

Coronavirus: delivering financial support

**A guide for grant making to individuals
during the COVID-19 outbreak**

Hannah Page



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Introduction

The COVID-19 outbreak has led to a significant increase in individuals requiring urgent financial support. As a result, many organisations are considering setting up funds to try to meet this immediate need.

While it is encouraging to see new funds being established, it is important they are managed effectively to operate efficiently and best meet the needs of individuals.

As the UK's umbrella body representing benevolent funds and grant giving charities, we have identified a list of key considerations and what we believe are the minimum requirements for establishing grant making operations to support individuals.

We also address how common grant making requirements have changed in light of COVID-19, sharing how charities are adapting their usual procedures and the importance of being flexible in order to continue to support individuals effectively.

If you wish to assist people at this time you may want to consider working with **existing ACO grant givers who already have the infrastructure established to award grants to individuals.**

However, if you are planning to distribute funds yourself, this guide identifies some of the key issues you should consider.

Check list for grant making

Below is a check list of key factors and processes that should be considered before you establish a fund:

- ✓ Check you have the resources to set up a new fund;
- ✓ Set the fund's objectives;
- ✓ Decide what types of support you want to give and how you will award support;
- ✓ Create your grant-making assessment criteria (including eligibility criteria and decision making procedures);
- ✓ Define your application process;
- ✓ Create safeguarding policies;
- ✓ Consider how you will comply with data protection legislation;
- ✓ Consider how you will protect against fraud;
- ✓ Make others aware of your fund;
- ✓ Decide how you will monitor and evaluate your fund's impact;

Should I set up a new fund?

The first step should be to determine how your organisation wishes to distribute its funds. There are three main options:

1. Undertaking the activity yourself inhouse;
2. Setting up a new charity (this process is not covered by this guide);
3. Offer the funding to an existing charity with similar objectives;

The purpose of this guide is to help those that choose option (1), but outlines how you could fulfill option (3) working with existing charities.

Make sure your organisation can cope with the pressures of starting a new fund at this time if you have never undertaken this before.

It may be worth considering the following when making your assessment:

- Does your organisation's own constitution and objectives permit you to give money to individuals?
- Do you have the resources available to manage the fund effectively in terms of staffing and funding? You may wish to consider working with other organisations if you do not have the resources to distribute funds alone;
- If you need more staff to manage the fund, do you have enough time to recruit and train them?
- If you need to install new systems and processes to ensure applications and payments can be swiftly processed? How quickly can this be done?
- Has your organisation done enough research to understand the implications of promoting the fund, processing a potential sudden surge of applications and distributing funds in a timely fashion?
- Is an appropriate governance mechanism in place so that there is accountability within your organisation?
- Does your organisation have a contingency plan to cope with the potential fall out of the process not working as you wish it did?

If you can say 'yes' to the above, then it may be worth looking at establishing a fund.

How you will provide support

Set Objectives

Decide the purpose of your fund and define the specific beneficiary group you want to assist.

ACO members consist of funds supporting a wide range of beneficiaries including children, individuals with a disability/illness, women, older people, homeless people, religious groups, armed forces and specific industry sectors.

Once you know your objectives, it is worth doing due diligence before setting up your fund. There may already be an established fund with similar objectives that you could work with or pool resources to better assist those in need, while minimising the costs to yourself.

As well as checking [ACO's member directory](#) you could use the [Turn2us grants search](#) to check for grant givers with similar objectives.

The [Charity Commission](#) provides further guidance on collaborative working and mergers.

When is support given?

Some of the most common reasons why individuals approach funds for financial support include:

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- Help paying basic living expenses (food, clothes, etc.). This could include while an applicant is waiting for welfare benefits to be paid;
- Payments for essential household items and repairs;
- Mobility and other aids or home adaptations for people with disabilities;
- Arrears on priority bills (rent, energy bills, council tax etc.);
- Holidays and respite breaks;

Types of support

There are various ways you can help individuals in need.

