



Heritage Endowments – Receiving a grant

Mentoring and monitoring; Permission to Start; and Grant payment

If you require a copy of this guidance in an alternative format (large print, Braille or audio version), or if your first language is not English, we can provide it in the appropriate format or language if you ask us. It is also available in Welsh.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

1.	Introduction.....	3
1.1	Filling in forms	3
1.2	Before Starting.....	3
1.3	Reporting on progress	4
1.4	Mentoring and monitoring	4
1.5	Seeking payment of your grant	4
1.6	When your project finishes.....	4
2.	Permission to start and first payment	5
2.1	Proof of ownership.....	6
2.2	Insuring property.....	6
2.3	Bank account details.....	6
2.4	Declaration	6
3.	Updating us on your progress	6
3.1	Approved Purposes Progress	6
3.2	Additional grant conditions (if any)	7
3.3	Identifying, charting and managing risk.....	7
3.4	Changes to your project timetable and programme.....	7
3.5	Photographic and other records.....	7
3.6	Funding Acknowledgement.....	8
3.7	Selecting consultants, contractors and supplier	8
3.8	Recruitment of Staff	9
3.9	Changes to agreed costs	9
4.	Grant Payments.....	9
4.1	Payment request for Grant Awards of £100,000 or more	10
4.2	Filling in the payment request form	10
4.3	Final grant payment	11

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

1 Introduction

This document will help you to request payment from HLF and report on the progress of your project. We are committed to being flexible in our approach, working responsively, proactively and collaboratively as circumstances require. Your case officer will remain your main contact throughout the delivery of your project.

Most HLF awards are to support expenditure on projects. Heritage Endowments on the other hand supports the achievement of philanthropy and private giving, so payment of the grant towards your endowment is made against money raised rather than spent. Please see Section 4. Grant Payments for more information about payments, including payments towards resourcing your campaign.

The purpose of this guidance is to help you manage your Heritage Endowments grant within the context of HLF's general project delivery processes, and to tell you what information we need from you to meet our monitoring requirements. It also deals with other requirements such as insurance, publicity, and changes to the grant.

You must comply with the HLF terms of grant and additional requests set out in your Grant Notification letter. You must also address any issues we identify in the course of monitoring, and follow the requirements specified in the Heritage Endowments Application guidance, the *How to acknowledge your grant* guidance, *Photography of HLF-funded projects: A guide for grantees*, and any other material we refer to. All guidance is available on our website.

In carrying out the project, you must follow all legislation or regulations that apply including the Trustee Act 2000.

You are responsible for your project. Any permissions we give do not mean that we accept or approve of the suitability or correctness of the detailed matters they apply to.

In certain circumstances we may choose to vary any of the procedures set out in this document.

1.1 Filling in forms

You will need to fill in a number of forms online as part of our monitoring process. We will ask you to send copies of documents as part of filling in one of the forms and you can attach files (of less than 5Mb in total) online at the end of the form.

The forms are:

- Permission to Start
- Progress Report
- Payment Request Form
- Completion and Final Payment Request

1.2 Before Starting

Before you can start your project, you will need to complete a 'Permission to start' form – further details below. We may arrange a start-up meeting with you to discuss delivering your project, at

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

which we will agree a timetable for reporting progress as well as advise you on how to complete the Permission to Start form.

You should not start your project until you have received our approval through Permission to Start. If you do start before receiving our approval, this will be at your own risk. We will not make any grant payments to you until this form has been approved.

1.3 Reporting on progress

You will be expected to report progress on a regular basis to HLF, which will be agreed with you before you start the project and as the project progresses. To do this you will need to complete a 'Progress Report' form online. This would normally be every three months. We may choose to alter the frequency of reports depending on how well the project is progressing.

We will monitor the progress of your report against the Approved Purposes of the grant. In between submitting your progress report/s it is important that you keep us informed of issues arising so that we can respond and support you as appropriate. We may also decide to undertake a review of your project. This can happen at any stage depending on the nature and/or type of your project.

1.4 Mentoring and monitoring

We have a range of consultants who we can use, depending on the project, to support you in delivery and help review risks. For Heritage Endowments projects, we will only provide a Mentor or Monitor in exceptional cases.

Mentors act as project enablers sharing their expertise and knowledge of best practice to help you to deliver your project. If appointed, a Mentor will work with you on developing the whole project. Mentors may be asked by HLF officers to provide expert advice but their focus will be on using their expertise to help you and your project team in thinking about how to achieve the best outcomes for your project.

In exceptional cases we may use a **monitor** as well as a mentor. If we do, the project monitor will usually be your lead contact while they are appointed and may review any paperwork deemed necessary. They will report back to HLF officers.

