

Big Lottery Fund

Standard terms  
and conditions for  
revenue grants –  
Reaching Communities



April, 2006

Code	BIG-T&CrevenueRC
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Design	Graphicsi.com
Print	Taylor Bloxham Ltd
Copies	Further copies are available by telephoning: 0845 4 10 20 30 quoting the references given above:  Or email us on enquiries@biglotteryfund.org.uk Textphone: 0845 6 02 16 59 8am to 6pm Monday to Friday.  Also available on request in Braille, on audio-cassette, in large print, in Welsh and community languages
We care about the environment	The Big Lottery Fund seeks to minimise its negative environmental impact and uses only proper sustainable resources
Our equal opportunities commitment	The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grant maker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly. It is the responsibility of all staff and Board members to uphold and implement our equality policy
	Big Lottery Fund is the joint operating name of the New Opportunities Fund and the National Lottery Charities Board (which made grants under the name of the Community Fund)

 Awarding funds from  
**The National Lottery™**

## Definitions

“We” and “our” refer to the organisation receiving the grant bound by these terms and conditions. “You” and “your” means the New Opportunities Fund operating as the Big Lottery Fund and includes your employees and those acting for you.

The “**project**” means the project that you are giving us the grant for as set out in our application form and any supporting documents, and/or as varied by the Grant Agreement.

The “**Grant Agreement**”, which we have accepted and signed, includes and incorporates these standard terms and conditions and the grant award or offer letter together with any other conditions we have agreed.

### 1. In general

- 1.1** We will use the grant exclusively for the project. We will hold any unused part of the grant on trust for you at all times, and we will repay any grant (including any unused grant) to you immediately upon demand if any of the events listed in clause 11.5 occur. The term “**on trust**” means the legal relationship that exists between us while we are using the grant for our project.
- 1.2** During the period of the grant we will act in a fair and open manner without distinction as to race, religion, age or disability, and in compliance with relevant legislation.
- 1.3** We will make sure that all current and future members of our governing body or our executive team, if we are a statutory organisation, receive a copy of these terms and conditions while the Grant Agreement remains in force.

**1.4** We will ensure that at all times while the Grant Agreement is in force we are correctly constituted and regulated and that the receipt of the grant and the delivery of the project are within the scope of our governing documents, and if asked by you we will provide a legal opinion from our solicitors confirming this.

## **2. The project**

**2.1** We will get your written agreement before making any change to the project or to its aims, structure, delivery, outcomes, duration or ownership.

**2.2** We will start the project within six months of the date of the Grant Agreement, or if it is delayed, write to you giving reasons for the delay and asking for an extension.

**2.3** We agree to make satisfactory progress with the project and complete it on time or within a reasonable period if you have not set a time limit.

**2.4** We will not use the grant to pay for any spending commitments we have made before the date of the Grant Agreement.

**2.5** We will tell you of any offer of funding for the project from anyone else at any time during the project.

**2.6** If we spend less than the whole grant on the project, we will return the unspent amount to you promptly. If the grant part-funds the project, we will return the appropriate share of the unspent amount to you.

**2.7** We will acknowledge the grant publicly as appropriate and as practical. We will follow your branding and publicity guidelines at all times. We will acknowledge your support in any published

documents that refer to the project, including job advertisements, accounts and public annual reports, or in written or spoken public presentations about the project.

**2.8** We hereby consent to any publicity about the grant and the project as you may from time to time require. You can carry out any forms of publicity and marketing to promote the award of the grant as you see fit. We agree to do whatever you reasonably require in order to assist with any form of publicity and marketing, including any press or media related activities.

**2.9** We will tell you promptly about any changes to information we have provided and will make sure that the information you hold is always true and up to date.

**2.10** In our management of all personal information we will meet the requirements of the Data Protection Act 1998. We will tell you immediately if any of our key contacts or people whose salaries are funded by the grant change.

**2.11** We agree to meet all laws regulating the way we operate, the work we carry out, the staff we employ or the goods we buy. We will ensure that we have an equal opportunities policy and if our project involves work with children, young people or other vulnerable groups we will also have a appropriate protection policy in place at all times, to help us comply with all relevant laws and good practice throughout the period of the Grant Agreement. We will obtain all approvals and licences and any profile checks required by law or by you.