Below are some of the most frequently offered by funds:

- **One off grants** – money paid either directly into the bank account of the applicant, direct to a provider (e.g. a gas or electricity supplier) or to a third party (such as a charity, support agency or housing association) to help with a one off expense or emergency during times of need;
- **Ongoing grants** – money paid periodically into the applicant's bank account to assist with a longer period of need;
- **Vouchers or pre-paid cards** – allows you to restrict what the financial award is spent on. For example, to assist with someone's living expenses you could provide a pre-paid card for a supermarket, restricted to help people buy essentials only;
- **Buying directly from suppliers (gifts in kind)** – this allows you to help with home adaptations or new/replacement white goods and furniture while minimising the risk of fraud that comes with paying into someone's bank account by sending goods directly to the applicant's home;

Level of support

Depending on the types of support you decide to give, determine the amounts or ranges you wish to give for any award. For example, how much would you give for arrears on bills, essential items or daily living costs. This should include an upper-limit for any one off or regular grant. Funds will want to consider whether they publicise what level of support they offer or not.

Assessment of grant applications

You will need to create a grant-making policy which includes your assessment criteria so you know who you can assist. These criteria should be clearly communicated so you can manage the expectations of those applying.

This policy should contain the following:

Minimum eligibility criteria – used for assessing applications against which every applicant will need to meet to receive support. You are free to set your fund's criteria, but these should help meet your fund's objectives.

These criteria could include whether someone needs to have worked in a certain industry for a length of time before they become eligible for support, or if they need to be above a certain age or living in a certain location. Whether you will assist people that have formerly met eligibility criteria or whether you will also assist their dependents are further considerations. Who you can help will depend on the resources you have available.

Criteria to assess applicant's needs and calculate eligibility – these are ways in which you can make decisions as to whether an individual needs support so you can make best use of your funds.

Many funds use the **Minimum Income Standard** (MIS) published each year by the Joseph Rowntree Foundation, which represents the minimum income level needed to maintain an acceptable standard of living, to benchmark the applicant's income and circumstances against to judge need.

Your fund will also need to decide what savings are considered when assessing need. The applicant may not have an income but could have considerable assets. You might decide to set an upper limit for the capital the applicant can have to be eligible. Many ACO members disregard the value of applicant's first home if they own it but will consider subsequent homes and other savings.

Managing repeat applications – you should have a policy on whether failed applicants can re-apply and determine any criteria for this (such as how long you must wait before re-applying). Similarly, you should determine how and when previously successful applicants can apply for support.

Evidence and documentation

Your criteria may include asking applicants to submit evidence to prove they are in need and meet your eligibility criteria. This could include: bank statements, references, medical records, wage slips and letters confirming welfare benefits.

Make sure you only ask for sufficient information to make a decision, and not excessive evidence, to ensure that you are able to reach a decision quickly and to adhere to data protection regulations (See Data Protection below).

Many funds will ask that an applicant evidence doing certain things before being eligible for support. This could include making sure they have applied for all welfare benefits they are entitled to and negotiating terms with creditors if they have debts.

It is worth noting that an individual may still need assistance if they are waiting for confirmation of benefit entitlement, and that a person who is employed (and may not be entitled to benefits) could still be in need depending on their individual circumstances.

Funds will often also ask applicants to provide documentation and details of any changes in circumstances which may affect their eligibility for future support.

Note: In the current situation with COVID-19 many funds are relaxing their usual criteria for eligibility and assessing applicant needs in order to help more people adversely impacted. This may include not requesting the same level of evidence from the applicant to apply, especially if documents requested are not easy to obtain and send to the grant maker.

Many funds have stated the best piece of evidence to request is a letter showing acceptance for welfare benefits, as if the applicant has met the government's requirements for support that is a good indicator to show the individual is in need.

However, you will need to make sure you are not disadvantaging people in need that are not in receipt of benefits, so it is still important to remain flexible and consider each case.

