



# External Funding and Grants Protocol

Thanet District Council



## **1.0 Introduction**

- 1.1. External funding is an important source of income to the Council, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.
- 1.2. Grants provided by the Council help to deliver corporate priorities and outcomes, but it is important that these grants are managed responsibly and offer value for money.
- 1.3. There is a need for a protocol that standardises processes relating to external funding and the payment of grants to ensure consistency and clarity and to protect the Council from unidentified risks.

## **2.0 Objectives of the Guidance Notes**

- 2.1. The objectives of these guidance notes are to ensure that:
  - Corporate Plan/Council priorities are considered when seeking external funding and bids concentrate on these areas, rather than bidding for funds that divert internal resources to non priority areas.
  - Before taking on external funding due consideration is given to the funder's conditions and rules.
  - Issues that may arise from the funding are identified and considered appropriately e.g. legal, VAT and capacity issues.
  - Exit strategies are considered and identified where appropriate.
  - All financial implications arising from external funding are identified e.g. match funding requirements and ongoing unsupported revenue costs etc.
  - Members are involved appropriately in approving funding bids.
  - Thanet District Council, its Members and staff are protected through the keeping of correct records.
  - The correct authorisation is obtained to enter into an agreement for external funding for a project.
  - All funding in respect of the project is received and properly accounted for.
  - All claims for funds are made by the due dates.
  - The project progresses as approved.
  - Monitoring takes place in a timely manner.
  - All expenditure is properly incurred and recorded.
  - All project outcomes, outputs and results are achieved.
  - There are procedures in place for any grants made from the project.
  - There is an audit trail for all expenditure and income relating to the project.
  - Any requirements from external funders are met.
  - Any significant changes to the project are notified to the external funder as soon as they become apparent.
  - Equality and diversity aspects of externally funded projects are considered.
  - Grants are paid to sustainable organisations.

- Expenditure and outputs in relation to grants provided are monitored to ensure the grant has delivered value for money.
- Grants paid to organisations over £1,000 have a grant offer letter (**Annex 4**).

2.2. Application of the guidance set out may vary from project to project and information on particular requirements for project monitoring and record retention is likely to be provided by individual funders. It is of vital importance that the funder's guidance is followed.

### 3.0 Definition of External Funding and Grants

3.1. This protocol applies to external funding/contributions and grants paid to third parties that are as follows:

	<b>Grants/Contributions paid to / received equal to or in excess of</b>	<b>Definition</b>
External Funding received by the Council	>=£0	Any grant that carries conditions, where several outcomes or regular returns are required to be reported to the funder.
External Funding received by the Council	>=£5,000	Any grant that carries only one outcome e.g. the writing of a report or the monitoring of the number of participants in an event.
Un-ring-fenced grants and contributions received by the Council	>=£10,000	Any sum received in excess of £10k, un-ring-fenced means a sum received that has no conditions placed upon it and does not result in a specific outcome.
Grants paid by the Council to third parties	>=£5,000	Any grant paid to third parties however funded.

3.2. This protocol does **not** apply to the following grants that pose low or no risk to the authority:

	<b>Grants/Contributions paid to / received</b>	<b>Definition</b>
External Funding received by the Council	£0-£4,999	Any grant that carries only one outcome
Un-ring-fenced grants and contributions received by the Council	£0-£9,999	Any sum received in excess of £10k, un-ring-fenced means a sum received that has no conditions placed upon it and does not result in a specific outcome.
Grants paid by the Council to third parties	£0-£4,999	Any grant paid to third parties however funded, however all grants over £1,000 require a grant offer letter

- 3.3. Grants or funding under these levels should not disregard this protocol and should still use it as guidance, should any grants under £5,000 carry a single outcome the project manager should still ensure that the grant conditions are adhered to as required.
- 3.4. The levels have been set to balance the safeguarding of external and internal funds against the level of administration required in protecting the authority.
- 3.5. All grants paid to third parties over £1,000 should have a grant offer letter, a standard agreement is contained at **Annex 4**.

## **4.0 Community contributions and Un-ring-fenced grants**

- 4.1. There are two types of funding that need additional guidance and these are community contributions and un-ring-fenced grants.
- 4.2. Where a grant is wholly un-ring-fenced and has been given to the authority, either by an individual or other external funder, these monies are allocated to the un-ring fenced grants reserve. The approval process for these grants, as approved by Cabinet, will then apply to monies drawn down from this reserve.
- 4.3. For community contributions the following shall apply:
  - 4.3.1. That should a property or financial sum be be-quested to the authority then the legal department shall assess the conditions imposed on the be-quest and the gift will be treated as ring-fenced unless otherwise stated in the be-quest.
  - 4.3.2. When a contribution is given to an area of Thanet for the purposes of community use (with the exception of Section 106 or developer contributions as these are governed by separate legal agreements), consultation should be undertaken with the appropriate stakeholders and community groups prior to allocating the money to community projects:
  - 4.3.3. Once agreement from the relevant groups is obtained the grant can be utilised as proposed by the Council. Consultation should only be undertaken if the funding is in excess of £50,000 or if it is a condition imposed by the grantee.
  - 4.3.4. Where there are competing demands for funding a scoring matrix should be devised to aid Cabinet in making a final decision on the allocation of funding.

