

Association of Jersey Charities – Criteria for Making Grants

The Association of Jersey Charities will only make grants that meet the following criteria:

1. The applicant has been a member of the Association for at least six consecutive months prior to making the application (save that this requirement may be waived in circumstances of exceptional and manifest need at the discretion of the Executive Committee); and
2. The grant is to be applied (directly or indirectly) for the benefit of residents of Jersey or their family; and
3. The grant is to be applied to a charitable purpose; and
4. The applicant has displayed a sufficient need for such grant (see below for definition of need).

For the avoidance of doubt the Association defines a charitable purpose as one for:

- The advancement of education;
- The advancement of religion;
- The relief of or research into ill health; or
- Any other purpose of benefit to the community not falling within the preceding heads.

Applications for grants will only be accepted where they meet the following conditions:

1. The application is received on or before the deadline date for submitting applications for the next meeting of the Committee (as publicised on the Association's website); and
2. The application form is (in the opinion of the Committee) properly completed; and
3. All papers in support of the application have been provided with the application in a form acceptable to the Committee on or before the deadline date.

Association of Jersey Charities – Notes on Need

In the opinion of the Committee, an applicant can demonstrate need if the application complies with the following criteria:

1. The existence of a clearly identified requirement for services, equipment or a project that provides a charitable benefit or a benefit to the community, together with an explanation of why the matter to be funded is considered charitable or beneficial to the community;
2. Evidence that the organisation cannot fund the services, equipment or project from its current funding and reserves (this will include an explanation of the reasons or purposes for the organisation holding reserves or investments);

3. Supporting explanations and/or documentation to show that the matter to be funded will be viable (this will include cash flow and profit projections and evidence of additional sources of funds to realise the project);
4. Where appropriate, evidence that the organisation has sought but not been able to obtain funding elsewhere; and
5. Financial information relating to the organisation – to include copies of the financial statements for the past three years (where available) and cash flow and profit projections for the 18 month period from the date of application for the grant.

Please note that establishing need will not necessarily be sufficient to secure a grant from the Association of Jersey Charities. The Committee must be mindful of the availability of funds that need to be applied throughout the year and, in a period where grant applications are high, may be obliged to limit, reject or defer grant funding requests purely on the basis that to provide full funding at that time would not be in the best interests of the membership as a whole.

Association of Jersey Charities – Stance on Members’ Reserves

The Committee of the Association of Jersey Charities is aware that its members comprise a mix of organisations with different wealth, resources and access to alternative funds. Consequently, it is the Committee’s view that it would not be reasonable to provide funding to members without asking them to justify any existing level of financial reserves and utilise this knowledge to direct the Association’s funds to where they are most needed.

The majority of the Members of the Association should have some level of reserves (otherwise they may be acting while insolvent).

We recognise that there are member organisations on Jersey that have no reserves but who undertake very worthwhile work and the Officers of the Association of Jersey Charities have a responsibility to ensure that we are able to support applications from these organisations. With this in mind the Committee will, unfortunately, have to take the view that applications that do not adequately explain the need for the organisation’s level of reserves will be deemed NOT to demonstrate financial need for a grant and will be rejected.

Members of the Association exist to provide support to a particular cause or group of beneficiaries. Therefore, when a member has reserves, the onus is on the organisation to explain why it is retaining that level of funds that might otherwise be applied to the benefit of the cause or beneficiaries.

There are good and valid reasons why an organisation might retain reserves and these may include:

- 1 the reserves balance represents fixed assets (land, buildings, vehicles, equipment etc) that the organisation requires to undertake its work and which are not available as liquid resources;
- 2 that reserves represent restricted funds that can only be used for a specific purpose and which cannot be applied to other projects (thereby preventing them being used to fund the purpose for which the grant is being requested); and
- 3 that the organisation is voluntarily setting aside or saving up reserves for a particular future project (also known as having designated funds).

Beyond this, there is a common sense approach that those organisations that have fixed operating costs (salaries, leases and other contractual payments) would need to retain a ‘buffer’ of reserves to cover costs of closure in the event of a catastrophic event.

There is no legal guidance on what constitutes a reasonable ‘buffer’ and it is the responsibility of each member organisation to consider their circumstances and establish their own policy for holding reserves.

However, the Committee takes the view that any level of reserves in excess of 3 months' expenditure should be justified if we are to accept there is a financial need.

If a member organisation applying for a grant has reserves in excess of 3 months' expenditure needs then we would expect to receive an explanation for carrying this level of reserves. The explanation may be linked to the organisation's particular circumstances or to any (or a combination of) the reasons set out above (holding illiquid assets, restricted funds or designated funds).

If an applicant holds reserves of a quantum that is greater than it can properly justify then it could be argued that it is depriving the cause or the beneficiaries of funds to which they are entitled.

Association of Jersey Charities – Grant Terms and Condition

Where the Association of Jersey Charities agrees to make a grant to an applicant then it will be made upon the following implied general terms and conditions:

1. If we make a grant offer you will need to complete and sign a Grant Acceptance and Bank Details form. This will provide us with your bank information, act as your acceptance of our grant conditions and as your confirmation that the money will be spent on the purpose approved by the Association. This form should be accompanied by a photocopy of a recent bank statement or a letter from the Member's bank confirming the name and number of the account.
2. No changes to the project may be made without our agreement. You must inform us immediately of **any proposed change** relating to grant expenditure or the organisation, even if you have not yet drawn down the grant.
3. You should send a progress report when the grant has been fully expended, at the end of each year of the grant or when the purpose for which the grant was awarded has been fulfilled (whichever comes first). We will also need a copy of your approved annual report and accounts for each financial year during the period of the grant.
4. You should keep accurate and comprehensive financial records of the spending of the grant, and submit these with your progress report when the grant has been fully expended, at the end of each grant year or when the purpose for which the grant was awarded has been fulfilled. The grant should also be specifically acknowledged within your annual accounts for the year in which it was received.
5. The grant should be acknowledged in all printed materials that you produce about the work for which you have received funding, and acknowledged appropriately elsewhere, for example in annual reports or brochures. If you want to use our logo we can email it to you. If you want to acknowledge our grant in a press release or any other type of media coverage, please contact the Association's administrator to talk it through. You also consent to the use of your name in our own publicity material.
6. We may wish to visit to see the how our grant has been expended (this may include reviewing the work funded during the life of the grant) and you agree to do everything you can to assist us in this endeavour.
7. Any part of the grant that has been remitted and is not required for the purpose approved will be refunded to us.
8. Any grant not drawn within 2 years of the award will be written off.

9. We reserve the right to withhold a grant or require repayment if: we find that any false information is supplied to the Association; the work undertaken is not the work for which the grant was approved (and if we have not been informed of and approved these changes); your organisation becomes insolvent or goes into administration, receivership or liquidation, and if the grant has not already been spent on its intended purpose.
10. Where appropriate, we reserve the right to share the information you have provided with relevant parties (e.g. the States of Jersey) or other bodies funding charitable work.

We reserve the right to amend the general terms and conditions from time to time and to add additional conditions to an individual grant to take account of particular circumstances (which will be included in the grant offer letter).