

Your Heritage/Young Roots

Managing your grant



This document will help you to manage your grant and request grant payments.

It also explains in detail what you must do to comply with the terms of your grant.

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6. Repayment of grant

1 Introduction

1.1 Background

The Heritage Lottery Fund (HLF) is administered by the Trustees of the National Heritage Memorial Fund (NHMF) and distributes money from the National Lottery to heritage projects throughout the UK. Once a grant has been awarded to a project, we have to monitor that project to make sure that lottery money is being used for the purposes for which the grant was given (the approved purposes). We also have to make sure that projects provide the benefits we have agreed with you.

The 'Managing your grant' document and associated forms are referred to in the standard terms of grant which are set out on our website. They tell you what information we need from you to meet our monitoring requirements. They also deal with other requirements such as insurance, publicity, and changes to the grant.

You must follow 'Managing your Grant' and associated forms and provide the documents and information set out in them. The requirements are part of the contract and a breach of them will constitute a breach of the terms of your grant.

Exceptionally we may choose not to follow all of the procedures set out in this document.

We will monitor your project against the standards set out in:

- the application pack;
- your application as approved by us;
- our grant notification letter including the schedule of agreed work and costs which qualify for grant support;
- our standard terms of grant, together with any additional grant conditions set out in the grant notification letter, and this 'Managing your grant' document;
- the documents which you must provide when you request our permission to start;
- the approved purposes; and
- any other agreements we make with you, or correspondence with you.

We will monitor the progress of your project and will carry out checks at and after the end of the project to confirm that it is delivering the benefits expected.

1.2. Standards

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

Where the approved purposes include the development or purchase of any software, database, digital content, digital record, web page(s), website or other data or material intended to be accessed and/or archived in electronic form, you must follow best practice in your area of heritage.

If your project requires you to get statutory approvals or permissions then you need to have these in place before the work starts.

1.3 Fraud

Exceptionally we may ask you to provide proof that you have taken action to reduce the risk of fraud. We may also ask you to let us examine your accounting processes and procedures to check the effectiveness of anti-fraud measures.

1.4 Property ownership

If we ask, you must provide proof of who owns any property that forms a part of your project and any restrictions or other claims on it.

If you are taking a lease, we will not accept one with a break clause or a forfeiture on insolvency clause. (This gives the landlord the right to end the lease if the tenant becomes insolvent.) You must also be able to sell on, sub-let and charge your lease but you must first have our written permission to do any of these.

1.5 Insurance

You must take out insurance for the works (if any) and for any unfixed materials and goods delivered to the property. All of these must be covered for their full value against loss or damage.

Insurance should be held in the joint names of the organisation receiving the grant and the contractor carrying out the works.

You must insure the property for its full reinstatement value including inflation and professional fees. If the property is lost or damaged, for example by fire, lightning, storm or flood, you may find that you cannot meet the approved purposes of your grant. In this instance we may have to consider claiming back our grant payments.

If we have agreed in writing that you can self-insure, you do not need to take out any other insurance.

1.6 Filling in standard forms

You will need to fill in a range of standard forms (online at <http://www.hlf.org.uk>) as part of our monitoring process, and your requests for grant payment. If we ask you to send copies of documents there is a facility to attach files (of less than 5Mb in total) at the end of the form.

