



GRANTS MANUAL

September 2019

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1.0 Introduction

The Grants Manual documents the Authority's procedures relating to the management of grants and therefore must be followed in all cases.

The Grants Manual alongside the Project Management Toolkit provides a fully encompassing guide for managing grants.

The Project Management Toolkit focuses on the general principles and processes of project management; the Grants Manual provides additional guidance for grant funded projects. Together they will guide you through the steps of developing your initial project idea, developing and submitting your application for funding, delivering your project, documentation retention and finally project closure.

Grants can be:

- Awarded directly by the funding body to the Authority (allocated grants)
- Awarded following an application process
- The Authority may act as an agent receiving grant on behalf of a funding body

Where the Authority acts as an agent, it needs to be clear where responsibilities start and end, to ensure governance arrangements are met and discharged by the Authority and the recipient organisation, including risk allocation.

The success of a project is not only about having a good idea; the idea needs to be developed into a viable project aligned with corporate objectives, and effectively risk managed and administered. Successful management of a grant funded project requires you to:

- Understand and comply with terms and conditions of the funding body, the Authority's policies and procedures
- Deliver the projects outputs and outcomes
- Monitor and manage your finances
- Keep complete and accurate records
- Work collectively with others to effectively deliver the project
- Communicate with your stakeholders, funding body and partners

The consequences of poor grant and project management can be severe. Grant income can be put at risk resulting in project costs needing to be funded by the Authority. It could also affect the Authority's reputation and opportunity to receive similar grants in the future.

The Grants Manual in Four Key Steps

<p>Developing the Project</p> <ul style="list-style-type: none"> Follow the Project Proposal Form process Consider funding body requirements Establish a project master file at the outset Confirm commitment of match funding Consider any state aid implications 	<p>Pg</p> <p>9</p> <p>10</p> <p>15</p> <p>12</p> <p>14</p>
<p>Offer of Grant</p> <ul style="list-style-type: none"> Review terms and conditions of grant Formal acceptance of grant by the Authority 	<p>Pg</p> <p>16</p> <p>16</p>
<p>Delivering the Project</p> <ul style="list-style-type: none"> Identify a key officer responsible for managing the project Deliver the project in accordance with the terms and conditions of grant and policies and procedures of the Authority Liaise with teams within the Authority's grant support framework Establish project processes and procedures and complete the Control Environment template at the outset Establish the project's authorised signatory list. Arrange to set up the project's budget in the Authority's financial management system Monitor the budget, forecasting to project end Claim grant in line with claiming requirements defined by the funding body Establish partnership/service level agreements with lead body / delivery partners, if applicable Monitor project milestones, outputs and outcomes. Monitor risk Be aware of publicity requirements as defined by the funding body Ensure all audit requirements are met Maintain an inventory of all assets acquired, built or improved wholly or partly through grant funding In managing grants to third parties establish procedures incorporating controls similar to those that are imposed on the Authority by the funding body, if applicable 	<p>Pg</p> <p>5</p> <p>5</p> <p>6</p> <p>17</p> <p>17</p> <p>18</p> <p>19</p> <p>19</p> <p>17</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>22</p> <p>26</p>
<p>Project Closure</p> <ul style="list-style-type: none"> Review project files for completeness Make arrangements for archiving to ensure files are retained for the period defined by the funding body 	<p>Pg</p> <p>29</p> <p>29</p>

2.0 Management of a Grant Funded Project

Overall responsibility for the project sits with Chief Officers. For each project this involves:

- Ensuring internal approval processes have been followed in developing the project
- Authorising the grant application (or equivalent)
- Accepting the grant and its terms and conditions is normally undertaken by the Chief Executive/Director. However, where authority has been formally delegated, the Head of Service can also accept the grant. Where there is a need for the Section 151 officer to formally accept the grant and its terms and conditions, then arrangements need to be made to ensure that this requirement is met. This will be indicated within the terms and conditions for the grant.
- Ensuring the Authority's policies and procedures are properly followed
- Identifying a key officer responsible for the management of the project

Each project **must** have a designated project manager/lead officer who is responsible for **ALL** aspects of managing the project.

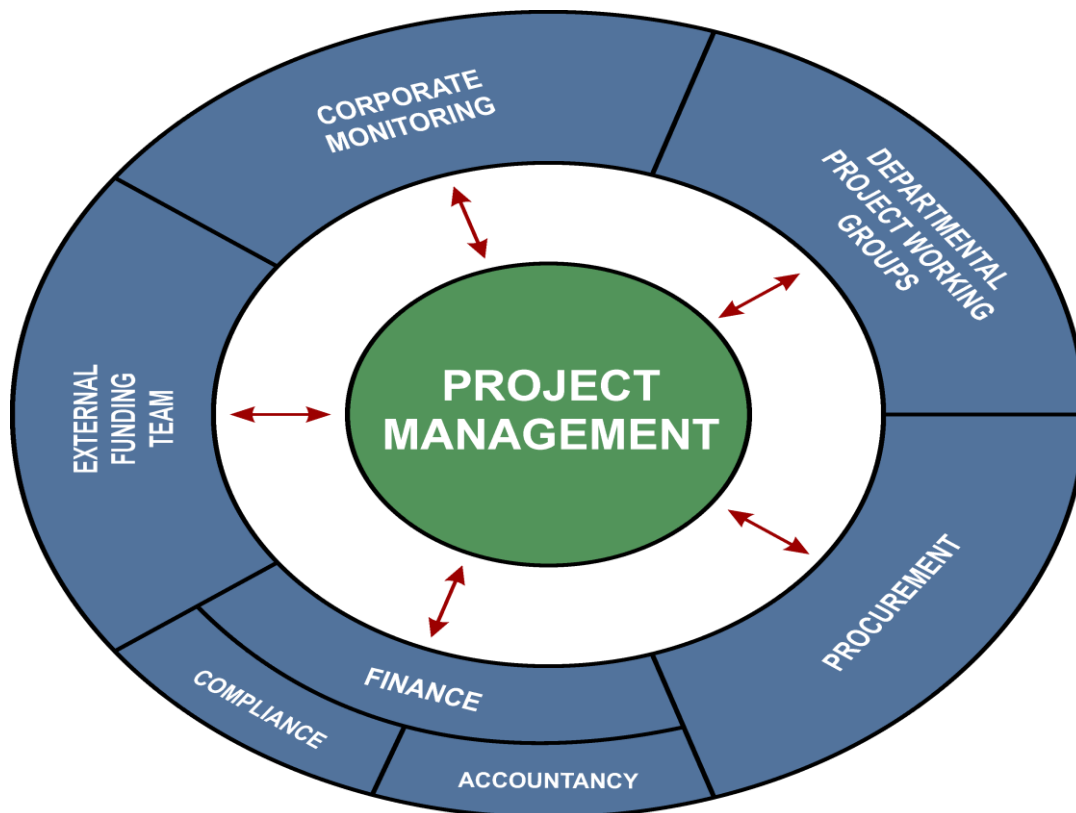
Specific responsibilities include:

