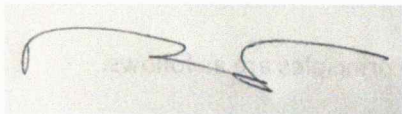


Name of policy	Grant Making Policy
Policy / procedure reference	SFP06
In use from (release date):	09/10/2022
Document approved by:	Board of trustees
Trustee signature:	<div style="text-align: right;">  Signed: Name: Mark Andrew Horner Date: 09/10/22 </div>
Document controlled by:	Grants Manager
Review term:	Every year
Next review due:	09/10/2023

1.0 Purpose of this Policy

The purpose of this policy is to set out the principles, criteria and processes that govern how The Shears Foundation makes grants.

A grant is defined as a financial award the Foundation makes from its funds to support charitable activities. Grants will only be made to charities registered with the appropriate body in The United Kingdom and also Exempt Charities. Grants will not be made to any other type of organisation, unless under exceptional circumstances and this must be agreed unanimously by The Trustees.

2.0 Introduction

The Shears Foundation is a registered charity number 1049907 benefiting communities particularly, though not exclusively, in Tyne & Wear and Northumberland. It is governed by The Trustees. The Shears Foundation is Managed on a daily basis by The Grants Manager (Bruce Warnes).

The Activities of the Shears Foundation, as identified on the Charity Commission website are:

FUNDING SELECTED ORGANISATIONS AND PROJECTS IN COMMUNITY DEVELOPMENT, ENVIRONMENTAL, SUSTAINABLE DEVELOPMENT, HEALTH & WELFARE AND CULTURE ALL WITH AN EMPHASIS ON EDUCATION AND RAISING AWARENESS AND GENERALLY IN OR FOR THE BENEFIT OF THE NORTH EAST OF ENGLAND.

The Trustees ensure proper governance of the Foundation's grant-making in three ways:

- Through grant-making principles which ensure that decisions are ultimately made by the Foundation's Trustees. These principles clarify that funds given are the Shears Foundation's asset, albeit with degrees of restriction on their use.

- 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 exclude activities which The Trustees do not wish to support because they do not consider them to be in line with the Foundation's purpose. The Trustees accept that they will on some occasions make grants outside published criteria but that in all such cases the activity supported will be charitable in law.
- Through grant-making processes which set out how decisions are reached for awarding grants.

3.0 Grant-making principles

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 & timely communication with applicants.

The principles are as follows.

- The Trustees have ultimate collective responsibility for all grant making decisions in line with the Foundation's charitable purposes.
- The Trustees may assign certain decision-making responsibilities to the individual Trustees named in this document who have responsibility for the day-to-day running of the Foundation. Such delegated decisions are subject to scrutiny and review from time to time.
- The Trustees reserve the right to apply conditions to any grant.
- The 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.
- Trustees must not take part in any grant making decisions in which they are deemed to have a conflict of interests. This is clearly laid out in policy SFP04 Shears Foundation Conflict of Interests.

4.0 Grant-making criteria

The Foundation's published guidance on criteria for applications groups is set out on its website. Copies of this Policy are also available to download from the website. The goal is to make grants to a wide range of charities whose work falls into one of five core priorities:

- The development of culture and the arts.
- The development and provision of educational opportunities for adults and / or children.
- Protection, preservation or enhancement of the natural environment.
- Creating stronger / better / more sustainable communities.
- Promoting health and medicine, with an emphasis on research or education.

In addition, The Trustees have a budget each year for *Disaster and Emergency Relief* Grants which are dealt with outside the normal grant making process. The Shears Foundation works with The British Red Cross and Disaster and Emergency Grants will normally be made to this charity.

Geographically, The Trustees place a great deal of emphasis in supporting groups whose work is in the Tyne & Wear and Northumberland regions. Applications from charities working in these areas are given priority. Trustees will also consider applications from charities in Harrogate District and The City of York, Bradford City and Greater Manchester. Occasionally The Trustees will also consider applications from other areas of

the UK as well as UK based charities, working overseas, that fit with the ethos and objectives of The Trustees.

National charities undertaking specific work / projects in the above geographical areas will normally be considered by The Trustees.

Trustees will not generally consider applications from charities registered outside the UK, unless there are special circumstances.

As a registered charity, The Foundation can only make grants to support activity which is charitable in law. The Foundation will only generally make restricted grants that are to be used specifically for the purposes outlined in the applicant's grant application.

The Foundation will make grants for core revenue funding, including for staff wages and general running costs.