- 2.12 If we are a charity, we will register with the Charity Commission or the Office of the Scottish Charity Regulator if our income goes over their minimum exemption figure.
- 2.13 We will maintain adequate insurance at all times and if asked, will supply copies of confirmation to you. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets you have funded.
- 2.14 You have the right to reproduce any of our application or subsequent information supplied by us to you for any purpose as you see fit without any right of a claim by us in respect of copyright.

### 3. Our organisation

- 3.1 We will get your written agreement before: Changing our governing document, (unless we are a statutory organisation) concerning our aims, payments to members and members of our governing body, the sharing out of our assets (whether our organisation is dissolved or not), or the admission of any new members; or Transferring our assets to, or merging or amalgamating with, any other body, including a company set up by us.
- 3.2 We will write to you as soon as possible if any legal claims are made or threatened against us and/or which would adversely affect the project during the period of the grant (including any claims made against members of our governing body or staff concerning the organisation).
- 3.3 We will tell you in writing as soon as possible of any investigation concerning our organisation, trustees, directors, employees or volunteers

carried out by the Police, Charity Commission, the Office of the Scottish Charities Regulator, Inland Revenue or any other regulatory body.

- 3.4 We will be available for meetings with you and allow full and free access to our records however and wherever held and to any of our offices or buildings to you, or those acting for you or to the National Audit Office.
- 3.5 We will let you know if our governing body falls below three members and will increase it to at least three as soon as possible.

### 4. VAT

- 4.1 We acknowledge that the grant is not consideration for any taxable supply for VAT purposes by us to you. We understand your obligation does not extend to paying us any amounts in respect of VAT in addition to the grant and that the grant made by you is inclusive of VAT.
- 4.2 We agree to repay you immediately any VAT we recover whether by set-off, credit or repayment to the extent that any such VAT cost is included in the grant.
- 4.3 We will notify you immediately if any irrecoverable VAT claimed under the grant becomes recoverable.
- 4.4 We will keep proper and up to date records relating to VAT, and we will make such records available for you to look at and give you copies when requested.
- 4.5 If you have funded all of the VAT costs for our scheme, we agree to refund immediately all of the VAT we recover to you.

**4.6** If you have funded a proportion of the VAT costs for the scheme, we agree to refund immediately the same proportion of the VAT recovered to you.

## **5. Our annual report and accounts**

- 5.1** We will acknowledge your grant in our annual reports and accounts covering the period of the project.
- 5.2** We will show your grant and related expenditure as a restricted fund under the description "Big Lottery Fund Grant" in our organisations annual accounts. If we have more than one restricted fund, or, as a statutory authority, cannot show restricted funds in our accounts, we will include a note to the accounts identifying each restricted fund separately. If we have more than one grant from you, we will record each grant separately in the notes to the accounts. We will identify unspent funds and assets in respect of the grant separately in our accounting records.
- 5.3** We will send you a copy of our annual accounts as soon as they have been approved in accordance with our governing document and in any event within ten months of the end of the financial year for each year in which grant payments are made. The accounts will be signed by a member of our management committee and externally audited or independently evaluated as appropriate for our organisation. If a statutory authority, we will send you our accounts, signed and audited as required by the appropriate regulations.
- 5.4** We will keep proper and up to date accounts and records for at least seven years after the

termination of our grant, including summary profit and loss accounts and management accounts, personnel and payroll records and invoices, which show how the grant has been used. We will make these financial records available to you to look at and give you copies.

- 5.5** We will report regularly and fully to all members of our governing body on the financial position of our organisation.

## **6. Monitoring**

- 6.1** We will monitor the progress of the project and complete regular reports as you require using the forms you send us.
- 6.2** We will send you any further information you may ask for about the project or about our organisation, and its activities, the number of jobs created by the project, the number of users and other beneficiaries and such other information as you may require from time to time. You may use this information to monitor the project and evaluate your grants programmes.
- 6.3** We will fill in a final report on the project using the form you send us. We understand that the grant is finished only after we have completed this report to your satisfaction and you have received annual accounts for the full period.
- 6.4** We will tell you immediately in writing of anything that significantly delays, threatens or makes unlikely the project's completion.
- 6.5** We will tell you immediately if there is to be any variation to or decrease in the project outcomes.