- Development and production of the business plan or application for external funding
- Reviewing the terms and conditions of grant prior to acceptance/authorisation
- Adhering to the terms and conditions of the grant
- Notifying Internal Audit as soon as terms and conditions are signed where an internal audit certificate is required
- Establishing partnership/service level agreements with lead body/delivery partners and ensuring appropriate governance arrangements are in place
- Financial management and project budget monitoring
- Adhering to procurement rules
- Ensuring timely submission of claims
- Managing and monitoring project risks
- Project monitoring including project outputs; special conditions and delivery against project milestones
- Staffing and HR matters
- Undertaking evaluation exercise
- Representing the Authority at external meetings with funding bodies and wider stakeholders
- Marketing and promotion
- Preparation for audits and liaising with the auditors as and when required
- Ensuring compliance with relevant strategies such as the Well-being & Future Generations Act; Social Services & Well Being Act, GDPR etc
- Project closure including document retention and archiving

The Authority's Project Management toolkit provides support in relation to the above. <http://intranet/our-people/project-management/>

3.0 Grant Management Framework

To ensure the effective delivery of grant funded projects, and to minimise the level of risk to the Authority, the following framework has been established.



3.1 Grants Support Teams

External Funding Team - Regeneration & Policy within Chief Executive's Department.

Provides support in relation to the process of applying for grant funding including:

- Assistance in identifying appropriate sources of funding
- Acting as a conduit with the relevant funding body.
- Provide advice and guidance on the rules and regulations relating to various funding streams
- Assistance in developing the application and providing on-going support where required
- Co-ordinate training in relation to the project management toolkit

Please seek advice from the External Funding Team as to whether support can be provided in all cases.

Finance

Grants Compliance

Support and advice on grant compliance is available within the Financial Services Division of Corporate Services.

- Advise on funding body rules & requirements and liaise with the funding body when required
- Provide practical assistance on technical matters
- Develop, maintain and control the systems and procedures to aid the management of grant funded projects
- Provide training
- Co-ordinate the grant claim certification process with Wales Audit Office and Internal Audit
- Provide assistance in the preparation for audits and during an audit
- Monitor processes and procedures in line with compliance requirements

Accountancy

Provide advice and support on financial matters to project managers/officers.

- Support in developing the project budget
- Support in financial aspects of project delivery
- Support to budget managers in the creation of project budgets in line with approved financial profiles/grant award
- Provide advice on funding body rules and requirements
- Support in the financial monitoring of approved projects
- Support in developing financial re-profiles
- Support to staff in the grants claiming process
- Advise on accounting requirements
- Liaise with auditors on accounting matters
- Advice on VAT issues

Corporate Procurement Team

Procurement advice and support is available to project managers via the Corporate Procurement team. Contact the Procurement Unit during the first stage of project management.

The Procurement Unit will advise on the procurement aspects of project development and delivery and provide advice about documentary evidence that is required to be retained.

Corporate Monitoring

Internal Audit

Internal Audit provides an independent check of the activities of the Authority. Grant funded projects usually have to adhere to strict terms and conditions of grant. Through the internal audit process projects can ensure they are compliant with these terms and the Authority's own requirements. They also undertake audit certification work as and when required by the funding body.

Grants Panel

The Grants Panel's responsibility is to monitor and review the management of grant funded projects within the Authority. It reports directly to Audit Committee.

Departmental Project Working Groups

The role of the Departmental Project Working Groups includes monitoring and review of grant funded projects within their service area for both capital and revenue grants. The group considers project progress, financial and non-financial information e.g. outputs as well as providing a forum for communication between project officers and the Grants Panel and vice versa.

4.0 Developing Your Project

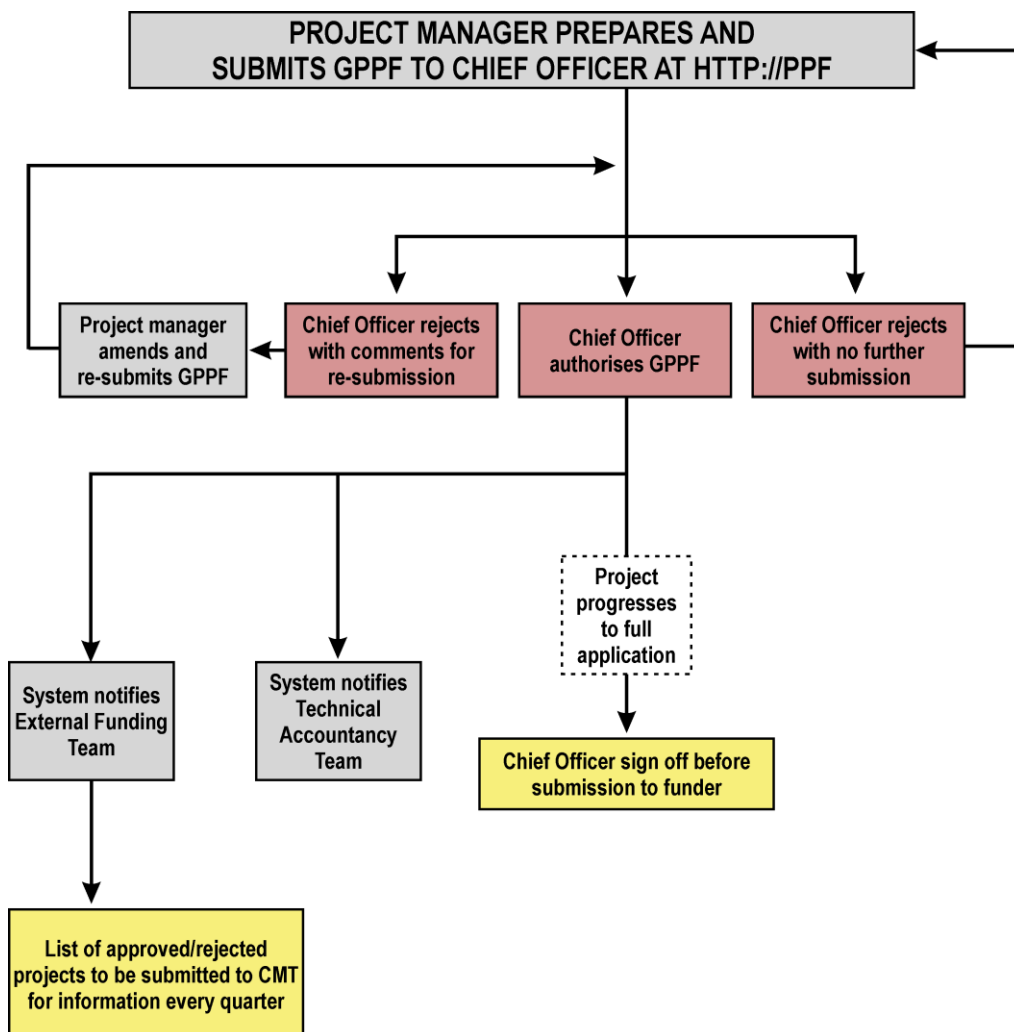
In developing a project idea there are a number of steps that managers should consider to ensure that the project is developed in a compliant manner. These steps are important in ensuring that the project has received internal approval and that consideration has been given to how the project is to be managed; resourced; delivered; communicated and monitored.