Other factors that The Trustees will take into account when considering grant applications are:

- The available quarterly grant making budget.
- The level of grant funding being requested.
- The similarity of the application to other charities / projects that are already being supported.
- The geographical spread of current grant making.
- The spread of current grant making across our priority areas above.
- Whether or not a charity / project is being funded from a range of sources / funders.
- Whether or not a charity / project shows collaborative working with other groups, organisations and charities.
- Whether or not the charity has followed the application procedures.
- The levels of free reserves that the charity has.
- The quality of any feedback and outcomes achieved from any previous grants

All applications for grants must be made using the Shears Foundation's on- line application process which can be accessed via our website: www.shearsfoundation.org

Grant requests which The Trustees will **not normally support** are:

- Grants for Capital Projects.*
- Grant applications from Individuals.
- Religious causes or groups.
- Political causes, groups or fundraising for lobbying.
- Single identity groups where there is no evidence of integration.
- Pre-school groups and playgroups.
- Domestic pets – but we may support charities involved in using animals for medical / care support purposes.
- Where, in the course of carrying out due diligence checks about an applicant, anomalies or legal issues become apparent.

**funding for the purchase, refurbishment or renovation (including fixtures and fittings) of buildings or land or the purchase of vehicles, computers and computer systems, other equipment or items such as marketing or accounting software or web development, collections and acquisitions (but not project funding for salaries and running costs).*

To ensure the Foundation's resources are used solely to further its charitable objectives, and it can understand and assess the impact of grants, The Trustees normally expect that all grants will have three measurable objectives agreed at the beginning of the funding period as part of the grant offer.

5.0 Grant-making processes

The trustees of the Shears Foundation have adopted a policy of an annual draw down of 3.6% of the total fund value for the purposes of grant making and administration costs (calculated on quarter end market values). This draw down can be in the form of income, capital and (when required) a contribution from reserves.

All grants, with the exception of CORE GROUP grants are for a fixed amount of £5,000.

All applications to the Shears Foundation must come through the website, unless in exceptional circumstances where The Trustees will accept an application in another form.

The Shears Foundation requires an annual grant application, via the website, from all groups, including those that it has had an ongoing relationship with. The only exception to this is our Disaster and Emergency grants which are applied for, by email, by The British Red Cross.

Grant applications are considered according to the following time table:

Quarter	From	To	Application cut off
Q1	1 April	30 June	31 May
Q2	1 July	30 Sept	31 August
Q3	1 October	31 December	30 November
Q4	1 January	31 March	28 February

As well as our £5000 small grants programme, The Shears Foundation has a number of long term partner charities that we call our CORE GROUPS. The grant process for core groups is exactly the same as for any other grant applicant. This is to ensure fairness, allow due diligence to be carried out and to ensure there is always a proper audit trail for all grants. Applications from Core groups are dealt with immediately and not at the end of the quarter in which they are received.

The Trustees aim for the Foundation's grant-making processes to be transparent and to address the interests of applicants to this end, all grant requests (with the exception of grants from our *Disaster and Emergency Relief* budget) go through the following process:

Applicant completes initial account set up at www.shearsfoundation.org
This process will determine the applicant's eligibility. Only eligible applicants are able to progress to the next stage of completing an application

After making a phone call to The Grants Manager, the applicant completes the online Shears Foundation application form. This can be saved as the applicant goes along. It does not have to be done in one go. The application form cannot be submitted until fully completed and the required supporting documents have been attached. When no phone call has been made the application will be automatically rejected

Applicant submits completed application form and Shears Foundation Manager / Administrator is informed of the submission by email.

DELEGATED RESPONSIBILITY

The Grants Manager will do an initial assessment of the application and may, at this stage reject the application based on an agreed scoring system, reject an application. The Grants Manager will communicate the rejection and the reason for this to The Trustees and the applicant.

Should the application not be rejected at the stage above, The Trustees will consider the application alongside all those received within that quarter (CORE GROUP APPLICATIONS WILL BE DEALT WITH IMMEDIATELY & OUTSIDE THE QUARTERLY CYCLE) and according to the timetable above. Applications will be sent to The Trustees via the website with a recommendation from The Grants Manager. A recommendation will also be made on the grant amount. The Grants Manager will also recommend whether any grant should be subject to conditions.

The Trustees will consider all the applications they have received against the available budgets for the period. Following consideration and any discussion they will indicate whether they wish to support the recommendation.

The applications receiving the highest number of votes will be awarded grants according to the available budget. In cases where applications tie with the same number of votes but there is insufficient budget to award all of them grants, the chair will have the casting vote.

Applicants who have been awarded a grant will be required to complete the online *Terms and Conditions* form to indicate their acceptance of the grant and that they will comply with said terms and conditions.

Grants approved without conditions will be paid on receipt of the completed *Terms and Conditions* form. Grants approved with conditions will be released once these conditions have been satisfied. For example, The Trustees may approve a grant on the condition that the applicant raises all the remaining funds needed for the project.

7.0 Due Diligence

The Trustees delegated with managing the Shears Foundation on a day to day basis will undertake due diligence checks on all applicants. These will include, but are not limited to:

- Checking the Registered Charity Number is valid.
 - Checking the bank statement that applicants provide for anomalies.
 - Checking the Charity Commission website for any anomalies, filing irregularities etc.
 - Doing a GOOGLE search of the charity to flag up any issues, news stories etc.
 - Drawing on the local knowledge of The Trustees and others.
-