## **5.0 General Guidance on different types of external funding**

- 5.1. External funding can take many forms and as such it is not possible to write guidance on all of them as part of the protocol which is why each grant needs to be appraised individually.
- 5.2. However, there are a number of key funders and this section is designed to give grant applicants an idea as to which funding sources are likely to be easier to apply to.

### 5.3. **European Funding**

- 5.4. European funding now takes several forms, funding can be paid through the Local Enterprise Partnerships coming from central government (i.e. ERDF/ESF), directly from a lead partner (i.e. Interreg) or a managing authority (i.e. European Fisheries Fund).
- 5.5. Grant rates vary considerably through every programme and again each requires detailed analysis particularly around match funding and audit requirements.
- 5.6. As these Audit requirements are complex, they require a lot of officer time by the project team (including central services) to ensure compliance.
- 5.7. Any bid for European funding under £50,000 must have financial sign off before a bid is drafted, as the financial benefits of the bid are unlikely to outweigh the officer time required to administer the funders required process.
- 5.8. In addition, programmes such as Interreg require a lot of overseas meetings which also involves a lot of officer time.

### 5.9. **Heritage Lottery Fund (HLF)**

- 5.10. Over the last few years the HLF have had a larger pot of money to distribute due to an increase in lottery ticket sales and a higher percentage allocation of those sales compared to other lottery organisations.
- 5.11. This has resulted in a large grant pot to which heritage focused projects can bid into which for Thanet with its historic background provides an excellent opportunity to finance large regeneration schemes.
- 5.12. The HLF programmes typically operate in one of two ways. For the smaller programmes a one stage bidding process with a quick outcome for smaller grants or a two stage bidding process for larger grants.
- 5.13. Stage one of the two stage process involves the grant applicant bidding for development funding to assist with work up costs of a scheme such as surveys and designs, with the stage 2 bid then being for the actual physical development.
- 5.14. Although the lottery schemes are not as difficult to audit compared with the European programmes for larger schemes the two stage process will lead to a delay from project initiation to project completion.
- 5.15. Claims are typically quarterly, unless large enough to warrant monthly returns which generally makes monitoring of the schemes easier.

### 5.16. **Other funders**

- 5.17. The remainder of other funders including HCA, DCLG, KCC etc. will all have their own funding conditions which will need to be abided by and these will need to be carefully assessed with the External Funding Officer assisting in their assessment.

## 6.0 Roles and Responsibilities

- 6.1. For any projects where the Council is the applicant for the external funding, the Council is normally ultimately responsible for everything that happens during the lifetime of the project. This may mean that if conditions are breached by a third party benefitting from the funds, the Council will have to repay any clawback of funds even though it may not be possible to reclaim this from the third party.
- 6.2. In addition should grants be paid to third parties, these grants should only be paid if value for money can be guaranteed and that evidence is provided to support what the grant was used for.
- 6.3. The **Section 151** Officer has overall responsibility for external funding and grants and is specifically required to:
  - Maintain and review of the Council's External Funding and Grants Protocol.
  - Ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
  - Ensure that the match-funding requirements are considered prior to entering into agreements and that future capital/revenue budgets reflect these requirements.
  - Ensure that all claims for funds are made by the due date, where he/she is specifically responsible for submitting grant claims.
  - Arrange and maintain adequate insurance cover for the project in accordance with Council's policy.
  - Ensure that audit requirements are met.
  - Ensure that grants paid to third parties offer value for money.
- 6.4. **Second Tier Managers** are required to:
  - Consult with the Section 151 Officer on any application for external funding prior to its submission to SMT.
  - Ensure that the proposed project meets the funder's criteria.
  - Organise appropriate training of relevant staff involved in the project.
  - Ensure that appropriate internal records are kept particularly by the Project Manager.
  - Determine how long to keep the records of each project in conjunction with the external funder and S151 Officer.
  - Ensure that all claims for funds are made by the due date, where he/she is specifically responsible for submitting grant claims.
  - Ensure that the project progresses in accordance with the agreed project plan, conditions and project outcomes and that all expenditure is properly incurred and recorded.
  - Maintain adequate supporting documentation to enable claims for funding to be fully evidenced and maximised.

