

## **GRANT MAKING POLICY**

### **1. About this policy**

- 1.1 This policy applies to The Mainstay Foundation (the Charity), a charitable incorporated organisation registered in England and Wales charity registration number 1166017, whose registered address is at Office 11, 211 Kingsbury Road London NW9 8AQ.
- 1.2 The purpose of this policy is to set out the principles, criteria and processes that govern how (the Charity) makes grants, both within the United Kingdom and abroad.
- 1.3 A grant is defined as a financial award or payment made to individuals, organisations and charities by the Charity for the purposes of advancing and supporting charitable activities that are comprised within the Charity's objects.
- 1.4 The charitable objects of the Charity (Objects) are as follows: .
- the advancement of the religion of Islam in accordance with the principles and tenets of the Shia Ithna Ashari Muslim faith;
  - the advancement of education among adherents of the Shia Ithna Ashari Muslim faith by providing support to institutions and scholarships to individuals; and
  - the advancement of community development, primarily for the benefit of adherents of the Shia Ithna Ashari Muslim faith worldwide, by means including:
    - the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities and among vulnerable groups;
    - the promotion of national and international conflict resolution and reconciliation; and
    - the relief of financial need and suffering among victims of natural or other kinds of disaster.
- 1.5 The Charity is governed by the charity trustees of the Charity who have a duty, acting at all times in the best interests of the Charity, to apply the Charity's assets to advance the Objects and have ultimate responsibility and unfettered discretion for all grant-making decisions.
- 1.6 The purpose of this policy is to set out the principles and procedures that guide the charity trustees when they are making grants to further the Objects. It also provides information about the Charity's grant-making process to anyone who is applying to the Charity, or would like to apply to the Charity, for a grant.
- 1.7 In this policy references to persons who are "connected" with a charity trustee means:
- (a) a child, stepchild, grandchild, parent, brother or sister of a charity trustee;
  - (b) the spouse, unmarried partner or civil partner of a charity trustee or of any person falling within paragraph (a) above;

- (c) any person who is in a business partnership with a charity trustee or any person who is in a business partnership with any person falling within paragraph (a) or (b) above; and
- (d) any company, business, trust or organisation in which a charity trustee (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

## **2. Our funding priorities**

- 2.1 The charity trustees are keen to support activities that advance the Objects in an effective way. However, they recognise that a limited amount of funds is available to distribute each year. The charity trustees' current funding priorities are the Objects of the Charity as set out above.
- 2.2 The charity trustees will not support any activity that does not advance the Objects in an effective way or is an appropriate use of the Charity's funds in accordance with their sole discretion.
- 2.3 The charity trustees will occasionally award grants that fall outside the priorities stated in this policy, provided they are satisfied that the grant will further the Objects and is an appropriate use of the Charity's funds.
- 2.4 The charity trustees will review the grant-making priorities and principles set out in this policy annually.

## **3. Who can apply for a grant**

- 3.1 The charity trustees welcome proposals that support their funding priorities from organisations and individuals, although the charity trustees are particularly keen to support Shia Ithna Asheri individuals and organisations.
- 3.2 The charity trustees will usually award grants to organisations based in the United Kingdom (UK) or elsewhere that are either:
  - (a) are registered as charities with the Charity Commission for England and Wales (Charity Commission) or registered in their local jurisdiction as a registered charity or equivalent; and/or
  - (b) qualify as charities under the law of England and Wales or their local jurisdiction but are not required to register with the Charity Commission or local regulator.

However, the charity trustees will also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere on the strict basis that this advances the Objects of the Charity.

- 3.3 The charity trustees will not usually award grants to an applicant where the Charity considers that the proposal will not advance its Objects, will not be in the best interests of the Charity for any reason or if the applicant has failed the charity trustees' due diligence checks.

## **4. What we will fund**

- 4.1 In respect to advertised grants, the charity trustees will usually make grants subject to the advertised financial and time limits although in exceptional circumstances and in their sole discretion consider and approve sums outside these limits.

- 4.2 In respect to all other grants, the charity trustees will make grants in the amount they consider appropriate having regard to all the circumstances of the matter including but not limited to the funding available and acting at all times in the best interests of the Charity, to apply the Charity's assets to advance the Objects
- 4.3 Grant amounts above £20k in a financial year will only usually be provided to organisations that will be independently examined or audited by an independent body; subject of course to the discretion of the charity trustees who are able to authorise awards for additional sums if deemed appropriate.
- 4.4 All grants awarded by the Charity must be used to cover costs that are directly connected to carrying out the charitable activities that the charity trustees have agreed to specifically fund (**Funded Activities**). Grants can be used to cover costs that are directly connected to carrying out the charitable activities and can only be used for the following if the charity trustees have consented to such specifically within the terms of any grant agreement made:
- (a) salary costs;
  - (b) capital expenditure, provided the applicant is able to demonstrate that the expenditure is essential to the charitable activities that the charity trustees have agreed to fund and that any assets acquired using grant money will be used for similar purposes after the end of the proposed activities; and
  - (c) contributions to the cost of overheads, provided that the applicant is able to demonstrate that such overhead costs are essential for, and directly linked to, the charitable activities that the charity trustees have agreed to fund.
- 4.5 The charity trustees will award grants to fund the entirety of a proposal subject to their assessment and at their discretion. However, the charity trustees:
- (a) will consider funding part of the cost of a proposal where the total cost is shared with one or more other funders; and
  - (b) encourage applicants to seek additional sources of funding for their proposal if deemed appropriate.
- 4.6 If a grant covers part of the cost of a proposal, the charity trustees may require the applicant to provide details of the other funder(s) and the funding that they have secured or applied for (including any loans or other commercial funding).

