

CABINET OFFICE STANDARD CONDITIONS OF GRANT APPLYING WITH EFFECT FROM 1 APRIL 2015

INTRODUCTION

The following standard conditions apply to organisations receiving financial assistance from the Minister for the Cabinet Office. They should be read in conjunction with the grant offer letter issued to you by the Cabinet Office (the "Offer Letter"). These standard conditions, together with the Offer Letter, comprise the terms and conditions on which financial assistance is given by the Minister. Both these documents should be retained for reference (and see paragraphs 7 and 8 below).

You are advised to note that:

- all offers of grant are subject to Parliamentary and Ministerial approval on an annual basis;
- the Cabinet Office is not permitted to pay grants in advance of need; but grants will usually be paid in advance of expenditure;
- no VAT is payable on grants;
- all references to "the financial year" refer, unless expressly indicated otherwise, to the Cabinet Office's own financial year, which runs from 1 April to 31 March; and
- failure to comply with the conditions of the offer may result in the grant payments being suspended, reduced, reclaimed or withheld, and/or the grant offer being withdrawn.

CONDITIONS OF GRANT:

Definitions

"Agreement" means the Offer Letter and these conditions, including any Annexes. In the event of any inconsistency between these conditions and the Offer Letter, the Offer Letter takes precedence;

"Compact" means the document entitled "The Compact – The Coalition Government and civil society organizations working effectively in partnership for the benefit of communities and citizens in England" published on www.gov.uk;

"Financial Reconciliation Statement" means a statement, in the format specified or such other format as may be specified by the Cabinet Office, detailing expenditure from the Grant during the Grant Period;

"Grant" means the financial assistance provided to you by the Minister for the Cabinet Office in accordance with this Agreement;

"Grant Period" means the period from the date of the Offer Letter to the 31 March 2016 (unless another period is specified in the Offer Letter);

"Insolvency Event" means occurrence of any of the following events:

- (a) insolvency;
- (b) inability to pay debts as they fall due (or admission of inability to pay debts as they fall due);

(c) a meeting of creditors is held to consider a voluntary arrangement or composition with or for the benefit of creditors;

(d) commencement, or notice of intention to commence, insolvency proceedings (including bankruptcy proceedings, proceedings for the appointment of an administrator or receiver and proceedings for the winding-up of a company or dissolution of a partnership).

“**Offer Letter**” means the letter issued to you by the Cabinet Office in early 2016.

“**Project**” means the activity or activities supported by the Grant, as detailed in the Offer Letter;

“**Protected Characteristic**” means any of the relevant protected characteristics listed in section 149 of the Equality Act 2010;

“**Unlawful State Aid**” means state aid incompatible with Articles 107, 108 and 109 of the Treaty on the Functioning of the European Union;

Restrictions on How the Grant May be Used

1. The Grant must **not** be used for any activities **other than** the Project and activities that are necessary for, or incidental to, the Project, unless permission in writing has been received from the Cabinet Office in advance.
2. The Grant must be used to support activities which (directly or indirectly) benefit England.
3. The Grant must **not** be used to fund:
 - (a) activities which are party-political in intention, use, or presentation;
 - (b) exclusively religious activities or to support or promote activities of an exclusively religious nature;
 - (c) paid for marketing and advertising;
 - (d) purchases of capital equipment (save as expressly permitted by the Offer Letter).
4. The Grant must be used within the financial year that it is allocated to.

Your Responsibilities to the Cabinet Office

5. The Grant is offered on condition that you:
 - (a) take all reasonable steps to insure against any risks which may arise in connection with the Project (including loss or personal injury to persons undertaking those activities and risks which arise in connection with the use of property);
 - (b) on request, submit to the Cabinet Office for inspection any relevant documents relating to insurance policies; and
 - (c) permit representatives of the Cabinet Office and/or any officials of the Cabinet Office to observe the Grant-holder's management / trustee / steering group meetings whenever these meetings are to discuss the Project.

