions for individuals.

7. The individual must request approval in writing to adjust the budget and workplan. This can be done via email.

Monitoring

8. We should request an expenditure report at the end of the process.

Template Offer Letter:

Dear [xxxxxx],

We are pleased to confirm that Lankelly Chase have agreed funding of £xx,xxx to [you or name of organisation, group or collective].

We attach the following to this letter:

1. Our funding agreement with you, which sets out the general terms of our funding relationship with you. Please make sure to read this carefully, sign and then return the document to us. Please also keep a copy for your own records.
2. A "Bank Account Details" form for you to complete and return to us. Please could you make sure that this is accompanied by a scan or copy of a bank statement for the receiving bank, which is dated within six months of the date of your completed form. If you cannot provide a bank statement for any reason, we can accept a letter from your bank confirming the status of your bank account.

Once we have received each of the above and any other information requested in our funding agreement, we will be able to process your payment.

Finally, and for reference we have previously offered you £500 to seek financial advice as to any potential impact this grant may have on your self-employed status and earnings, and you have [accepted/rejected] this offer.

Yours (etc)

Risk Controls

- The above process limits risk to the Foundation to £20,000.
- The due diligence process limits potential fraud, through checking the ID and bank account details of the prospective grantee.
- We will take further advice for any applicants who are currently in receipt of benefits.
- The offer of £500 towards tax advice is designed to give grantees any further support they need to understand the personal tax implications of receiving grant money.