Our monitors and mentors are able to provide informal advice but cannot approve changes to the approved purposes of your grant. Any changes can only be agreed by HLF.

1.5 Seeking payment of your grant

We aim to release funds within 15 working days of receiving your request provided you have sent us the information that we ask for. Payment will be made to the account agreed with HLF at Permission to Start. We can only release funds against agreed income that meets the approved purposes, and the approved costs for resourcing the endowments campaign.

1.6 When your project finishes

We withhold 10% of the grant until the project is completed.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

You must fill in a 'Completion and Final Payment Request' form to claim the final part of your grant. You must provide an evaluation report, acknowledgement of our funding and images as part of this final claim. We will not pay the final part of your grant until we are satisfied that all our requirements have been fulfilled.

Our standard terms of grant entitle us to require you to repay to us the grant you have received in various circumstances, including, in particular, breach by you of any of our terms and conditions of grant.

The terms of grant also say that we might not require you to repay all the money you have been paid, if there are reasons to justify taking this view.

Given the enormous range of projects we fund, it is impossible to generalise on what sort of reasons for repayment of grant might be relevant to any particular case. We do, therefore, have absolute discretion to decide in any given circumstances whether or not to seek the return of all of our grant. By way of guidance, we will always expect repayment of the whole amount in cases involving:

- you failing to use the grant for the purposes we agreed to fund or to do what the project was intended to achieve (unless due to factors beyond your control);
- you ceasing to operate, becoming bankrupt, or being placed into receivership or liquidation;
- fraud, negligence or you providing us with incorrect or misleading information;
- you or us being directed by a competent authority to repay/recover the whole grant.

The following information offers guidance for each of the forms you may need to complete and outlines the key stages of the development and delivery phases.

2 Permission to start and first payment

You will need to complete the form online with the following attachments:

- a note of any changes to the fundraising strategy and timetable submitted with your application
- arrangements for management and investment of the Endowment Fund
a copy of the organisation chart for managing the project which clearly names the project manager or project co-ordinator and other people or organisations who will be working on the project;
- the names of the people who can sign documents for your organisation, including grant payment requests;
- proof of ownership/leasehold requirements, if relevant
- your bank account details

We will use the documents you supply with the Permission to Start form to help us monitor your project's progress and performance.

Once the form is completed print a hard copy of the form only, sign and date it, and then send it to your case officer for HLF approval. The person signing this declaration must have the authority to do so. By signing the declaration, you are confirming that your organisation understands and accepts the grant award along with all the associated requirements.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

If you have already sent us the above documents you will need to bring the information up to date and provide any other details we ask for.

2.1 Proof of ownership

We expect you to own, or be the only organisation to use any property (land, buildings, heritage items or intellectual property) on which you spend the grant. If you do not meet our ownership requirements, we will need you to improve your rights (for example, by changing or extending a lease) or including the owner as a partner in your terms of grant.

2.2 Insuring property

If part of the endowment is held in the form of real property you must ensure that the property is insured for its full reinstatement value including inflation and any professional fees.

2.3 Bank account details

We will pay your grant by bank transfer (BACS). We will not make payments into personal bank accounts and the grant can only be paid to the organisation named in the grant notification letter. We suggest that you set up a separate bank account for your project so that you and we can monitor the project's finances easily.

We will need to see a copy of a recent bank statement (within the last three months), or a cheque or a paying-in slip for the relevant account, showing the bank's name and address.

2.4 Declaration

By submitting your application form online, you (and your partners, if any) confirmed that your organisation accepted our standard terms of grant available on our website. We ask you to sign this Declaration with your Permission to Start for our records.

3 Updating us on your progress

You must report your progress in accordance with the schedule agreed at Permission to Start, normally every three months. Your progress report must be produced no later than three weeks after the period it covers.

You should tell us about your achievements and successes. We also want to know about any problems or issues that you face. If something significant occurs between scheduled progress reports which is likely to lead to serious delays, or a failure to deliver the approved purposes and outcomes you agreed in the Permission to Start documentation you will need to let us know as soon as possible.

3.1 Approved Purposes Progress

This should be a summary of your progress against each of the approved purposes of your grant.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

If the approved purposes set out in your grant notification letter or start-up discussions are likely to change, you will need to seek our written permission by sending your grants officer details of your reasons for the change.

Tell us about any changes or events which may prevent your project from achieving its predicted outcomes or affect its future viability. We may then re-assess the project, or take any other action we consider necessary. We may give permission for the change only if you agree to keep to extra terms and conditions.

Give details of how the work you have done so far will change the Approved Purposes you originally predicted. Tell us of any changes.