Assessment and decision making

You must know who is responsible for making decisions on awarding support and who is responsible for assessing applications (which could be two different groups of people). This could be your Board of Trustees, a designated sub-committee or staff members at your fund.

You should also create a process for how these decision makers will assess, award and action grants applications, including how often they will meet.

With this, you should also have a policy in place in case a conflict of interest arises, such as if a decision maker knows an applicant. Risks of this can be minimised by anonymising applications before being passed to decision markers.

Note: In the current climate the need to make swift decisions on urgent cases between agreed meetings will be paramount. It is important that whoever you choose as decision makers can make quick decisions on approving applications.

Where it is currently not possible to meet face-to-face to discuss and approve applications, a procedure should be in place on how to make decisions remotely. You will need to ensure your organisation's constitution allows for online rather than in-person meetings to do this. If it doesn't, then trustees can agree on an amendment to allow them to function.

If your Board has a quorate agreement for how many trustees must be present at a meeting for decisions to be made, make sure this is reviewed considering COVID-19 to ensure Boards can still make decisions if trustees are unwell or cannot attend meetings.

Complaints procedure

For any applicant unhappy with the decision made you may have a specific complaints procedure, or a general one for your charity available on your website and upon request. The procedure needs to make sure the original assessors/decisions makers are not the ones making a final decision about the complaint.

Although you may wish to state that your decision is final and no appeal can be made if you are processing a large volume of grants, if you wish to implement a complaints procedure details on what to include can be found from the [Charity Commission](#).

Application process

You should decide how applicants will apply for support from you. The most efficient way is to have them fill out an application form either on your website, through a web-based portal or as a downloadable form that can be emailed, along with any evidence required.

You may want to create an application pack that provides details such as your qualifying criteria, evidence needed, a clear timeframe on how and when decisions will be made and communicated, and guidance notes for completing the application.

Inclusivity of applications

It is important to make your applications process as inclusive as possible so anyone can apply. You will need to consider how to help those where English may not be their first language, for example. You will also need to consider people with different disabilities and how you will enable them to make an application.

For example, forms could be completed by an assessor or fund staff member over the phone, or you may accept an application submitted by a third party such as a family member or support worker on their behalf. Please note that you must still have the applicant's consent for them to do so (see Data Protection below). To also address this, application forms should be available in a variety of accessible formats.

Where organisations are now home working, it is preferable to discourage postal applications where possible in favour of online applications and sending any evidence online or by email.

However, you will need to consider if any applicants will have difficulties accessing the technology to allow them to apply online, particularly with libraries now closed. You will therefore also need to consider how you will address digital exclusion, whether this is allowing people to apply by mobile phones or making sure paper applications are still available.

International support

There may be some additional considerations if you are awarding support to people overseas, such as:

- Checking your fund's constitution allows you to assist people internationally;
- The existing welfare provision of the country;
- Cost of living in that country;
- Cultural and social differences and expectations;
- The logistics of delivering payments or items internationally;
- Checking UK tax transparency requirements on rules for transferring money to individuals outside the UK;

Further support on international grant-making and safeguarding during COVID-19 can be found on [BOND's website](#) (the UK's international development network).

Safeguarding

You should have procedures in place to ensure your beneficiaries, staff and volunteers are kept safe. Staff and volunteers should understand and follow these policies and be given regular training on them.

If having to speak to distressed applicants on the phone, you should consider who will answer such queries at this time and the logistics of managing a phone line while home working, whilst making sure staff are trained and supported in dealing with potentially difficult enquiries. You may need an Abusive Caller Protocol and increased signposting to others if you cannot help the individual.

Guidance on the safeguarding requirements expected from a fund can be found on the [Charity Commission's website](#), as well as information on serious incident reporting requirements.

Note: The Charity Commission guidance requires specific safeguarding procedures for both your staff/volunteers and the beneficiaries you work with. The current COVID-19 crisis is likely to make beneficiaries more vulnerable than usual, therefore all safeguarding policies need to be reviewed in this light.