## 5. How to apply for a grant

- 5.1 All grant proposals/applications must usually be made in writing. Applications for advertised grants will usually be made through an application made through the Charity's website. Any other application made must usually explain in detail how the grant will be used and put forward a strong case for support. In particular, a proposal must:
- (a) demonstrate how the activities funded by the grant will benefit the intended beneficiaries and advance one or more of the funding priorities;
  - (b) set out how use of the grant will be managed;
  - (c) give details of the key individual(s) who will be responsible for the management of the grant and delivering the proposed activities;

- (d) provide a budget for the proposed activities;
- (e) give details of any other funding that has been awarded or that is being sought for the activities to be funded by the grant; and
- (f) provide any other information that may be requested.

5.2 If the application is made by or on behalf of an organisation, the following must also be provided with the initial proposal; kindly note that the list below is not exhaustive:

- (a) a complete, up-to-date copy of the organisation's governing document;
- (b) if the organisation is a UK charity:
  - (i) its registered charity number(s) as issued by the Charity Commission, OSCR and/or CCNI; and/or
  - (ii) if it is a charity under the law of England and Wales that is not required to register with the Charity Commission (because it is either an exempt or excepted charity, or has income below the registration threshold), evidence of its charitable status (such as an HMRC reference number);
- (c) if the organisation is a charity established outside the UK, evidence:
  - (i) of its charitable status. This might, for example, include evidence of registration with a non-UK charity regulator and/or written confirmation from an appropriately qualified professional that the organisation is established as a charity in the relevant jurisdiction; and
  - (ii) that all the activities in the proposal will qualify as being charitable for the public benefit if they are undertaken by an organisation that is registered as a charity in England and Wales.
- (d) a complete, up-to-date copy of the organisation's governing document;
- (e) the organisation's most recent set of accounts; and
- (f) names and details of the trustees including their evidence of identity.

5.3 If the applicant is a non-charitable organisation the proposal must also demonstrate that all the activities in the proposal will qualify as being charitable for the public benefit in accordance with the Charity's objects. The Charity will only make grants to non-charitable organisations with strict limitations on the use of the grant within agreed terms and conditions and only if it is in the best interests of the Charity to proceed with the grant.

## **6. Due diligence**

6.1 When the charity trustees are considering a grant-funding proposal, they will undertake due diligence checks on the applicant. The checks that are undertaken will vary according to the charity trustees' assessment of any risks associated with the proposal or the applicant.

6.2 Due diligence may include requesting details of, and taking such steps as the charity trustees consider to be reasonable to scrutinise, any of the following (the list below is not exhaustive):

- (a) the applicant's governing documents;

- (b) if applicable, the applicant's status as a charity, including (where it is required to do so) evidence that the applicant has been registered with a charity regulator;
- (c) the applicant's latest accounts and financial position;
- (d) the identity of the applicant's directors, trustees, executive committee or other key personnel, in particular, to establish whether they are authorised to act in that capacity;
- (e) the applicant's governance and operational structures and practices;
- (f) the applicant's internal financial controls;
- (g) relevant operational policies and procedures that the applicant has in place;
- (h) the applicant's aims and values; and
- (i) any external risk factors that might affect the proposal.

6.3 In cases where the applicant will receive support from another funder, or works with a partner, the charity trustees may undertake due diligence on that funder or partner.

6.4 The charity trustees will keep a written record of any due diligence that they undertake.

## **7. How we make decisions about grants**

7.1 The charity trustees have ultimate responsibility for all grant-making decisions and for ensuring that all funds awarded are used to advance the Objects. The charity trustees may in their sole discretion refuse any application for a grant without having to provide reasons to any individual or organisation.

7.2 The charity trustees must declare the nature and extent of any interest, direct or indirect, which could, or could be seen to, prevent them from making a grant decision only in the best interests of the Charity. Situations in which a conflict of interest may arise include where:

- (a) a charity trustee (or a person connected to them) stands to benefit from a grant from the Charity (see paragraph 7 (Grants to charity trustees or connected persons); or
- (b) a charity trustee has a duty of loyalty to a third party that conflicts with their duty to the Charity.