3.2 Additional grant conditions (if any)

If we have identified any additional grant conditions for your project, tell us about your progress towards meeting those specifically.

3.3 Identifying, charting and managing risk

Tell us about any difficulties you have and how you will overcome them. List the main risks your project is facing now. Initially you should refer to the list you provided in your application form. Over time these may change. We will follow up on any major difficulties the project is facing from one progress form to the next. Once a problem is resolved please tick the final column and explain how in the Actions section you have dealt with the issue.

3.4 Changes to your project timetable and programme

Explain any significant delays to your project's delivery. You will also need to tell us how you plan to make up the time so that the project finishes by the grant expiry date. HLF staff may agree changes to timetable and will amend the dates accordingly.

3.5 Photographic and other records

The photographic record over the duration of your project should include at least five high-resolution digital images in electronic format showing different aspects of your project.

The pictures should show your project in action and its outcome. You should also provide a sample of photos that show your project before, during and after it is finished. Please also let us know if material from your project is available on the internet and where this can be found.

We may make use of your photographs in publicity material. Before you provide us with any images, you must ensure that the necessary consents are in place for that. See '*Photography of HLF-funded projects: A guide for grantees*' for more information.

Please also send us copies of any other records of events or activities that you have run.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

3.6 Funding Acknowledgement

Please tell us the steps you have taken to acknowledge your grant in accordance with the '*How to acknowledge your grant*' guidance. (Confirm that you have put at least the minimum level of visible acknowledgement during the project works).

3.7 Selecting consultants, contractors and supplier

The following section applies to any new costs you are including in your application for a grant towards resourcing your endowments campaign.

Procedures to recruit consultants and contractors must be fair and open and keep to the relevant equality legislation. In all applications regardless of level of funding we will ask you to give us details of the procurement (buying), tendering and selection process for all parts of your project. If you are unsure about your obligations, we advise you to take professional or legal advice.

If you have already procured goods, works or services, you will need to tell us how you did it. We cannot pay your grant if you have not followed the correct procedure.

You must get at least three competitive tenders or quotes for all goods, work and services worth £10,000 or more (excluding VAT) that we have agreed to fund.

For all goods, works and services worth more than £50,000 (excluding VAT), you must provide proof of competitive tendering procedures. Your proof should be a report on the tenders you have received, together with your decision on which to accept. You must give full reasons if you do not select the lowest tender.

Your project may be covered by European Union (EU) procurement rules if it exceeds the thresholds noted below. This will require that all services for both fees and construction will need to be tendered through Tenders Direct, previously known as Official Journal of the European Union (OJEU).

If you are a non-public body, and your HLF grant exceeds 50% of the estimated cost of a contract, or the HLF grant together with other public funding exceeds 50% (e.g. ERDF, local authority, or other lottery distributors), and exceeds the thresholds noted below, you must adhere to EU Procurement Regulations. The applicable thresholds can be found on the Cabinet Office website. Thresholds are reviewed annually in January. If you are a public body, different thresholds apply, and you will have to comply with those that are already relevant to you.

The thresholds apply to all individual consultant appointments (or to the aggregate fee as a single appointment) and to construction works.

When submitting your 'Progress Report' forms and 'Completion and final payment request form' you will be asked to tell us whether any consultants, contractors, or suppliers you appointed are linked – i.e. are close friends, relatives, ex-members of staff working at these consultants, contractors or suppliers – with any senior members of your organisation, or if there any financial link such as ownership of these suppliers. If the answer is yes, you will be asked to confirm whether you obtained our permission first.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

3.8 Recruitment of Staff

The following section applies to any new costs you are including in your application for a grant towards resourcing your endowments campaign.

Professional fees

Fees should be in line with professional guidelines and should be based on a clear written specification.

New staff costs

Include costs of new fixed-term contracts, secondments (people who are temporarily transferred to your organisation) and the costs of freelance staff to help develop your project. Do not include the costs of paying trainees here.

All staff posts must be advertised, with the following exceptions:

- If you have a suitably qualified member of staff on your payroll that you are moving into the post created by your HLF project. You will need to provide a job description for this post.
- If you have a suitably qualified member of staff on your payroll whose hours you are extending so that they can work on the project. In this case we will fund the cost of their additional hours spent on the project and you will need to tell us about the role they will undertake.

If you are moving an existing member of staff into a post created by the project, then we can either pay for the cost of this member of staff, or for the cost of backfilling their post.

All salaries should be based on sector guidelines or similar posts elsewhere.

Recruitment

This can include advertising and travel expenses. We expect your organisation to keep to good human-resource practice and follow all relevant laws.