6. You must report progress on the Project, including targets, outcomes, expenditure monitoring arrangements and performance measures in accordance with the terms of the Offer Letter or as otherwise agreed. Please note that delay in providing the required information may lead to Grant payments being withheld, reduced or withdrawn.

7. You must retain copies of all papers and minutes of management committee / trustee / board / steering group meetings whenever these papers and minutes relate to work funded by the Grant. Copies of such information must be made available to the Cabinet Office, on request.

Accounting for the Money

8. You must:

- (a) (a) show the Grant as restricted funds in your accounts; the Grant must not be included in general funds;
- (b) identify separately the value and purpose of the Grant in your audited (or where permitted under charity law, independently examined) accounts (or in the notes thereto) and in your Annual Report;
- (c) retain all invoices, receipts, accounting records, and any other documentation relating to the expenditure of the Grant for at least six years after the end of the Grant Period;
- (d) if you are working in partnership, obtain from the partner an annual, written statement, signed by the partner's treasurer, of how the money was spent and a signed undertaking that the partner will retain such documents for the period prescribed in (c) above;
- (e) permit, without charge, any officials of the Cabinet Office or the Comptroller and Auditor General or (in either case) their representatives, to visit your premises and/or to inspect any of your activities and/or to examine and take copies of the books of account and such other documents or records as in such officers' view may relate to the use of the Grant;
- (f) maintain appropriate management and control systems to demonstrate proper stewardship of public funds and provide the Cabinet Office with a record of your internal financial controls and procedures on request;
- (g) submit to the Cabinet Office, within 6 weeks of the end of the Grant Period, a completed Financial Reconciliation Statement;
- (h) send the Cabinet Office a copy of your Audited (or where permitted under charity law, independently examined) Accounts and Annual Report.

Acknowledging the Grant in Publicity (logo use)

9. Publicity and written material relating to the Project and only this work, should acknowledge the financial contribution made by the Cabinet Office through the use of our logo, or where there are size constraints, in the body copy of the material.

10. You and your partners should acknowledge the support of the Cabinet Office when producing any form of report, promotional, or publicity material in relation to the Project, including press releases, leaflets, posters, brochures, and reports as well as any online material. For further information, and copies of the logo and guidance on how to use it, please contact the contact/s for the Grant named in the Offer Letter.

Intellectual Property Rights

11. You hereby agree to grant, on request, a licence or licences to the Minister for the Cabinet Office, on behalf of the Crown, in relation to the future copyright in works funded in whole or in part by the Grant and in relation to trademarks or design rights created wholly or in part with the Grant. These licences will be non-exclusive, of unlimited duration and granted without provision for the payment of royalties in order to allow the Minister to copy, issue, adapt or sub-licence any such works for use in the public interest. You must, on request, allow any information, know-how, system or process learned from or created through activities funded by the Grant to be disseminated by the Cabinet Office, in the public interest, among all persons or bodies who have responsibility for similar projects. You agree that such persons may share and use freely all such information, know-how, system or process for their own purposes;

Lawful Conduct and Diversity

12. You and your representatives must comply with, and must use all reasonable endeavours to ensure that your partners comply with:

- (a) the Equality Act 2010;
- (b) the Data Protection Act 1998;
- (c) all other relevant statutory or regulatory requirements.

13. In addition, you should ensure that, when services are provided by or through the Project, due regard is given to the need to:

- (a) eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010;
- (b) advance equality of opportunity between people who share a Protected Characteristic and those who do not share it; and
- (c) foster good relations between people who share a Protected Characteristic and people who do not share it.

14. You must promote diversity in all activities supported by the Grant.

State Aid

15. You acknowledge that the Grant comes from state resources and you must not use the Grant in a way that gives rise to Unlawful State Aid. In the event that the Cabinet Office considers that the Grant (or any part of it) constitutes Unlawful State Aid then you will repay the Grant (or such part of it) immediately (with interest, if applicable).

Procurement Procedures

16. You must have such policies and procedures in place as will assure the Cabinet Office that best value for money has been obtained in any procurement of goods or services funded by the Grant. You must provide copies of the relevant policies and procedures, and/or copies of the documentation in respect of any particular procurement, to the Cabinet Office on request.