Any such conflict of interest must be declared and managed by the charity trustees in accordance with the Charity's conflicts of interest policy.

7.3 The charity trustees may delegate certain decision-making responsibilities in accordance with the Charity's scheme of delegation. In particular:

- (a) individual charity trustees and/or members of the Charity's staff may be asked to review grant proposals and make recommendations to the charity trustees; and
- (b) before deciding to award a grant, the charity trustees may ask anyone they consider has relevant expertise or experience to provide them with information and to join in their discussions, but not to take any part in the final decision.

7.4 In all cases where a recommendation is made to them to award a grant, the charity trustees may in their absolute discretion refuse to approve that recommendation, particularly if they consider that a grant would not be an effective way to further the Objects or would conflict with the Charity's policies or interests.

- 7.5 The charity trustees may take as much time as necessary to consider grant proposals and decide if they will award a grant or not but will endeavour to provide an indicative decision within two months of the application being made.
- 7.6 The charity trustees will endeavour to inform applicants of their decision in writing but are not obliged to do so.
- 7.7 If an applicant is awarded a grant, the charity trustees will:
- (a) set out the key terms of the grant and any conditions that are attached to it in a grant agreement and
  - (b) request the applicant to sign the grant agreement to indicate that they accept the terms and conditions.
- 7.8 If the charity trustees decide not to award a grant for a proposal they are not obliged to give the applicant reasons for their decision.
- 7.9 The charity trustees' decision whether to award a grant is final.

## **8. Grants to charity trustees or connected persons**

- 8.1 If a charity trustee, or a person connected to them, applies for a grant the conflicted charity trustee must:
- (a) absent themselves from any discussion of the grant application by the non-conflicted charity trustees; and
  - (b) have no vote and not be counted as part of the quorum in any decision of the non-conflicted charity trustees on the grant; and
  - (c) follow the procedures set out in the Charity's constitution authorising a charity trustee or any person connected to them to receive a benefit from the Charity as a beneficiary of the Charity.

## **9. Reporting requirements and monitoring**

- 9.1 The charity trustees will take steps to monitor the use of the grant and verify that it is used for the purposes that have been agreed. The arrangements for monitoring will vary according to the nature of the grant, but the charity trustees will always seek to ensure that the arrangements are appropriate and proportionate.
- 9.2 Arrangements for monitoring use of the grant may include asking the recipient to provide any of the following:
- (a) copies of formal records such as receipts, invoices, bank statements and management accounts to show that funds have been used for the purpose for which they have been awarded and in accordance with the terms of the grant;
  - (b) regular written or verbal updates showing progress to date, summarising key achievements or problems encountered, indicating whether targets have been met and giving reasons for any delay in implementing work funded by the grant;

- (c) a final written report on completion of the work funded by the grant, showing how funds have been spent, evaluating where the work has been successful and identifying lessons that can be learnt;
- (d) information about any proposed changes to the proposed activities; and
- (e) any such further information and documentation as the Charity may require.

9.3 If appropriate, the charity trustees may also visit grant-funded activities and interview individuals involved in running those activities.

9.4 Basic monitoring requirements will be set out in the grant agreement. However, the charity trustees may take any additional steps to monitor the use of grant funds that they consider appropriate in their discretion.

## **10. Clawback and repayment**

The charity trustees may require repayment of all or any part of the grant if:

- (a) the project or purpose for which it was awarded does not proceed;
- (b) part of the grant remains unused when the activities that the grant was intended to fund have been completed; or
- (c) the grant is used for a purpose other than that which has been agreed.

## **11. Acknowledgement and publicity of the grant**

11.1 Grant recipients are required to acknowledge receipt of the grant from the Charity in writing within ten days of receipt usually. This can take the form of a written email, written acknowledgement on the recipient's letterhead or any other method the recipient typically uses in accordance with the Charity's satisfaction.

11.2 The Charity reserves the right to publicise any grant awarded, in addition to utilising the grant recipient's/beneficiaries' names in publicity material as part of the Charity's general reporting and use for its website and/or any other publicity materials.

11.3 The Charity reserves the right to ensure grant recipients/beneficiaries do not publicly acknowledge or make reference to any grant award in any form of communication or media.

## **12. Privacy**

The Charity will process personal data of donors, trustees and or senior managers for due diligence checks for cases where funds are being received/ sent. Individuals receiving grants and donors personal data may also be shared with our accountants, financial service providers and auditors only where necessary. The Charity will share personal data where the law strictly requires us to do. Please visit our privacy policy on our website for more information: <https://mainstay.uk/privacy-policy/>

## **13. Reviewing and amending this policy**

13.1 This policy will be reviewed by the charity trustees annually or as deemed necessary.

13.2 The charity trustees may vary the terms of this policy from time to time.