- Prepare reports for Members and Senior Management Team as appropriate on externally funded projects in their service area.
  - Comply with the External Funding and Grants Protocol.
  - Consult with SMT/S151 Officer/Accountancy prior to the awarding of a grant to a third party.
- 6.5. For each scheme, a **Project Manager** will be designated. Where the project manager is external to the Council a designated officer or Second Tier Manager should ensure that all the requirements of the project manager have been fulfilled. The Project Manager is responsible for:
- Delivering the project and liaising with partners, staff and the external funder(s),
  - Preparing delivery plans for approval.
  - Ensuring that capital and revenue income and expenditure is identified correctly in conjunction with the S151 Officer/Accountancy and ensuring that the correct coding in eFinancials is adhered to.
  - Identifying any 'timing' rules on funding particularly for any roll forwards to future periods.
  - Arranging for the drawing up of any contract/grant/service level agreement with partners so that each partner knows what is expected of them, this is particularly important when paying grants to third parties.
  - Ensuring that financial checks of grant recipients are carried out so that any grant provided is not put at risk should the company go into liquidation.
    - Financial checks should be undertaken as a matter of course should grants be paid up front in advance of expenditure being undertaken, a financial check may not be required if the grant is being provided to offset expenditure already incurred and evidenced by the third party. Should a check be required on an individual rather than a company, the Council should seek their written permission to perform this.
  - That grants are paid prudently (e.g. stage payments linked to work that has or will be undertaken) to ensure that no funds are put at risk in line with the grant/service level agreement. All grants over £1,000 must have a grant offer letter; a draft is included in **Annex 4**.
  - Regular checks should be undertaken on a grant recipients performance in relation to a grant received, if paid through stage payments compliance with the grant conditions should be checked prior to the release of the next stage payment, otherwise it should be undertaken regularly at times in line with an agreed timetable.
  - A charge should be placed on a property where an awarded grant to a third party is for property acquisition or improvement. This should be done in conjunction with the legal department.
  - Ensuring that any organisation that will receive any element of the external funding, either as a partner of the Council, or as a grant recipient, has a diversity policy that is compatible with the Council's policy.

- Ensure appropriate due diligence checks of third party applications are undertaken. These checks must be more stringent when a grant is in excess of £5,000.
- Identifying insurance needs for the project and ensuring that these are in place, in conjunction with the S151 Officer.
- Liaising with the Council's VAT Officer to consult about any potential VAT issues.
- Keeping the internal records for the project in accordance with advice from the Head of Service, External Funding Officer and S151 Officer.
- Monitoring the records kept by any partners and subcontractors in relation to the project and ensuring that these meet the funders requirements.
- Undertaking a periodical check to ensure that no conditions attached to the grants for the project have been breached.
- Comply with the External Funding and Grants Protocol.

6.6. **Accountancy** has the responsibility for:

- Setting up, safekeeping and maintaining a main file for each project/funding source.
- Create and inform managers of appropriate coding within eFinancials for all external funding .
- Co-ordinating and monitoring the progress of all projects that are externally funded.
- Where required preparing and submitting external funding returns in conjunction with the Project Manager.
- Assessing the impact of new external funding bids in line with the External Funding and Grants Protocol.

## **7.0 Authorisation**

- 7.1. Before any application is made for external funding, the application form or proposal for an application, including the application form to be completed should be sent to the External Funding Officer.
- 7.2. The External Funding Officer will examine the application and report to SMT the main points of the application and any comments they might have.
- 7.3. Once SMT have made a decision to approve or refuse the application for funding, this will be reported back to the author of the application by the External Funding Officer.
- 7.4. Any grants that are to be paid to third parties should also receive approval by SMT prior to be awarded.
- 7.5. Should there be the need for an urgent decision on an external funding bid or grant award, the S151 or deputy S151 officer will have authority to approve these prior to them being reported to SMT.

## **8.0 Records**



- 8.1. Records need to be kept to demonstrate the progress and delivery of the project. Where records are to be kept electronically the funders approval to this must be sought.
- 8.2. Records should not just be kept on internal expenditure, but where the project and funders conditions dictate, also external providers of services or receivers of grant.
- 8.3. Expenditure and outcome records should be obtained from any grant recipient that receives a grant either externally funded or from internal funds, to ensure they have used the grant for the purposes for which it was given.
- 8.4. Records must show:
  - A sufficient audit trail which should be traceable right back to the original document, demonstrating, for example, the expenditure, an invoice and bank statement.
  - Exact evidence of expenditure.
    - Internal staff costs – salary records, detailed timesheet (to show time allocated to the project) and any apportionment methodology.
    - External staff costs – invoices, detailed timesheets.
    - Other costs – invoices, payment receipts, apportionment methodology, copies of leasing/hire agreements, source documents for overheads.
  - Records of eligible beneficiaries and steps taken to discern their eligibility.
  - Evidence of proper procurement.
  - Evidence of any auditable, accountable match funding.
  - Compliance with any publicity, equal opportunities and environmental requirements.
  - Clear records of any businesses supported for state aid purposes.
  - Evidence to support the output measures that as a minimum meet the funder's requirements e.g. this may be national insurance numbers for jobs created.
  - Evidence of insurance documents for third party grant recipients to be reviewed by the Council's insurance officer, e.g. a grant being provided for an event.
- 8.5. The core documentation required to be kept on the project file is:
  - The report seeking SMT approval of the application, and the minute approving the project, or the minute of the management meeting/ portfolio holders written agreement in the event that special powers are invoked due to urgency.
  - The funding application.
  - The offer letter from the external funder and any subsequent revisions.
  - Copies of any correspondence with the external funder.
  - Copies of any agreed changes and variations to the project.
  - Copies of all claim forms.
  - Working papers showing how the claims have been calculated.