To develop your project from an idea into a viable, worthwhile project that is aligned with corporate objectives you should also follow the steps in the Project Management Toolkit: <http://intranet/our-people/project-management/>

Have you sought internal approval for the project?

All projects seeking grant funding must seek internal approval from the respective Chief Officer before submitting an application. This is done by submitting a Grants Project Proposal Form (GPPF) as set out below. By completing a GPPF form, this will also alert the grant support teams to provide assistance to the project manager/lead officer at an early stage of development. An example of the GPPF is attached. <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\1 - Project Proposal Form.docx>

The GPPF process to be followed is outlined below:



Where an application submission is subject to a tight deadline, and when a GPPF is not feasible, as an exception to this, approval from the respective Chief Officer is required prior to submission. This information needs to be fed into the support teams by the project manager/lead officer.

Integrated Impact Assessment Template

The Authority is in the process of piloting a new Integrated Impact Assessment template which is due to be formally adopted from April 2020, this is to ensure all projects take into account GDPR requirements.

Bidding for external funding

If you are bidding for funding from a grant source, as opposed to receiving an allocated grant, follow the application process required by the relevant funding body. Tailor the steps in the project management toolkit to accommodate the funding application process required without duplicating effort on any aspect.

Things to consider:

- Ensure you are conversant with the funding body's requirements. Each funding body has its own specific rules depending on the scale and nature of the project.
- Ensure that the project fits with the Authority's strategic objectives
- The time it is likely to take to apply and receive a decision on funding and whether this fits within your delivery timeframe.
- How the project will be fully funded – what match funding has been/is being secured for the project
- Assign a specific officer with responsibility for leading the development of the project and on-going dialogue with the funding body
- The level of risk to the Authority

The External Funding Team is able to provide assistance in this process.

How is the project going to be delivered? Is the Authority acting independently, or acting as lead authority or a partner within a wider project?

A project managed and delivered independently by the Authority is by far the least complex. However, many funding bodies are moving towards collaborative bids where one partner takes a lead role on behalf of a number of partners/organisations.

Where the Authority is acting as lead Authority on behalf of a wider partnership, responsibilities include:

- Providing guidance to partners on funding body requirements
- Developing the application for funding and entering into a contract with the funding body on behalf of the wider partnership, thus assuming overall accountability
- Acting as the main contact with the funding body
- Establishing governance arrangements for the wider project e.g. regional steering group

- Developing claiming and monitoring procedures
- Establishing partnership agreements/service level agreements between the Authority and partners in liaison with Legal Services. Grant conditions should be mirrored as far as possible within Service Level Agreements/Partnership Agreements
- Managing and monitoring risks in relation to overall project delivery
- Perform regular checks that partners are adhering to the terms of the partnership agreement/ service level agreement and have put in place effective processes and controls to prevent and detect any errors or fraud before eligible expenditure is reported to the lead

The above should be taken into consideration when deciding on the level of staff resource required to deliver the project.

The time taken to develop such processes should not be underestimated including the level of commitment needed.

Where the Authority is a partner in a wider project, responsibilities include:

- Seeking clarity from the lead partner as to what is expected of the delivery partner
- Being clear on timescales involved in developing the project
- Reviewing any service level agreement against the terms and conditions of the grant before formally committing to it
- Analysing the level of risk to the Authority

How much will it cost to deliver the project?

In compiling the project budget, officers should liaise with the external funding and accountancy teams to ensure all costs have been considered; are reasonable and meet the funding body's eligibility requirements.

Things to consider:

- Financial profiles need to be prepared in line with the funding body guidance. An example template is available to assist in this process. <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\2 - Example Financial Profile.pdf>
- The working papers must be retained to support how the budget has been compiled including the basis for calculation of costs and sources of funding.
- Eligibility of costs and funding as outlined within the funding body's guidance. Accountancy and External Funding teams can provide advice. Some costs may not be eligible in all cases e.g. notional or estimated charges and those based on an apportionment.
- When developing the financial profile, consideration needs to be given to the basis of the project e.g. incurred, defrayment or outcomes/outputs basis.
- Where supporting evidence will need to be provided at claiming stage this should be taken into account when developing your profile to ensure robust audit trails are in place.
- When considering the budget, be realistic as to when delivery will commence and in the phasing of your profile. For example there will normally be a period

of time when the project is being mobilised i.e. recruitment of staff; establishment of SLAs, delivery followed by project closure etc.

- Depending on the scale and/or complexities of your project, you may require a dedicated resource to provide support to prepare claims; to monitor outputs etc. For example, in collaborative projects, the lead organisation will normally aggregate all partner transactions into a single claim which will take time and effort. A standard template has been produced which outlines the type of skills required to undertake this role. [\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\3 - Example for Supporting Officer Role.docx](#)
- Where staff are spending flexible/ variable hours (i.e. not full-time) on a project) a time recording system must be put in place, regardless as to whether the staff member is funded through the project or providing support to the project in their substantive role as match funding.
- Timesheets should cover 100% of the contracted time of the employee.