## 7. Grants for Salaries

- 7.1 We will ensure that we have proper employment policies and procedures in place at all times. We will pay attention to equalities in the recruitment and selection process and the need to ensure an appropriate balance of staff in our organisation.
- 7.2 If the grant is for a salary of a new post, we will advertise the vacancy externally, using appropriate media (including media that could attract disadvantaged groups). We must send you a copy of the text of every advertisement within a reasonable time before such advertising, which will be in accordance with all current best practice and will acknowledge that you are the funder of the post. This applies to any re advertisement. We must keep the job description, a list of the publications where we placed the advertisements and a copy of the letter of appointment and send them to you if you ask for them.
- 7.3 You will not pay grants for salaries until we have supplied you with the names of the staff to be employed, their salaries and their start, and, if appropriate, end dates.
- 7.4 We will maintain all main financial records including personnel and payroll records for staff funded by you for seven years after the grant has ended. We will complete all statutory returns for employees and make all relevant payments to cover their pensions and salary deductions, such as income tax and National Insurance contributions.

## 8. Grants for Assets and Services

- 8.1 If any part of the grant is to buy or build, refurbish, extend or alter buildings or land then we will comply with the terms of the standard capital grant conditions attached to the grant award or offer letter or any other conditions which you have required of us.
- 8.2 If any part of the grant is used to buy any other capital items or a series of related capital items or services or a series of services costing more than £10,000, we will put out the order to competitive tender. If there are good reasons why we cannot tender, we will get your agreement beforehand. We understand that public bodies must meet the relevant UK and European procurement legislation together with the provisions of the World Trade Organisation General Procurement Agreement.
- 8.3 If any part of the grant is to buy a capital item or series of capital items, such as equipment or other items which have an economic life of three years or more and vehicles, costing up to and including £10,000 we will keep all receipts and invoices for you to look at. If we buy a vehicle we will send you a copy of the registration documents no later than three months after you have sent us the money for the vehicle.

- 8.4** If any part of the grant is used directly or indirectly to purchase or develop any intellectual property rights then we will take all necessary steps to protect such rights and we agree that we will not exploit such rights without your prior written consent. Exploitation includes use for any commercial purpose or any licence, sale, assignment, materials transfer or other transfer rights. We understand and accept that if you provide the consent it may be subject to conditions requiring us to repay or to share any money we receive.
- 8.5** We will keep all assets funded by the grant safely and in good repair and will make sure we have adequate insurance cover for all of them. Any loss resulting from payments made for assets before delivery will be our responsibility. If the asset is damaged, destroyed or stolen, we must tell you in writing and we must repair or replace it.
- 8.6** We understand that you will monitor assets bought with the grant for a period of up to ten years after the grant has ended for assets bought for over £50,000 unless varied by any capital conditions, which for the avoidance of doubt, will take precedence. If the assets were bought for less than £50,000 the period will be five years or the length of the Grant Agreement, whichever is the shorter. We will supply you with information that you ask for and will allow you to inspect the assets for that period.

- 8.7** During this period, we will provide an annual statement that the assets are still held and insured by us. We will not sell, give away or borrow against the assets without first receiving your written consent. As our grant has come from public funds, we understand and accept that if you provide the consent it may require that the sale is at full market value and/or subject to conditions requiring us to repay all or part of the money we receive.

## **9. Payment of grant**

- 9.1** You will pay the grant by bank transfer (BACS) into a UK-based bank account or building society account in our name, which requires the signatures of at least two authorised people for every withdrawal. We will not use ATM's or debit cards to make cash withdrawals or payments from this account.
- 9.2** You will not be liable for any losses or costs (including, but not only, bank charges) if you do not make grant payments on the agreed date. We must take up the first instalment of the grant within 12 months of the date of the grant award or offer letter; otherwise it will automatically lapse, unless you agree in writing to an extension.
- 9.3** If you pay the grant in instalments over two or more years, payment for the second and following years will depend on your approval of an end of year report on the previous year, which we will complete on a form provided by you within three months of the end of the grant year. If we do not do this, grant payments may be suspended.