- File notes of any issues relating to the project. These file notes must be signed and dated by the originator.
  - Documentation to support the outputs achieved.
- 8.6. For the purchase of fixed assets including second hand equipment an inventory should be maintained if required by the funder, please see **Annex 3** for details on records to be maintained. Where the purchase of an asset exceeds £10k then the project will become a capital project and the project should have had a capital bid form completed for it prior to submitting an application for external funding.
- 8.7. For procurement, the Council's Financial Procedure Rules, Contract Procedure Rules, Procurement Strategy and Procurement Code of Practice will apply as a minimum. The external funder may make some additional requirements. Copies of quotations/ tender documents must be kept.
- 8.8. Records of any match funding or income must be kept showing:
- Details of match funding.
  - Details of any match funding in kind.
  - Details of any income received.
  - Bank statements
  - Audited accounts
  - Working papers
  - Details of any match funding in the form of volunteer time provided it is eligible, supported with the required evidence (e.g. timesheets, hourly rate calculations).
- 8.9. The external funder may require that some additional project specific records are kept. This should be checked with the external funder.

## **9.0 Claiming the External Funds**

- 9.1. The offer letter from the external funder is likely to be the contract by which the external funder provides funds to the Council. It should set out amongst other things:
- Start and end dates for the project
  - The expected outputs /outcomes/results.
  - The total eligible expenditure.
  - The maximum amount of grant and the grant rate.
  - Start dates for eligible expenditure.
  - Date of financial completion.
  - Timing of payments of funds to the Council.
  - Dates for submitting grant claims and any final claims or other required documentation.
  - Definitions, for example, of what constitutes eligible expenditure for grant purposes
- 9.2. Standard claims must be submitted in the required form and method by the due dates and accompanied by any supporting documentation required by

the external funder. Usually this will be details of the actual progress of the project compared with that expected and set out in the offer letter.

- 9.3. Usually the external funder will require a progress report at regular intervals even if no claim for grant is made.

## **10.0 Receipt of Grant**

- 10.1. The Project Manager should ensure that any grant claimed is paid to the Council by the due date(s) and traced to the correct code in the financial ledger. Any non-receipt of grant must be reported to the External Funding Officer or S151 Officer immediately.
- 10.2. Accountancy should be notified promptly of details of grant payments expected for cash flow purposes.

## **11.0 Notifying Significant Changes**

- 11.1. No matter how well a project is planned and managed, there may still be unforeseen circumstances in the way the project is delivered.
- 11.2. Where a change to a project is considered to be “significant” and impacts on the original funding bid, it is essential to notify the external funder and seek written approval to change the project before any changes are made. The definition of a “significant” change must be obtained from the external funder before the commencement of the project.
- 11.3. Changes can be financial or non-financial i.e. outputs, outcomes or results.

## **12.0 Monitoring the Project**

- 12.1. Monitoring is the core of good project management and is useful to identify strengths and weaknesses that can be improved or built upon. It is also essential to ensure that the project is proceeding as planned to avoid possible claw back of grant paid to the Council and to ensure that grants paid to third parties deliver value for money.
- 12.2. A monitoring system must be set up for each project.
- 12.3. The monitoring system should comprise:
  - The use of key baseline working documents based on the objectives of the project or grant provided, the desired outcomes and the projected spend. These are likely to be a time bound baseline plan for achieving the outcomes consistent with the approved project and a financial profile linked to outputs.
  - The record keeping system set up to record the data that provides information for interim and final reports and project evaluation. Examples might include:
    - A project specification that demonstrates the need for the project and details the aims and specific objectives of the project.
    - Details of participants/beneficiaries, materials and reports.

- Time records for staff working on the project detailing their activity.
- Agreed milestones in relation to output delivery.
- The projects financial records which are the spreadsheets and schedules detailing expenditure and income relating to the project. These are the basis of the grant claims and must identify the costs incurred in the delivery of the project, both direct and apportioned. Separate cost codes may need to be set up but these must be linked to the Council's main financial records in order to provide the audit trail, and backed up by source documentation (invoices, petty cash claims, travel expense claims and remittance advices for income).
- The non financial records which need to be coherent and designed in such a way as to collect all relevant data required to prove eligibility of activity and link to other documents.

12.4. Separate systems will be required for internal and external monitoring. External monitoring will involve the monitoring of partners whose roles and responsibilities, activities and organisational systems may be very different to the Council's.

12.5. Monitoring of scheme expenditure, outputs, outcomes and results must take place at regular quarterly intervals or such more regular times as determined by the external funder.

### **13.0 Standard of Evidence Needed to Support the Outputs/ Results Claimed**

13.1. This is a vital part of the monitoring process and there must be clear evidence established to back up any outputs achieved. There must also be explanations as to why any outputs claimed are different to those set out in the approved project.

10.2. Below are some examples of actual supporting evidence required by funders and TDC to support expenditure. As can be seen, the requirements may be quite onerous but it is vital that funder's requirements are met or value for money is assured, in order to prevent a breach of conditions and/or a potential repayment of external funding. These are only examples and it is important to identify the appropriate requirements, including that of any relevant funder(s).