Have you identified and secured match funding for the project?

Match funding (sometimes referred to as co-financing or co-funding) is the funding required to fully fund the project. The amount required will be determined by the funding body. In all cases, you must consider any applicable limitations set by State Aid rules.

All forms of match funding will need to be confirmed before the offer of grant is accepted.

Match funding can take many forms:

Staff match funding: This is a cash equivalent value of time spent by core staff in supporting the management and/or delivery of the project. This is considered as cash match funding. Time spent on the project should be recorded on a timesheet. The timesheet must:

- Record 100% of the contracted working time signed by the employee and counter signed by the authorised signatory. Please see example timesheet [\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\4 - Timesheet.xlsx](#)
- Be compliant with the funding body requirements.
- Information included in time sheets should match other records, for example, records of annual and sick leave taken
- Where core staff have been identified to support the management and/or delivery of a project, you must notify the member of staff. A template letter is attached [\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\5 - Example Secondment Letter.docx](#)
- The cash equivalent value must be calculated based on an hourly rate methodology in accordance with the funding body rules. Please liaise with the accountancy team for further guidance. The rationale for the calculations must be retained.

Some funding bodies may allow time spent by staff working a fixed percentage of time on a project to be calculated using a fixed percentage of gross eligible

employment costs without a need to use a time sheet. However, you must obtain approval from the funding body if you intend to adopt this approach.

Cash

Funding secured from core budgets or secured from other parties e.g. Welsh Government, Big Lottery, Trusts etc.

Private Sector Investment (PSI)

This is a contribution provided by a private entity towards the delivery of a project. This is normally found in the case of 3rd party grants to businesses.

Contributions in kind

Eligible contributions in kind can be a third party donation, for which no payment is made. These contributions could be:

- The provision of works, goods, materials or services (including professionals and researchers) where no payment is made
- Unpaid project work (volunteers who help manage and/or deliver the project)
- Donations of land and/or buildings for which no cash payment has been made by the beneficiary.

Each funding body will have specific rules relating to the eligibility of in kind contributions.

Volunteer time (in kind): Where projects have a strong volunteer base, this time can be used as match funding. Volunteer rates will be determined by the funding body who may stipulate rates for different skill levels. Volunteers' time must be recorded on a timesheet signed by the volunteer and counter signed by an authorised signatory. A template timesheet is available <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\6 - Example Volunteer Timesheet.xlsx>. The time taken to collate the evidence however should not be underestimated.

Details of how the in kind contribution value is calculated must be retained.

Have you considered the project outputs, how they will be delivered and monitored?

All external grant funded projects are required to set specific measurable outputs which will form part of the terms and conditions. Each funding body will determine its own set of indicators and provide guidance on the evidence required to support the outputs.

A baseline position from which the outcomes of the project can be measured should be set at the outset. When setting indicators for the project, the following should be taken into consideration:

- Outputs should be SMART (specific, measurable, achievable, realistic and time bound)
- Working papers should be retained explaining the methodology as to how the targets have been calculated

- How will the data be collected, how often and by whom? Are there cost implications of doing so, if so are these reflected within your budget?
- Who will process the information and how often?
- How often will progress be monitored and who will progress be reported to?
- Have evaluation requirements been considered? Some funding bodies require external evaluators to be appointed, if so has an appropriate budget been allocated? Please note that external evaluation services will need to be procured.

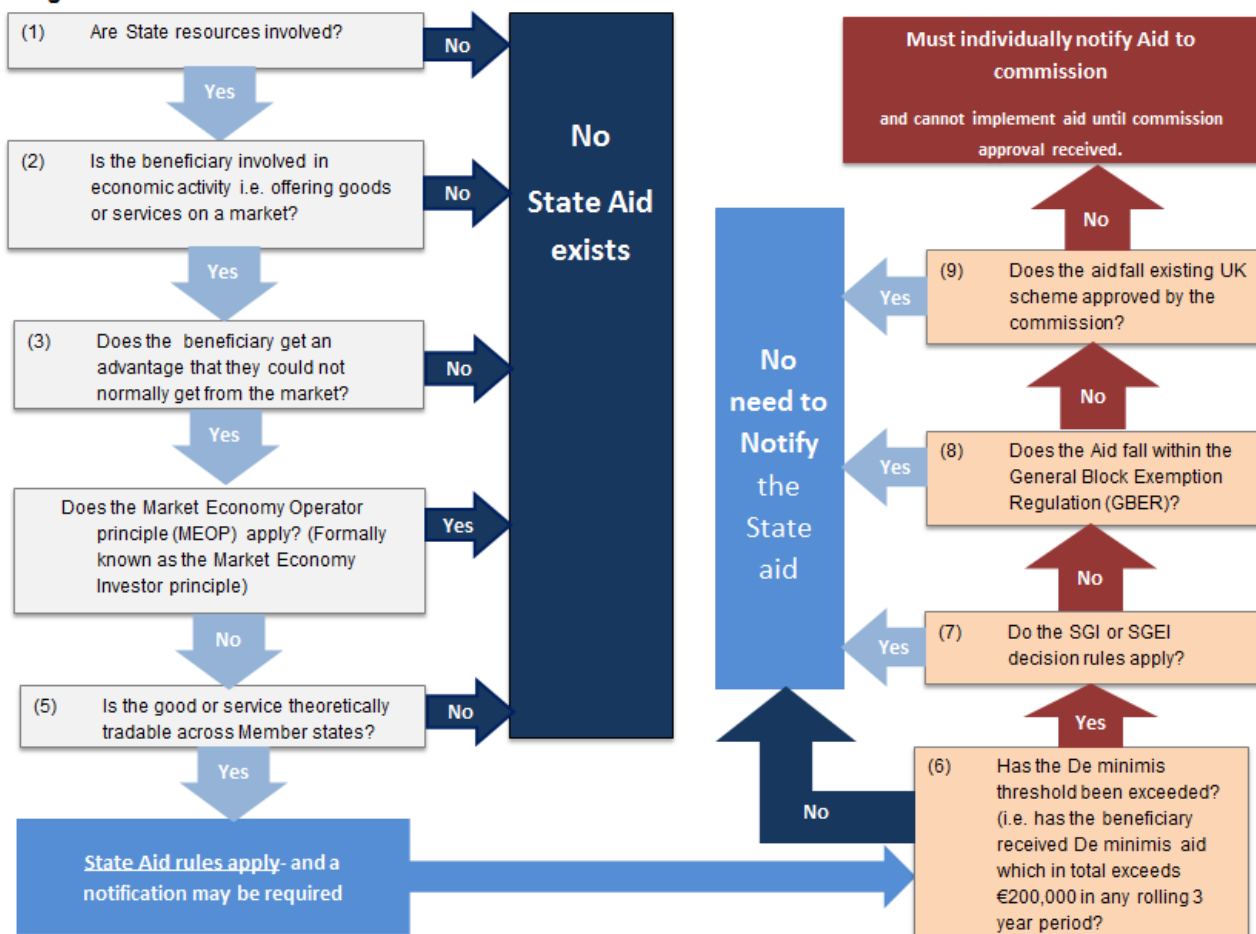
Are there any state aid implications for your project?