Government guidance suggests rather than re-writing policies you should add a COVID-19 appendix which specifies additional risks at this time and how they should be responded to. Examples include a COVID-19 risk assessment, amended DBS process at present to help organisations to process checks, changes in support/reporting at local authority Local Safeguarding Partnership level, internal cover arrangements should the Designated Safeguarding Officer not be available and a review of digital safeguarding risks.

Data protection

All funds must comply with the Data Protection Act (DPA) 2018 and the General Data Protection Regulation (GDPR) when processing data about individuals.

You should have a Data Protection Policy Statement setting out procedures you follow when processing data and dealing with personal information, with particular care over sensitive “special category data.”

If you allow third parties to apply on someone’s behalf, such as a family member, carer or referrer, you need to make sure the individual is aware of the request and the individual gives signed consent to the charity’s processing of their personal data.

The GDPR requires a [privacy statement](#) made available to all individuals whose data is being processed. The data processed should also be proportional – that data processed should not be excessive and should be relevant to the individual’s application for support.

Your fund’s cyber security should also be an additional consideration in ensuring you meet data protection requirements, which will be a concern when potentially using less secure systems at the moment from home. You should use a secure email where possible, and ensure information is shared and stored securely by staff and decision makers.

Note: Some flexibility is being given by the Information Commissioner’s Office (ICO) on data protection legislation during the COVID-19 crisis. For example, some charities are agreeing that verbal consent recorded on a consent form and the use of electronic signatures are valid consent to process an applicant’s data during this period. Further guidance on data protection during COVID-19 can be found on [our website](#).

Fraud prevention

Your organisation should take steps to prevent fraudulent applications to ensure your funds are being used efficiently and to meet your objectives. This can be done by:

- Requesting evidence of eligibility;
- Making payments for goods and services direct to a supplier;
- Making other grant payments direct to the bank account of the named grant recipient, or giving vouchers or pre-paid cards;
- Implement a 2-step process for checking payments;
- Investigating anything suspicious, such as a high number of applications from one geographical area, individuals with a similar profile or from the same organisation;
- Some charities use home visits to check on an applicant's circumstances using volunteers, although this is not the case now. However, you could use video or phone calls instead;

For more information on charity fraud and its prevention visit the [Fraud Advisory Panel](#).

Raise awareness of the fund

You will need to let your intended audience know that your fund is available. Below are some considerations for going about this:

- To limit costs and time, use your existing networks and usual communication channels such as your website or newsletter, if you have one;
- Communicate with agencies that will be good referral sources for applications to your fund such as: local councils, Citizens Advice, housing associations, local food banks, and other relevant charities and industry bodies etc.
- Think about how you can be contacted and when, if people have queries;
- Give clear timeframes for the opening and closing of the fund, application submission deadline (if any) and time it will take you to reach a grants decision;
- Don't forget to publicise the outcomes of your fund (you can decide when this would be most appropriate, possibly once the fund has closed otherwise it may raise demand you cannot meet);

Monitoring and Evaluation

It is important to monitor and evaluate the work you have done to ensure your fund is meeting its objectives and measure the impact your fund has had. This will enable you to learn what is working and what needs changing. This should be reported regularly back to your Board.

You should create a reporting framework which allows you to:

- Record and report anonymised data on beneficiaries including demographic information, what they were awarded and what it was used for;
- Report on the impact of the grant through speaking to the beneficiary or beneficiary surveys;
- Provide additional case studies;
- Provide a financial report on expenditure;

Contact us

For more details or queries relating to this guide, please contact ACO:

Telephone: 020 7255 4480

Email: info@aco.uk.net

Web: www.aco.uk.net

[@ACObenevolence](#)



The Association of Charitable Organisations (ACO) is the UK umbrella body for benevolent funds and charities that give grants and welfare support to individuals in need. Founded in 1946, we encourage knowledge sharing and best practice in the charity sector through regular networking events, training and representing the interests of our members.

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