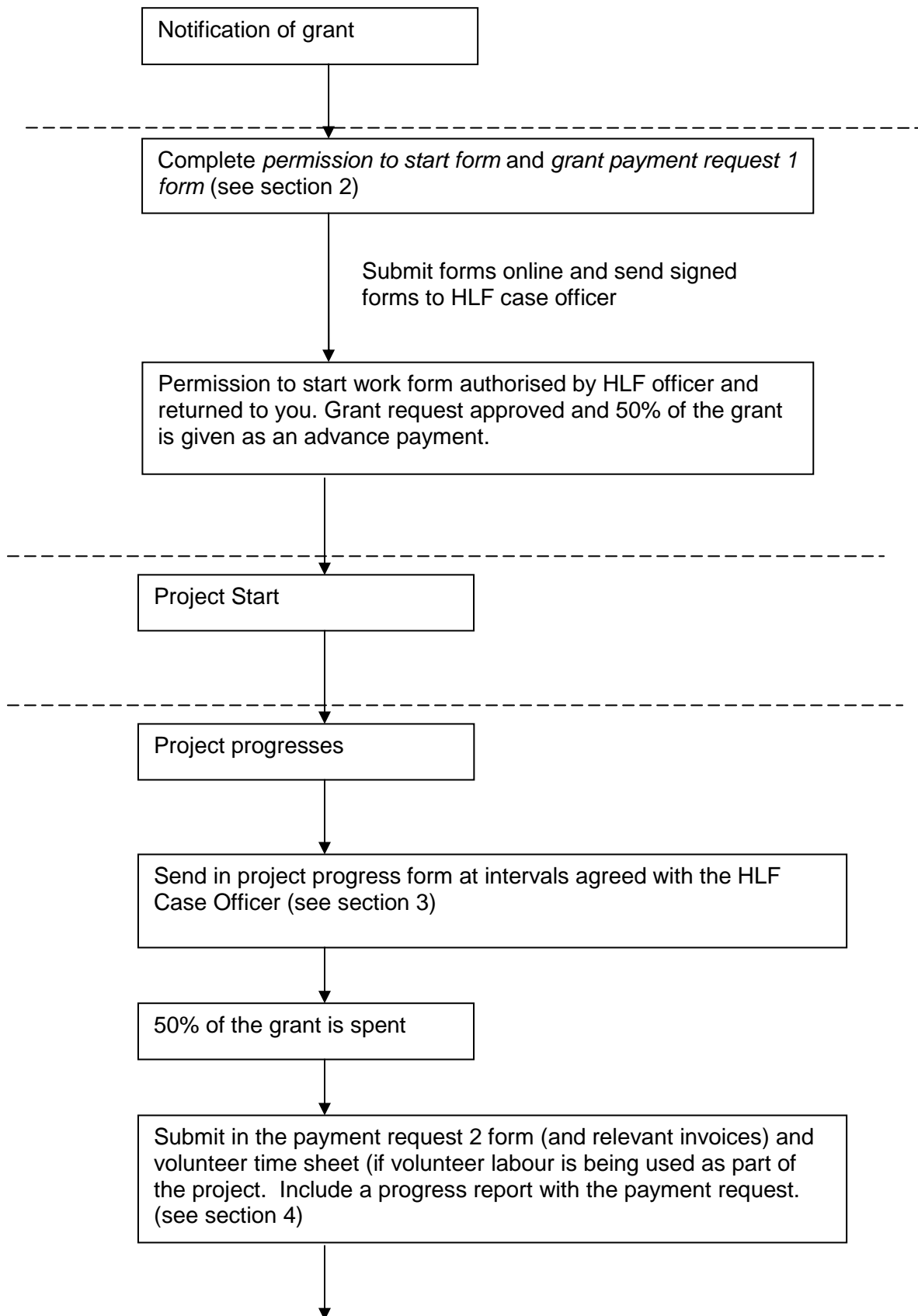
Please print off, sign and send us a hard copy of all forms that need your signature. Send the form to your case officer.