State aid is where a public body gives support (in any form e.g. funding; free advice/training) to any undertaking engaged in economic activity, giving it an advantage it wouldn't otherwise have had.

It is important to assess whether the activities/support provided by the project are considered as state aid. Failure to get this right could have serious implications. If you are unsure, the corporate legal team can advise.

There are five key questions that should be considered. These are outlined in the table below:

Figure 2- State aid flow chart:



Establish your project master file and processes for grant compliance

It is imperative that the project file is set up at the outset. The file must include the following sections:

- Section 1 – Project Development
- Section 2 – Approval Documentation

The following sections should be set up following acceptance of the grant award:

- Section 3 – Project Implementation
- Section 4 – Grant Claims
- Section 5 – Monitoring
- Section 6 – Supporting documentation
- Section 7 – Outputs
- Section 8 – Publicity
- Section 9 – Strategic/corporate Documents
- Section 10 – Final Evaluation
- Section 11 – Closure

The terms and conditions of grant for the project will determine the documentation you are required to retain. The attached Project Master File – Documentation Checklist <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\7 - Master File Checklist.docx> provides a useful point of reference of the type of documentation that should be retained under each section.

Some of the documents may not be relevant to your project. In these scenarios please record N/A in the end column. If there are other documents that are specific to your project that are not listed then add to this list accordingly.

If there are scenarios where there is a requirement to retain documentation elsewhere record/signpost on the list as to where these are being retained and provide the relevant contact details.

Original documentation must be retained for all projects for the period defined within the terms and conditions of grant.

Submitting your application for funding

When submitting your funding application, all projects in excess of £100k (total project costs) should be signed by the respective Chief Officer. For projects where the total value is less than £100k, these can be signed by senior managers where authority has been delegated by the Chief Officer.

5.0 Accepting Grant Funding

If your application is successful or your allocated grant is approved, the funding body will formally notify the Authority in writing.

The approval should consist of:-

- Approval/funding letter confirming the grant offer
- Grant terms and conditions
- Financial information
- Agreed outputs/outcomes

The documentation should be carefully reviewed with specific attention paid to:

- Deadline for the return of authorised acceptance of grant
- Project start and end dates
- Financial information
- Outcomes, outputs and financial targets
- Claiming procedures
- Audit requirements
- Special conditions or funding body pre-conditions
- Monitoring requirements
- State aid implications

Consideration should be given whether the Authority proceeds in accepting the grant.

Acceptance of the grant offer should be signed by the Chief Executive/Director or Head of Service where authority has been formally delegated. Confirmation regarding who has been delegated authority can be obtained from Legal Services.

The terms and conditions of grant may determine that the Section 151 officer needs to formally accept the grant. If this is the case, arrangements need to be made to ensure this requirement is met.

The original signed acceptance of the offer of grant and any required paperwork should be sent to the funding body.

Notification of acceptance of the grant, copies should be sent to:

- External Funding Team (where support has been provided)
- Accountancy Team
- Grants Compliance Officer
- Chair of the relevant departmental Project Working Group

Note: The signed approval letter constitutes the contract between the funding body and the Authority. The Authority is legally bound to adhere to the grant conditions once the acceptance letter is signed by the authorised signatory and returned.

6.0 Delivering your Grant Funded Project

Once you have been awarded your grant there are a number of steps to be taken including setting up your project team; formalising delivery arrangements and establishing procedures to ensure that you comply with the funders' requirements.

You should also refer to the Project Management Toolkit, Stage 3 – Delivering the Project.

Establish Project Processes and Procedures (The Control Environment)

The Control Environment Template <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\8 - Control Environment Template.docx> provides guidance on the processes and procedures to be established. The procedures for the key functions to be undertaken on a day to day basis should be formulated and retained.

Establish an authorised signatories list

In some cases a specimen signature is required and authorisation of claims should be in line with signatures already provided. If certifying officers change then the funding body should be informed as soon as possible with new names and signatures. Failure to do so will result in the claim forms being returned

Formalise delivery arrangements

If the project is to be delivered in partnership with other authorities/organisations it is important that partnership arrangements are formalised as soon as the offer of grant has been accepted.

Agreements are referred to by various titles e.g. partnerships agreements, service level agreements, collaboration agreements, inter authority agreements.

The document is written and agreed to ensure that each partner is fully aware of their roles and responsibilities in delivering the project. Agreements should reflect the terms and conditions of the funding body.

The agreement should include:

- Project partners
- Roles and responsibilities relating to the delivery of the project
- Governance arrangements
- Specific target outputs (by partner)
- Project procedures
- Audit requirements
- Financial requirements
- Claiming requirements etc
- Procedures and consequences, should a partner not fulfil their responsibilities, drop out of the scheme or not comply with grant requirements.
- Document retention requirements

The attached checklist sets out in further detail the areas to be considered. <\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Grants Manual\9 - Partnership Agreement Checklist.docx>

Agreement documents will be signed and some will need to be executed under seal, and the following will apply:

- Where they are to be signed and not executed under seal the Authority's Constitution provides that the agreement should be signed by either the Chief Executive, the Head of Administration & Law, Director or Head of Service (where authority has been formally delegated)
- Where they are to be signed and executed under seal the Authority's Constitution provides that these can only be attested by the Chief Executive or Head of Administration & Law.

Originals of the signed agreement must be retained and kept in the project file. Instances where the agreement is retained by Legal Services, a copy of this is to be retained in the project file along with a note indicating where the original is being held.

Ensure all spend is procured in a compliant manner

When making all purchases for goods, services and works the Authority's Contract Procedure Rules must be adhered to.