Encumbering assets

17. You must not attempt to raise a mortgage or other charge on assets funded by the Grant.

Paying the Grant

18. Subject to Cabinet Office first having received a copy of the Offer Letter signed on your behalf, the Grant will be paid in accordance with the payment schedule specified in the Offer Letter. The Grant will not be paid in advance of need.

Repaying and recovering the Grant

19. Without prejudice to paragraph 15 above, the Cabinet Office may terminate, withdraw, suspend, reduce or recover the Grant, in whole or in part, if, and to the extent that, we are satisfied that:

- (a) it has been used, or is likely to be used, for a purpose or for activities other than those agreed (see paragraphs 1 to 4 above); or
- (b) any other terms or conditions of the Agreement are not being fulfilled.

20. **You should notify us as soon as it becomes apparent that the Grant is to remain unspent or is no longer required.** Any portion of the Grant advanced but not used in support of the Project by the end of the financial year for which it is given may not be retained without our permission. We will not withhold permission unreasonably but the Grant is subject to HM Treasury accounting rules which may require the unspent portion of the Grant to be repaid in full.

21. If we consider that there is, or is likely to be, a substantial variation between your actual income and expenditure and the amounts forecast in the Offer Letter, we may vary, withhold or recover Grant payments in such proportions as appear reasonable. Virement of funds between agreed summary budget lines, for project grants, can only be made upon written authorisation from the Cabinet Office.

22. If your organisation is, or is in the reasonable opinion of the Cabinet Office likely to be, the subject of an Insolvency Event, we will be entitled to recover the Grant paid and remaining unspent at that time.

Co-operation and Dispute Resolution

23. Both parties will use their best endeavours to uphold the principles and undertakings of The Compact.

24. Both parties will negotiate in good faith to resolve any dispute arising out of this Agreement. If we are unable to resolve a dispute within 28 days (at Board/Chief Executive/Director level) then both parties will attempt to settle it by alternative dispute resolution. Both parties will pay their own costs unless otherwise agreed in writing.

25. In line with Compact principles, the Cabinet Office recognizes the importance of an independent civil society sector. The Cabinet Office, therefore, recognizes that civil society organisations are entitled to campaign within the law, in order to advance their aims, irrespective of any funding relationships that might exist.

Withdrawal of the Grant

26. Without prejudice to paragraphs 19 to 22, the Cabinet Office may withdraw the Grant, on giving you three months' written notice.

Liability for Future Funding

27. There is no commitment to renewing or continuing financial support after the expiry of the Grant Period.

Signifying Acceptance

28. If you are in doubt about being able to meet any of these terms and conditions, or any of the terms in the Offer Letter, you should seek our advice before indicating your formal acceptance.

29. You should indicate acceptance of these terms and conditions by signing a copy of the Offer Letter.

Transparency

30. You should note that, in accordance with the Government's transparency principles, details of any transactions over £25,000 will be published, including transactions associated with the Grant. This £25,000 threshold for publication may be changed at any time.

Type of activity/cost *	Amount (£)
31 March 2016 (£)	
Balance of Cabinet Office grant monies unspent at 31 March 2016 (£)	
Unspent Funds Returned (£)	

*The category headings in the table are suggestions – the grant recipient should err on the side of providing more rather than less information to prevent us requesting further detail later on.

Compliance with the conditions of the grant:

I confirm that the Grant has been applied solely towards the Project and activities that are necessary for, or incidental to, the Project (as these terms are defined in the Agreement).

I also confirm that all expenditure has been in accordance with the terms and conditions of the Agreement – and specifically that no expenditure has been incurred contrary to paragraph 3 of the Standard Conditions.

Signed	
Position (Director/Chief Executive/Chair/Accountant, or equivalent)	
Date	

For Official Use only

OPTIONS	Policy Team signature	Date	Finance Team signature	Date
1). Zero (on budget)				
2). Unspent; Committed funds				
3). Unspent, Un-Committed funds				
4). Unspent Returned funds				