- New Business Start Ups:
  - ✓ Location of new business.
  - ✓ Letters of incorporation, initial bank set up, rental or purchase agreements for premises.
  - ✓ Evidence of the ownership of the new company in order to prove that it is not a new branch subsidiary or joint venture of an existing company.
- Companies Receiving Substantive Support:
  - ✓ Location of company.
  - ✓ The needs analysis for the support.
  - ✓ A statement showing the type of support received.

- ✓ Time sheets for each element of support received and supported by diary entries.
- ✓ If the support has been given in cash, actual defrayal will be required. Evidence will need to be provided which will link the cash received to a payment within the period of the claim for support.
- Number of Marketing Initiatives:
  - ✓ The needs analysis for the intervention and the type of activity undertaken.
- Number Entering Self Employment:
  - ✓ Names and addresses of beneficiaries, copies of business stationary, utility bills, and any business plan.
  - ✓ A declaration from the beneficiary explaining how the intervention has directly resulted in the output.
- Brownfield Land Reclaimed:
  - ✓ Location of site
  - ✓ Evidence that the land is not of potential economic use without the support.
  - ✓ A surveyor's report, which identifies the actions, required to bring the site up to an acceptable standard.
  - ✓ Evidence to show that there is a potential economic use for the site if it was to be decontaminated.
- Jobs Created:
  - ✓ Location of job, address of employee and national insurance number.
  - ✓ Job description and recruitment advertising.
  - ✓ Employment dates and hours worked.
- Safeguarded Jobs:
  - ✓ Location of job, address of employee and national insurance number.
  - ✓ Evidence of the potential threat to the position due to redundancy or other reason. This could be in the form of letters to the employee, management discussion minutes, formal announcements etc.

10.3 If the funder does not automatically specify what supporting evidence is required then a request should be made as to the required documentary form before the commencement of the project.

## **14.0 Post Completion of a Project**

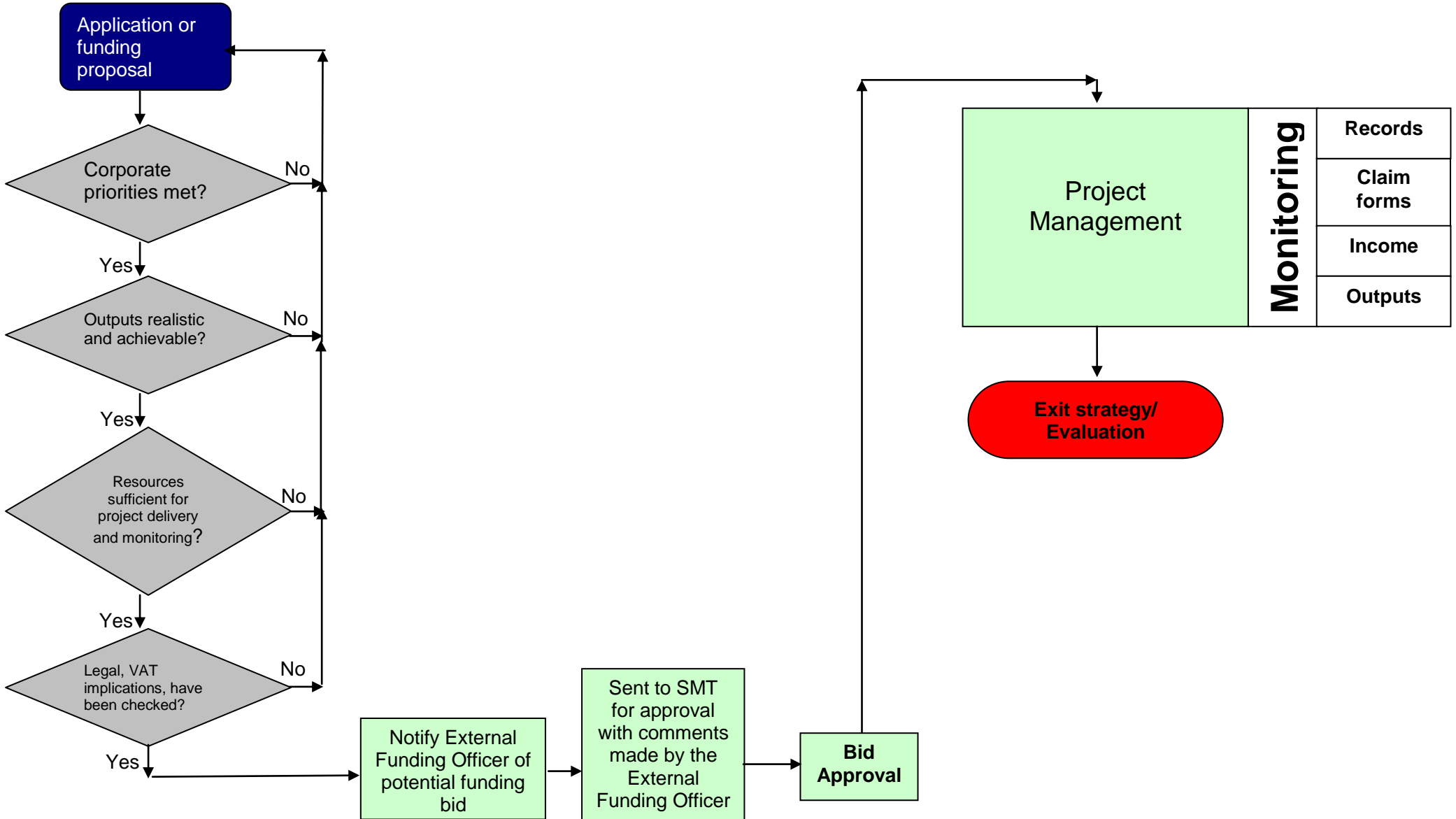
- 14.1. Any final audited statement of grant expenditure required by the external funder should be submitted by the due date together with any "end of project" report required.
- 14.2. Records should be retained as set out in the funder's requirements or in accordance with statute where this exceeds the funder's requirements.
- 14.3. Funder's output conditions should continue to be monitored to ensure that any breaches are identified in a timely manner and appropriate action should be taken to ensure that external funding repayments are minimised.