Confirmation should also be received that these are compliant with the funding body requirements. Full audit trails to support the procurement process must be retained at all times.

Where a project bank account is a requirement by the funding body please refer to separate guidance/contact the Technical Section within Financial Services.

Managing your finances

To financially manage your project the following documents should be followed:

- funding body guidance on eligibility rules
- terms and conditions of grant
- Financial Procedure Rules
- Budget Manual
- Managing Capital
- VAT requirements

Following approval by the funding body the project budget should be established and uploaded to the financial management system.

Key requirements are:

- specific financial code(s) needs to be set up to record all transactions relating solely to the project.
- separate codes will be required for revenue and capital transactions

Please contact the accountancy team who will be able to provide further guidance.

Funding body virement rules must be adhered to:

- some funding bodies may allow amendments to budgets within prescribed tolerance levels that do not need funding body approval
- other variations can only be actioned with funding body approval
- more major changes to budgets may be incorporated in a re-profiling exercise which will need funding body approval

When any amendment is being proposed, the impact on the financial profile as a whole needs to be considered. The accountancy team will be able to provide guidance and review any proposed amendment to budget/re-profile. Any approved revision to the project budget should also be reflected within the Authority's financial management system.

Regular budget monitoring contributes to effective project management. The Authority requires that budgets are monitored in accordance with the corporate timetable. In addition, it is essential that the total project budget is monitored, forecasting to project end, to ensure that overall spend and financing is on profile. Special care needs to be taken in monitoring third party expenditure and income where these are not recorded in the Authority's financial management system. Regular monitoring highlights any forthcoming issues that may need to be discussed with the funding body.

Payments In Advance – for specific rules on making payments in advance please refer to the Financial Procedure Rules.

Project Bank Accounts - where a project bank account is a requirement by the funding body please refer to separate guidance/contact the Technical Section within Financial Services.

VAT – where there are any queries on the treatment of VAT then advice must be sought from the Financial Services Division of Corporate Services. Example queries include:

- Establishing whether VAT is reclaimable or not where projects are delivered in partnership with other organisations
- The treatment of VAT when issuing grants to third parties.

Completing your claims/returns

Specific returns need to be completed as defined in the terms & conditions of grant. Examples include grant claims, progress reports, and Statements of Expenditure. Such documents will detail the financial and non-financial information relating to the project.

The terms & conditions of grant will also stipulate the submission dates.

Most funding bodies require a claim to be submitted for a specific period, even if it is a nil return.

The terms and conditions will determine the basis on which the grant is claimed i.e. costs incurred, defrayed (paid) or outputs/outcomes basis.

- Costs incurred are the costs of goods and services received regardless of whether you have received an invoice or paid for them by the date of your claim
- Costs defrayed (paid) means when a cheque has been cashed or a payment transaction has been cleared from the Authority's bank account or a third party's bank account. Also referred to as disbursed
- Output/outcome based – some grants are paid on the basis of agreed outputs/outcomes being achieved

When compiling a claim, supporting working papers should be prepared.

Working papers should include: -

- an analysis of transactions to be included in the claim
- reconciliation to the financial ledger

Checks must be made to ensure that all costs are eligible and full audit trails are in place.

Working papers should be submitted to your accountancy team at least 8 working days before the actual submission date of the claim to the funding body. This allows time for a review to be undertaken and queries resolved.

When completing the claim/return, ensure that **ALL** sections are complete, accurate and reconcile to the supporting working papers. Most grant claims will have guidance to assist with completion.

If there are any issues with the information on the claim, the funding body should be contacted as soon as possible.

The funding body may also ask that other information is provided. For example: projected expenditure, match funding information, non-financial information (publicity, target/outputs).

For claims/returns completed on paper format, should a mistake be identified, please strike a line through the incorrect figure put the correct figure alongside and initial the correction.

For claims that are subject to audit please refer to the terms and conditions of grant for confirmation of the audit requirements. Please note that in some circumstances both the original and copy claim forms/returns will require an original signature(s) by the designated authorising officer(s) please retain a copy before it is signed.

Grant claims/returns are required to be signed by the Director of Corporate Services or other nominated signatories before being sent to the funding body. Arrangements should be made through your accountancy team.

Please ensure you retain a copy of the signed claim for your records

Receipt of Grant Income

When grant monies are due to be received from the funding body please provide the Cashiers Section the following information:

- Amount of grant expected
- Funding authority/grant reference
- Income account code

Upon request officers within the Cashiers Section will e-mail copies of the following documentation for retention purposes: -

- Copy of remittance advice
- BACS credit advice

Creditors

The online creditor payment system (P2P) will retain scanned copies of the supplier's invoice/payment document. The original documentation will be held centrally by the Accounts Payable Section within the Financial Services Division. If the original document is required this can be retrieved from the file. The invoice tracker form must be completed and then retained in the central file with a copy of the original invoice/payment document attached.

Bank Statements

Some funding bodies require supporting information to evidence payments (BACs or cheque) leaving the Authority's bank account. Bank statements are held centrally and are available on the Corporate File Plan [\\ntcarmcc\cfp\Finance\Accounts\Grants Management\Other Financial Info](#). Access to this information can be arranged via Grants Compliance within the Financial Services Division.

Monitoring your project

As part of the application process you will have identified your anticipated outputs for the project which will form part of your terms and conditions with the funding body.

The offer letter will set out the deliverable elements of the project – the targets. Ensure systems developed to capture and evidence the achievement of targets are robust, fit for purpose and adhered to.

Points to consider:

- Inform the funding body and External Funding Team of any anticipated underachievement and / or changes as soon as possible, this may impact on the amount of funding provided to the project.
- Are the outcomes on target to be achieved within the agreed timescale?
- Are there monitoring requirements that need to be undertaken post project completion? If so, has a core member of staff been identified to take on this responsibility?
- Are robust process and procedures in place for monitoring delivery partners (where appropriate)
- Is project monitoring a standard agenda item for the project steering group/board? Key points to consider include:

Project progress

1) Physical outputs

- i. achieved to date
- ii. comparison to targets
- iii. anticipated final outcome
- iv. any changes to be noted

2) Finances

- i. expenditure to date
- ii. comparison against profile/budget
- iii. explanations of variances and remedial action required
- iv. anticipated final spend
- v. any changes to be noted

3) Claims submitted

4) Grants received

Whilst the above seems obvious it hopefully will act as a useful prompt. Monitoring should be undertaken on a quarterly basis as a minimum. Evidence of monitoring must be retained.