**9.4** You will normally make payments for up to three months spending in advance as long as we complete a satisfactory payment plan before the project starts and we have given written notice of the project start date.

**9.5** If you are not satisfied that we have met all the terms of our Grant Agreement, or you need extra information or documents, you may ask for this and may postpone payment of the grant until you feel that the terms are met or until you receive the material you want.

## **10. Length of Grant Agreement**

**10.1** These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- For one year following the payment of the last instalment of the grant.
- As long as any part of the grant remains unspent.
- The expiry of the maximum period required under the grant for asset monitoring.
- As long as we do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or project delivery).

## **11. We understand that**

**11.1** You can only guarantee future instalments of the grant as long as funds from the National Lottery are available and you continue to operate.

**11.2** We accept that you may share information about our grant with any parties of your choice as well as with members of the public who make a request for information under the Freedom of Information Act 2000. Details of the project may be broadcast on television, on your website, in newspapers and through other media.

**11.3** You will not increase the grant if we spend more than the agreed budget.

**11.4** You may suspend payment of the grant if you want to investigate any matters concerning the grant (or any other grants you have given to us). We understand that you accept no liability for any consequences, whether direct or indirect, that comes about from a suspension even if the investigation finds no cause for concern.

**11.5** You may withhold or demand repayment of all or part of the grant at your absolute discretion, in any of the following circumstances if:

- We fail to meet any of these terms and conditions, or the terms and conditions attached to any other grants from you for which a Grant Agreement is still in force.
- We completed the application form dishonestly or significantly incorrectly or misleadingly.

- We or any other person or organisation operating for us gave you any significantly misleading or inaccurate information, whether deliberate or accidental, during the application process, or during the period of the Grant Agreement.
  - It is likely that our organisation will have to stop operating, may be dissolved or become insolvent, or is likely to be put into administration or receivership or liquidation, or we are about to make an arrangement with, or guarantee a Trust Deed to our creditors, or, in Scotland, our organisation's estate is sequestrated.
  - Members of our governing body, volunteers or staff act at any time during the project dishonestly or negligently or in any way, directly or indirectly, to our detriment or to the detriment of our organisation or the project or to the detriment of your reputation.
  - Our organisation, members of our governing body, employees or volunteers are subject to an investigation or formal enquiry by the Police, Charity Commission, the Office of the Scottish Charity Regulator, Inland Revenue or other regulatory body.
  - We receive duplicate funding from any other source for the same or any part of the project.
  - We do not take positive steps to ensure equal opportunities in our own employment practices and the delivery of and access to our services.
  - There is a significant change of purpose, ownership or recipient, either during the project or within a reasonable period after its completion, so that you judge that the grant is unlikely to fulfil the purpose for which you made it.
  - At any stage of the application process or during the period of the Grant Agreement we do not let you have information that would affect your decision to award, continue or withdraw all or part of the grant.
  - We are or become legally ineligible to hold the grant.
  - If you have reasonable grounds to believe that it is necessary to protect public money.
- 11.6** We acknowledge that the grant comes from public funds and we will not use the grant in a way that constitutes State aid. In the event that it is deemed to be State aid, then we will repay the entire grant immediately.
- 11.7** You may assign any of your rights under the Grant Agreement to any other or successor body.
- 11.8** We may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless we have entered into an agreement, authorised by you, requiring us to work with another organisation in delivering the project.
- 11.9** No other body with which we are working, except for those with which we have entered into an agreement, authorised by you, has any claims on you under these terms and conditions

## 12. Additional conditions

**12.1** You have the right to impose additional terms and conditions on the grant either in the offer or award letter and/or if:

- We are in breach of the Grant Agreement.
- You withdraw any part of the funding for the project.
- You judge that members of our governing body, volunteers or staff or any person or organisation closely involved in carrying out the project act in a way that may have a detrimental effect on the project or on your reputation as a distributor of public money or as a Government sponsored body.
- If you have reasonable grounds to believe that it is necessary to protect public money
- You believe such conditions are necessary or desirable to make sure that the project is delivered as set out in our application or following any agreed changes.