3.9 Changes to agreed costs

Complete this table if there are significant changes and you are wishing to seek agreement from HLF to change the approved purposes or consider revising the grant award or grant percentage.

4 Grant Payments

You must keep proper up-to-date accounts and records. Please attach all relevant documents with the form. Please note all files sent to us through the portal should be freely reusable by HLF in accordance with your terms of grant. When saving digital copies of correspondence to send to us, please keep the file size (MB) as small as possible, while still ensuring the image is clear.

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

You can request payment at any time, when you feel a sufficient amount of your fundraising target has been achieved or when you have spent a sufficient amount on resourcing your endowment campaign. As a rule of thumb, we encourage you to make regular drawdowns of your grant payment from us, and we would hope to receive your first grant payment request within six months of the start of your project (unless you state in your fundraising strategy that fundraising will not have begun by this point).

We will not make any payment until we are satisfied with your grant payment request and latest progress report.

We pay our grant up to the point you reach 90% of your total grant. After that we will not make any further payment until your project is finished and you complete a Completion Form (see section 5).

4.1 Payment request for Grant Awards of £100,000 or more

Definitions

Approved Purposes – the purposes for which you intend to fund and invest the Endowment as set out in your application and confirmed in our letter awarding you the grant.

Eligible Receipts – The funds raised for the Endowment to which we have agreed to contribute as set out in your grant award notification.

90% limit – We will not pay more than 90% of your grant until we are satisfied that:

- the project is finished;
- you have met all our grant conditions;
- we have received an acceptable final grant payment request and completion and evaluation report;
- appropriate funding acknowledgement is in place.

Increases or decreases in funds raised – If you fundraise less towards your Endowment than you have indicated in your fundraising plan, we will reduce your grant in line with the agreed overall grant percentage. We will not increase your grant if you raise more than planned.

4.2 Filling in the payment request form

Spending summary

Complete this part of the form by listing the individual donations you have received which you are now requesting Heritage Endowment match funding for, and/or the costs you are claiming for resourcing your endowments fundraising campaign. For resourcing costs, enter invoices or other references as appropriate.

Payment request

This is where you enter the amount that you are asking for. For payments towards your endowment you should send of receipt (e.g. bank statement, share transfer vouchers, deeds of gift etc), using the facility to attach files (of less than 5Mb in total) at the end of the form. All proof

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

of income must be dated after your award date and before the grant expiry date shown in the Standard terms of grant.

We ask for an indication of pledges received upon submission of your progress reports. Although we will **not** pay grant on pledges, it is helpful for us to keep track of these potential contributions.

For payments towards resourcing your campaign, for amounts of less than £500 you should submit a table of costs which specifies the date, amount and description of each item of expenditure, instead of the individual invoices. The total of your table should be shown as a single line on the summary of invoices. You must retain the original receipts or invoices in case we ask to see them.

You will also need to tell us how you have contributed the same amount towards your campaign from your own resources that you are claiming as part of your payment request. You should provide a table that details the amount and description of these costs.

The percentage of invoices we will pay

We will not pay more than the grant percentage of your eligible receipts but we will pay up to 90% of your total grant. After that we will not make any further payment until your project is finished.

4.3 Final grant payment

You will need to claim your final grant payment by filling in the 'Completion and Final Payment Request' form.

The form asks you to:

- describe how you achieved the key milestones;
- describe issues or changes, and the impact on the timetable;
- describe how you will meet the long term requirements;
- describe how you have and will conduct evaluation, including attaching a report;
- send in some project records, for example, digital images.

It also asks about how you met any additional grant conditions if this is relevant.

Give details of your spending summary: complete this part of the form by listing the individual donations you have received which you are now requesting Heritage Endowment match funding for and any costs towards resourcing your campaign.

You do not need to answer the questions on Statutory permissions; Partnership funding; Use of volunteers and non-Cash contributions; Consultants; Contractors and suppliers; Recruitment of staff.

Request your final grant payment as soon as possible after:

- your project is completed and you have achieved your approved purposes and complied with any grant conditions;

Heritage Endowments – Receiving a grant - Mentoring and monitoring; Permission to Start; and Grant payment

- you have acknowledged the grant in accordance with the ‘How to acknowledge your grant’ guidance; and
- you are able to supply all the additional information we require including evaluation reports, images and proof of acknowledgment of our funding.

Please note that we will not make your final payment until we have received all the additional information including your evaluation reports.

Once you have made your final grant request, we will not accept any further requests for payments from you.

We will continue to keep in contact with you at intervals after the project is completed. This includes a requirement for you to send us a copy of your annual report and financial statements for a period of 20 years after the grant expiry date.