Monitoring Risks

Monitoring project risks is a key element of good project management. A risk and issue register should be kept up to date by reviewing them at regular intervals. In addition to being useful management and monitoring tools, these registers will also help you to meet audit requirements as you are documenting the reasons for decisions made.

For further guidance on project risks, please refer to the Project Management Toolkit: <http://intranet/our-people/project-management/stage-3-delivering-the-project/>

Inventory of Assets

For capital grant schemes, an inventory of all assets acquired, built, or improved wholly or partly using funding, owned by the Authority, should be maintained. An asset is defined as an item that will not be used up within 12 months. Operational requirements of the grant and conditions surrounding ownership of assets need to be adhered to.

In addition, please liaise with the capital accountancy team who will be able to provide guidance on the Authority's requirements.

The inventory must show the:

- (a) date of purchase;
- (b) description of asset;
- (c) price paid net recoverable VAT;
- (d) amount of grant funding paid;

- (e) location of the title deeds;
- (f) serial or unique identification numbers;
- (g) location of the asset;
- (h) date of disposal (if applicable); and
- (i) sale proceeds net of VAT (if applicable)
- (j) make and model (where applicable)

The Assets Register together (with copies of documentation confirming the title deed where applicable) must be maintained by the project manager and kept on the project file.

Marketing and Promotion

It is important that all projects acknowledge grant support and fully comply with the publicity requirements of the funding body. There are many ways in which to do so. The funding body will generally have specific guidelines that need to be followed. Some key areas that should be considered include:

- Acknowledgement of the funding on the website.
- Informing project participants/beneficiaries, sponsors, providers, businesses, contractors, which have been awarded grant support (whether directly or indirectly).
- Use of the funder's logo in print and publications relating to the project including adverts; leaflets; promotional items; job descriptions; newsletters; letterheads business cards; reports; project documentation (e.g. timesheets, induction material, invitations etc).

All press releases must be coordinated through the Authority's communications team.
<http://intranet/our-people/marketing-media/>

Protocol for Collaborative Press Releases

When undertaking joint PR, the following steps should be followed:

- Press releases should be developed by the relevant lead authority but agreed jointly. Press releases should not be issued by one authority without the agreement of the others involved and the communications team within the authorities need to be made aware of this.
- Press releases should generally quote the Leader from the Lead Authority and at least one other Leader or Chief Officer from a partner authority, while giving recognition to all partners involved.
- The Lead Authority should take responsibility for preparing and co-ordinating press releases to agreed media contacts (to be agreed in advance) and for identifying local contacts within the authorities.
- Any launch/photo call with the media needs to involve all authorities involved (recognising the timescales may not allow everyone to attend, but all need to have been invited and attendance/absence confirmed).

- All media and press releases must acknowledge the financial contribution from the funding body.

Preparing for Audits

Grants may be subject to an audit by the funding body at any point during the project lifetime. This is an independent check on the project's systems and procedures established in adherence with the funding terms and conditions.

Failure to meet audit requirements could result in loss or clawback of grant which may impact on current or future years' council budgets.

The External Funding and Grants Compliance teams are available to support and advise in the preparation of an audit.

Some funding bodies may require an audit by the Authority's Internal Audit section. This will be noted within the terms and conditions of grant. When accepting the grant the project manager should inform the Internal Audit team of this requirement at the outset.

Key points to consider:

- The grant terms and conditions will stipulate the funding body audit requirements.
- Audits can be undertaken by a number of audit teams including the funding body at any time during or after completion of the project.
- Full audit trails must be in place to support both the financial and non-financial information for the project.
- Ensuring that records are in place from the outset is paramount. A lack of a clear audit trail may result in an adjustment to a claim and a reduction in a grant paid or even claw-back of grant.
- It is important that officers respond to any audit queries within specified timescales.
- Project managers have a responsibility to follow up on all audit requirements to ensure the funding body's deadlines are met.
- Evidence of monitoring of the overall project progress should also be retained

Document Retention

All documentation relating to your project must be retained for the period of time stated in the terms and conditions. Documentation relating to implementation of the project and its finances must be retained for audit purposes, originals of certain documents should be retained on file. All documentation must be made available for inspection by the funding body at any time. Failure to produce documentation at the request of the funding body, could ultimately lead to claw back of grant.

Key points to consider:

- Ensure that all staff members involved in the project and partners (where relevant) are made aware of the document retention timescales. **Documents should not be destroyed until confirmation is received from the funding body that it is permitted to do so.**
- Responsibility for the retention of documentation lies with the lead body. In the case of regional projects, each partner should retain their own documents/records. The partnership agreement should detail systems in place for the retrieval of those documents from project partners in the case of audit queries following project closure.
- All organisations involved in the delivery of the project are expected to sign a document retention statement.
- The Authority's document retention statement can be found at <http://intranet/our-people/information-governance/records-management/disposing-of-records/>

Evaluation

Evaluation (sometimes known as project assurance) is an important part of successful project management. Project evaluation may be undertaken part way through a project to assess progress and to ensure the project is on track to achieve its outcomes. Evaluation will also be undertaken at the end of the project to independently assess the achievements of the project. A project monitoring plan will usually be required as part of the funding application process, and evaluation of the project will form part of that plan.

Evaluation may be undertaken independently or internally. If you are undertaking the evaluation you could consider using the following:

- Stakeholder questionnaires
- Surveys
- Focus groups
- Interviews
- Discussions with stakeholders*
- Beneficiary comments

* A stakeholder analysis tool is provided in the Project Management Toolkit which you may find useful.

7.0 Delivering Third Party Grants

Where a project offers grant assistance to third party organisations, these are termed third party grants. Third Party Grants need to be carefully administered in accordance with the funding body requirements. A set of procedures and standard documentation should be developed to aid the administration of the grant and provide a clear audit trail.

The Process

In developing processes and procedures for administering third party grants, the controls that are required are similar to those that are imposed on the Authority by the funding body.