- 14.4. Before disposing of any assets either fully or partially financed from external funding, any relevant conditions should be identified and considered.
- 14.5. Where appropriate the approved exit strategy should be followed.
- 14.6. Where a grant has been provided to a third party a summary of what has been achieved by the project, its outcomes and expenditure evidence of the whole project should be reviewed to ensure the grant has achieved its original aims.

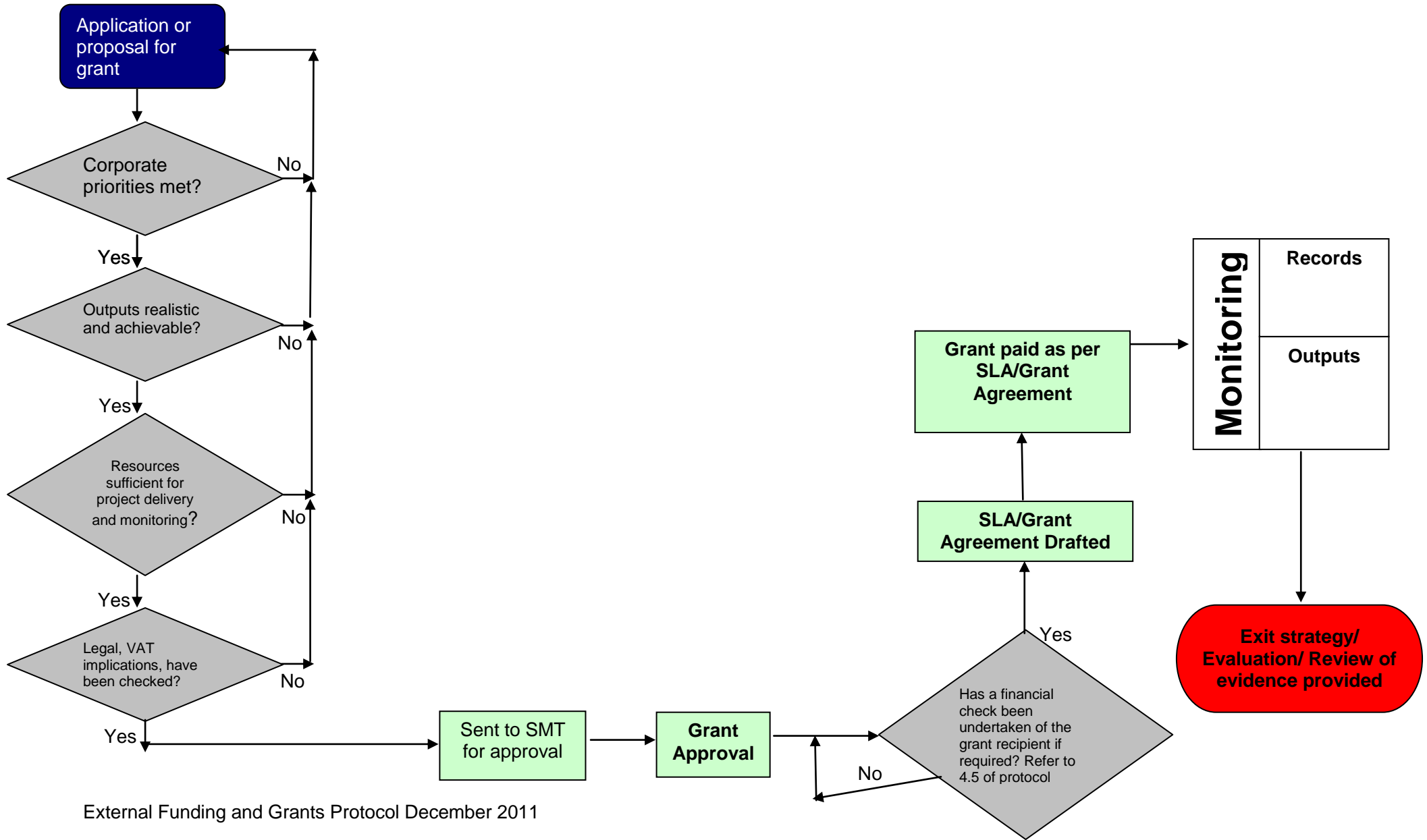
## **15.0 Summary/Conclusion**

- 15.1. Although external funding may sound somewhat daunting, by ensuring that the background work is carried out initially there can be long term benefits.
- 15.2. It is important that the proposed project fully meets the funder's criteria and that the funder's rules and regulations are fully identified, clearly understood and that they can be met.
- 15.3. The Council's External Funding and Grants Protocol should be followed, and if approved, the project needs to be closely monitored and any necessary action should be timely. Acceptable records need to be maintained during the project lifetime and retained in line with TDC/funder's requirements and statute whichever is the longer period.
- 15.4. Flow charts detailing the process for external funding and the payment of grants to third parties can be seen in **Annex 1** and **Annex 2**.
- 15.5. External funding and grants are important to the Council for delivering the Corporate Plan improvements and the Council's priorities. In order to achieve these objectives, processes around external funding and grants need to be well managed and by following the External Funding and Grants Protocol those involved in external funding and the payment of grants will be able to meet these requirements.

Process for External funding / contributions in excess of £10k



**Process for payment of grants to third parties**





**Purchase of fixed assets**

For second hand equipment the following must be kept:

- A declaration by the seller that it has not been purchased within the last 7 years with the aid of national or EEC grant.
- Proof that it does not exceed the market value or cost of similar new equipment.

For all fixed assets bought, built or improved using external funding an inventory must be kept showing:

- Date of purchase
- Description of asset
- Price paid net of recoverable VAT
- Amount and source of external funding used
- Location of asset and of any title deeds
- Serial or identification numbers
- Date of disposal
- Sale proceeds net of VAT

ADDRESS OF RECIPIENT HERE

Dear ,

**Grant Agreement between Thanet District Council and Grant Recipient**

**Project Title: Project Title**

**1. APPROVAL**

This letter is to inform you that Thanet District Council ('TDC') has approved the above Project, on the terms and conditions referred to in this letter.

Please read this letter carefully and return a signed copy within 14 days from the date hereof to:

Officer Name,  
Officer Job Title,  
Thanet District Council,  
PO Box 9,  
Cecil Street,  
Margate,  
Kent,  
CT9 1XZ

By signing this agreement on behalf of Company Name, the Company is agreeing to deliver the outputs specified for the funding level agreed within the timescale shown and to abide by the conditions included within this letter.

**2. DETAILS OF GRANT OFFER**

- 2.1 The grant level over the lifetime of the Project is expected to be £Grant Sum.
