

# Policy on investment of funds and use of funds for charitable purposes

Adopted by Yaxham Parish Charity at its Meeting on 25th June 2020.

## Investment of Funds & Reporting of Accounts

1. Yaxham Parish Council is the sole Trustee of Yaxham Parish Charity.
2. The Charity's governing document states that "Application of income – Subject to payment of the expenses aforesaid the Trustee shall apply the income of the Charity for such charitable purposes for the general benefit of the inhabitants of the Parish of Yaxham as the Trustee thinks fit."
3. The Charity will invest its funds in such a way that (i) it is clear which funds are the endowment and which are income and so for use for charitable purposes, (ii) the long term security of the endowment is protected and (iii) regular income is produced for use for charitable purposes.
4. The value of the permanent endowment at 31<sup>st</sup> March 2020 was £295,859.86.
5. In order to ensure the long term security of its funds, the Charity will invest the permanent endowment in a Charity Commission recommended investment specifically designed for charities, namely the CCLA COIF (Charities Official Investment Fund). This investment will provide capital growth of the endowment to protect against devaluation due to inflation, and will also pay dividends as an income to be used for charitable purposes.
6. The Charity may in exceptional circumstances may decide to re-invest all or part of the endowment, having taken professional advice and with the Charities Commission's approval if required.
7. The income from the endowment investment shall be held in the Charity's current account.
8. The Clerk will provide a financial report at each meeting of the Charity detailing the balance of the COIF investment and the current account and a record of the income and expenditure for the financial year to date.
9. The Charity's accounts will be inspected annually by an Independent Auditor.
10. The Clerk will prepare the draft annual accounts of the Charity following the end of the financial year to be agreed at the next Charity meeting and reported at the Annual Parish Meeting in May.
11. The Clerk will prepare the Charity's final annual accounts by 1st July (or as soon as practical thereafter) following the end of the financial year and will submit the annual return to the Charity Commission.

## Use of Funds for Charitable Purposes

12. As of 31<sup>st</sup> March 2020, the cumulative income, net of grants, for use for charitable purposes is the sum of £30,878.81 and is held in the current account. Annual income of around £10,000 pa has been the case in each of the most recent years.
13. The Trustee will keep the majority of the Charity's income for medium and larger/longer term projects of benefit to the parish such as those listed in the 2017 Yaxham Neighbourhood Plan Community Benefit Policy COM02. Up to 10% of the income is intended to be made available for smaller projects i.e. those projects requesting up to £1,000. Medium projects are those requesting £1,001 to £10,000 and Larger projects are those requesting £10,001 or more from the Charity.
14. The Charity will expect Applications for Medium and Larger projects to demonstrate how much additional funding from other sources that the Applicant has applied for, received or could apply for in the event that an Application to the Parish Charity is successful, or explain why this is not practical. **Overall the Charity will expect all applicants to seek to secure external funding to contribute to a proportion of the project, and for Medium and Large applicants where possible to achieve at least £1 for every £1 granted.**
15. The Charity reserves the right to make all or part of the award of a grant contingent on the Applicant successfully securing additional funding from other sources, and/or securing planning permission or any other permissions that may be required for the project to proceed.
16. Applications for funds for projects should be made in writing to the Clerk using the forms attached. Any grants awarded will be limited to the uses as set out in the Application. The Charity will periodically request confirmation of the use of the grant made in line with the Application. If a project fails to proceed or there are funds remaining at a project's completion, then all unused funds are to be returned to the Charity. If an Applicant needs to vary the terms of the grant award, then they should write to the Clerk setting out the proposal for the Charity to consider.
17. An application form should be completed with any information the applicant feels necessary. The Trustee will consider the application at its next meeting considering Parish Charity business. Completed application and supporting information shall be provided by the applicant by email or post so that it arrives 10 days before the next scheduled meeting considering Parish Charity Business to ensure that it is included on that meeting's agenda.
18. The Trustee may:
  - a. grant all or part of the sum requested, reject the application or request further information to enable it make an informed decision;
  - b. make any grant in the form of single or staged payments, all or part may be in the form of a loan, or in such form as it sees fit;
  - c. attach reporting or other conditions to any grant that it sees necessary to the grant, and the signature of the recipient accepting such terms will be required before the grant is made available

19. The decision of the trustees is final and the reasons for accepting, varying or refusing the application will be made available to the applicant and to parishioners in the Minutes of the next Parish Council meeting considering Parish Charity business.
20. Please note completion of this form does not necessarily mean that a grant application will be successful in part or whole

**Application Forms can be found at:** <http://yaxham.com/parish-council/parish-charity/>

- Smaller Project Application Form
- Medium & Larger Project Application Form

**Send completed Application Forms to:**

**Email:** [yaxhamparishclerk@gmail.com](mailto:yaxhamparishclerk@gmail.com)

## **What types of projects are eligible?**

The following list is not exhaustive, and consideration is given to any projects that meet the Charity's aims and objectives.

- One-off community events such as community fun day expenses, litter-picking, sports events etc
- Contributing to the purchasing of major capital items such as to support or encourage community sports facilities
- Purchasing items to run a project such as specialised medical equipment, sports and exercise equipment for local club, arts and craft materials for a workshop or for a youth project.
- Improvements to community buildings and facilities such as painting or refurbishing buildings, or upgrading and improving existing community facilities
- Improvements to external spaces such as park clean ups, community gardens, disabled access projects, food growing projects, woodland walk.
- Purchasing materials to undertake a place based improvement project such as buying paint, litter pickers, gravel, grass seed, plants, and benches.

## **Who can apply?**

Applications will be accepted from a wide range of organisations within the Parish of Yaxham including:

- Voluntary/community organisations
- Registered charities
- Yaxham CofE (VA) Primary School
- Sports clubs
- Community groups
- Other not-for-profit organisations might also be eligible
- Businesses and 'for profit' organisations are not eligible.

## **How much can we apply for?**

Grants are split into three categories

1. Up to £1,000 – Smaller Projects
2. £1,001 £10,000 – Medium Projects
3. £10,001 or greater – Large Projects

A Copy of the Parish Charity Trust Deed and Policy on investment of funds and use of funds for charitable purposes can be found at <http://yaxham.com/parish-council/parish-charity/>.