Areas to consider include:

Application process:

- Third parties will need to submit an application form. Application forms should be fit for purpose and appropriate to the scale of the grants available.
- Scheme guidance should be developed outlining what applicants can and cannot apply for as well as the criteria against which applications will be assessed thus ensuring transparency of the process for the applicant.
- As a minimum, application forms should allow the project manager to assess the following:
 - *Eligibility of the applicant and activity.*
 - *Whether the applicant is VAT registered. This should be taken into account when assessing application and awarding the grant. Where applicants can reclaim their VAT Project Managers must ensure that grant payments are made exclusive of VAT.*
 - *Confirmation that the full funding package is in place and agreed.*
 - *Confirmation that state aid rules will not be breached.*
 - *Confirmation that the grant will not be used to fund any previously funded activities / infrastructure.*
- Application forms must be signed by an authorised signatory from the applicant organisation. It is good practice to have a 2nd signatory sign the application form.

Assessment and approval process

- A panel should be established to assess third party grants against project specific criteria
- The assessment process needs to be clear and transparent. It is best practice to publicise the assessment process and scoring criteria within the application guidelines.
- Successful applicants must be issued with an approval letter and an acceptance form for authorisation, which must be signed and returned by an authorised signatory from the applicant organisation.
- The approval letter should include the maximum level of grant award together with a copy of the grant terms and conditions.

- The terms and conditions should as a minimum:
 - Incorporate any requirements set by the funding body.
 - Include claim deadlines and records required to evidence expenditure and outputs.
 - Document the process for the recovery of grant should the terms and conditions be breached.
 - Include timescales for document retention requirements.

Claims process

- The claims process should be fitting to the scale of the grant assistance.
- Claim forms received from third parties should be scrutinised and checked against application details.
- Supporting evidence/documentation also needs to be checked and validated. Checks that have been undertaken should be acknowledged on the claim form and authorised for payment. It needs to be clearly documented how the grant has been calculated.
- Where possible all payments to the third party should be made via BACS, payment notifications will be sent to the applicant in receipt of the grant.

Document retention

As a minimum, the following documentation needs to be retained by the project manager for audit purposes: -

- The approved application form, signed
- Terms and conditions
- Signed acceptance form
- Tender Information (where appropriate)
- Details of assessment
- Grant claims authorised for payment (including grant calculation)
- Evidence of spend e.g. original or certified copies of the following invoices, bank statements, PAYE records etc.
- The payment proforma
- All correspondence
- Reports on site visits (to include photos)
- Evidence to support outputs

Procurement process

A standard set of third party grant procurement thresholds have been developed and must be adhered to by third party grant recipients for the procurement of all goods, services and works. These are available via the following: <http://intranet/our-people/procurement/>

Monitoring & repayment of third party grants issued by the Authority

Project monitoring

It is good practice to undertake project visits during the project. This is dependent on the scale of the grant.

All visits should be recorded and noted on the project file. All projects which have received a Third Party Grant from the authority should receive a visit by the Project

Manager (or nominated officer) before the final grant payment is made to the applicant to verify the realisation of the capital investment. Documentation to evidence this must be kept on the Project File.

Notification of Sale of Asset - Property Related Grants

For properties constructed or improved as part of a grant scheme administered by CCC, the Authority will seek to register an interest in the grant-aided property with the Land Registry by either a Restriction or a Legal Charge as follows:

- Restrictions to be placed with Land Registry for projects or schemes receiving grants directly from or via the authority of £25,000 & below for the period relevant to the funding programme under which the grant is being paid.
- Legal Charges to be placed with Land Registry for projects or schemes receiving grants of £25,001 & above for the period relevant to the funding programme under which the grant is being paid.

All Offer of Grant letters and terms and conditions in relation to Third Party Capital Grants offered by the Authority must include this requirement.

This process will alert the authority to any change in the ownership of the property and of any potential consequence on the terms and conditions on which the grant was awarded.

The grant recipient will be responsible for pursuing the removal of any Restriction or Legal Charge and any costs associated with the process, at the end of the period.

Inventory of Assets

For capital grant schemes, an inventory of all assets acquired, built, or improved wholly or partly using funding, whether owned by the Authority or third parties, should be maintained. An asset is defined as an item that will not be used up within 12 months. Operational requirements of the grant and conditions surrounding the ownership of assets need to be adhered to.

The Assets Register together (with copies of documentation confirming the title deed where applicable) must be maintained by the project manager and kept on the project file.

The inventory must show the:

- (a) date of purchase;
- (b) description of asset;
- (c) price paid net recoverable VAT;
- (d) amount of grant funding paid;
- (e) location of the title deeds;
- (f) serial or unique identification numbers;
- (g) location of the asset;
- (h) date of disposal (if applicable); and
- (i) sale proceeds net of VAT (if applicable)
- (j) Make and model (where appropriate)

8.0 Project Closure

Planning for the closure of a project is a key step in the life cycle of a project and closing a project is easier if it has been preceded by good planning processes. The Project Management Toolkit provides generic guidance on this stage, some additional considerations relating to externally funded projects are provided below \\ntcarmcc\cfp\Finance\Accounts\Grants_Management\Grants_Manual\10 - Project Closure Guidance.docx

Project Closure

Project managers should be aware of the important issues that need to be considered and addressed when preparing to close a project. Responsibility for closing a project rests with the project manager or respective Chief Officer, if the project manager has moved on. It is the responsibility of the project manager to ensure that project files of evidence of activity are complete.

Key points to consider:

- agree closure milestones e.g. it can take a minimum of 3 months to successfully close a project.
- review the project aims and achievements and obtain final sign off from the project board/steering group where appropriate.
- Review and close any residual risks and issues.
- Capture and share project successes and lessons learned.
- Check that the paperwork is in order for audit and funding purposes
- Prepare for handover (if appropriate).
- Plan for future monitoring.
- Be aware of document retention periods.

The above points are covered in further detail in the Project Closure Guidance Note \\ntcarmcc\cfp\Finance\Accounts\Grants_Management\Grants_Manual\10 - Project Closure Guidance.docx

As part of the closure process a Project Closure Form needs to be completed and signed by the project manager or senior responsible owner and countersigned by the respective Chief Officer before archiving. \\ntcarmcc\cfp\Finance\Accounts\Grants_Management\Grants_Manual\11 - Project Closure Form.docx

Archiving

Please check with the funding body what the document retention requirements are.

All European grant funded project files will need to be deposited with the Corporate Management Unit, the Records Management Guidelines and the Transmittal List are available on the Intranet: <http://intranet/our-people/information-governance/records-management/>

For other grants, project files will need to be retained in accordance with the department's own service archiving arrangements unless there is a specific requirement to retain them with the Corporate Management Unit. Project managers should ensure that records are kept for the full period required by the funding body.