- 2.2 TDC has approved a grant of £Grant Sum for the delivery period from Delivery dates.
- 2.3 Please read and check Appendix 1 carefully as it is part of the offer contained in this letter setting out the conditions that Company Name is agreeing to perform. **Any failure to meet the conditions and terms shown may result in the grant being reduced, withdrawn, suspended or repaid.**

**3. MONITORING REQUIREMENTS**

- 3.1 Payment is made in advance/arrears (adjust as appropriate) and will be paid as per the below agreed cash flow:

January	£x
February	£y
March	£z
	<b>£Grant Sum</b>

- 3.2 Grant payments will be made in **advance/arrears (adjust as appropriate)** based on a profile of expenditure to be incurred **in the quarter following payment (adjust as appropriate)**; this must be profiled against the headings detailed in **Appendix 1**. It is the responsibility of **Company Name** to maintain accurate financial records that prove defrayal and to supply copies when required to TDC, **funders name if externally funded**, Audit Commission or other partner auditors who will inspect these records as part of a regular verification process and open to audit at any time.
- 3.2 **Company Name** will report to TDC **in line with regular reports to funders name (if externally funded)**, expenditure milestones and key indicators. Evidence of the achievement of outputs and financial records (originals) must be kept and be available for inspection by TDC, **funders name if externally funded** and/or auditors. They may also be subject to regular audit and/or monitoring visits of the Project on the same basis, as above.
- 3.3 **Company Name** must comply with any other visits, inspections or Project evaluation assessments required by TDC or **external funder**.

#### 4. STANDARD GRANT CONDITIONS FOR DELIVERY PROJECTS

- a) **Company Name** must maintain details of assets acquired, built or improved, wholly or partly using the grant worth more than £2,500 and provide details of such assets on a quarterly basis to TDC who will maintain an asset register. Any assets falling within this sub-paragraph which have been disposed of shall be similarly recorded.
- b) Records of expenditure must be kept until notified by TDC that they can be destroyed.
- c) If there has been a failure by **Company Name** to comply with the requirements set out in this letter TDC may reduce, suspend or withhold payments and/or require all or part of the grant to be repaid in particular where:
- 1) the Company has failed to keep and maintain the records as specified in this letter;
  - 2) any attempt is made to transfer or assign any rights, interests or obligations created under this offer letter, or to substitute any person in respect of any such rights, interests or obligations without the written agreement, in advance of TDC;
  - 3) the composition of the Project changes or ceases to exist as a result of insolvency or dissolution or otherwise.
- d) TDC may also reduce, suspend, or withhold grant payment and/or require all or part of the grant to be repaid, if it has reason to believe that:
- 1) the grant or any part thereof has not been used for the purpose for which it was given; or
  - 2) insufficient measures are being taken by **Company name** to investigate and resolve any reported irregularity;
  - 3) **External funder (if appropriate)** may withdraw or reduce the grant award to the Council, or has done so.

- e) Grants cannot be used for any political or religious purpose.
- f) **Company name** must acknowledge financial support from **external funder** and TDC in publicity/promotional material and in any annual reports.
- g) TDC will expect that any contracts entered into by **Company name** as part of the Project, will be by tender in line with HLF requirements. TDC will require a copy of any competitive tender procedures to be used by the **Company name**. If these are not appropriate, or if **Company name** does not have any such procedures, then TDC's procedures shall be adopted. If it is not intended to tender a contract, TDC must be informed and the reasons provided prior to any award.

## 5. SPECIAL CONDITIONS

- 5.1 The terms and conditions, annexes, appendices and requirements are deemed to be additional to and an integral part of the terms and conditions detailed within this Letter of Offer.
- 5.2 **Company name** must give 7 working days prior written notice to TDC if it plans to dispose of, or change, the use of any capital asset.
- 5.3 **Company name** must be aware of its legal responsibilities as an employer and, in particular, comply with and adhere to relevant legislation on Equal Opportunities and Health and Safety. Accordingly, **Company name** will indemnify Thanet District Council against any costs, claims, demands and liability arising directly or indirectly out of any breach or non-observance thereof.
- 5.4 **Company name** must have employers' liability insurance [for no less than [£5,000,000]] to cover any claims by staff, including disease or injury caused in the workplace, and will produce a copy of such policy to TDC as and when required to do so.
- 5.5 In addition, **Company name** will effect insurance to cover public liability and any grant aided equipment [for no less than [£5,000,000]] and shall provide evidence of such policy to the Council as detailed in 5.4 above.
- 5.6 Publicity and information about the Project must be freely and regularly available and in accordance with **funders** guidance.
- 5.7 All relevant statutory permissions and regulations shall be applied for and acted upon, including planning permission, fire precautions and Health and Safety legislation, by and at the cost of **Company name**.
- 5.8 TDC shall have a right to terminate this Agreement and to require repayment of the grant forthwith by notice in writing if **Company name** shall have offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining of this Agreement or grant or other agreement with TDC or for showing or forbearing to show favour or disfavour to any person in relation to this Agreement or any other agreement with TDC or if the like acts shall have been done by any person employed by it or acting on its behalf (whether with or without the knowledge of **Company name**) or if in relation to any contract with TDC **Company name** or any person employed by **Company name** or acting on behalf of **Company name** shall have committed any offence under the Bribery Act 2010 or shall have

given any fee or reward the receipt of which is an offence under Section 117 (2) of the Local Government Act 1972.

5.9 Funder name may monitor the Project for up to 10 years after its completion at intervals of one, five and ten years adjust as appropriate. TDC may request additional information from Company name in order to comply with these funders name monitoring checks whereupon Company name shall provide the same in a timely manner.

5.10 Documents must be retained by Company name for 25 years from the permission to start date or the date of this agreement, whichever is the later.

Please sign both copies of the Offer Letter in Section A below, retain one copy and return one copy to Officer Title at TDC.

Yours sincerely

Officer name  
Officer title

**SECTION A**

**Company name** hereby agrees and undertakes to adhere to the grant terms and conditions contained and/or referred to in this Offer Letter.

Signed by (name of duly authorised signatory) on behalf of **Company name**

**Signed** .....

**Print Name** .....

**Position** .....

**Date** .....

## Conditions of Grant Appendix 1

### 1. Project Delivery

The Grant recipient shall be:

**Company name**, Registered No. **0000000**

### 2. Funding, Outputs and Milestones Profile

Project outputs and milestones for the Project, to be completed by **project completion date** shall be as follows:

<b>Funding</b> <b>funder / TDC</b>	
<b>Outputs</b> <b>e.g. Assist in providing signage and interpretation throughout the site.</b>	✓
<b>Milestones</b> <b>Engage people, particularly young people</b>	✓

### 4. Reporting and Monitoring

**Company name** shall provide regular reports on progress to TDC at regular intervals and as otherwise required

**Company name** shall provide any further documentation and supporting evidence required by TDC or **funder** forthwith upon request.

### 5. Payments

The total maximum grant value shall be £**Grant sum**.

Invoices should be submitted to TDC **in line with the eligible categories for funder (if appropriate)**, subject to agreement on eligible expenditure and provision of agreed evidence. (Expenditure on any one category is not allowed to exceed that stated below without prior agreement and only up to a maximum of £**Grant sum** in total):

<b>Cost Heading</b>	<b>Amount</b>
<b>Heading 1</b>	£x
	<b>Grant sum</b>