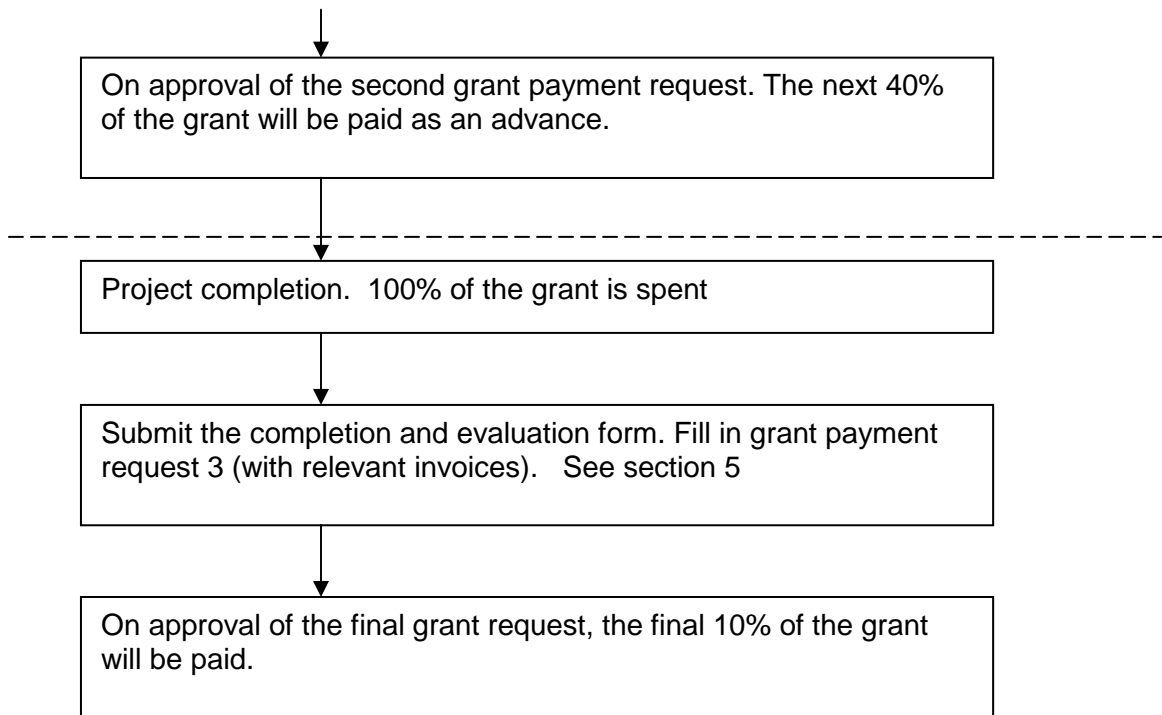
If you make any misleading or false statements on these forms, you will have to repay all of the grant you have received. You will not receive any further payments.

There are four standard forms:

- Permission to start form and grant payment request 1 form
- Progress report form
- Grant payment request 2 form and volunteer time sheet
- Completion and evaluation report and grant payment request 3 form

These will need to be completed at various stages of your project

Life of a Project – When forms should be used.



2. Before work starts

Permission to start and grant payment request 1 form

You should not start any work on your project until you have our written permission to do so. If you do so it is at your own risk. To apply for our permission you should fill in the 'Permission to start' form online and send in a signed hard copy to your case officer. We will authorise your 'Permission to start' form and return it to you. You can then start work on your project

Section 1.1 of the 'Permission to start' form

The first section of the form outlines which documents define the project. These documents will be used to help monitor your project's progress and performance.

We list the breakdown of costs agreed with your grant award.

Section 1.2 Evaluation questionnaire

When you have completed your project we will send you a questionnaire one year afterwards to check that you are still meeting the conditions of your contract and to ask for some simple data so that we can monitor the impact of our funding. If your project is associated with a heritage attraction then we ask you to start thinking about how you will collect this data now and to provide some current information. Enter your best estimate or tick the 'Not known' box. If you are not a heritage attraction or a facility that receives visitors then do not fill in this part of the form and go to section 1.3 which covers the bank details.

Section 1.3 Bank account, VAT and signatory details

Make sure we have your bank, VAT and signature details to avoid any delay in grant payments. Please check that the details are correct and update them if necessary.

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.

For us to pay your grant requests by bank transfer (BACS), we 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.

The signatories can be up to three people from your organisation who can sign grant payment requests on your behalf. We use this information to make sure that the grant payment has been sent in by the right person in your organisation and that we pay the grant to the right bank account.

Section 1.4

Grant payment request 1

This section includes the payment request for up to 50% of the grant in advance, followed by the declaration and signatory.

3. Updating us on your progress

You must monitor the progress of your project and fill in a progress report online at the intervals agreed with your Grants Officer.

Your progress report should be produced no later than three weeks after the period it covers.

Section 1 Progress report form – Summary of progress

Describe how your project is progressing; give an update of how the aims are being met. Include details on any achievements or key events.

Section 2 Changes to your project

You cannot change the project aims set out in your grant notification letter or start-up discussions without our written permission.

If you want to change the aims of your project in any way, you must send us written details of your reasons for the change and show us how it will affect:

- the cost of your project;
- the quality of your project;
- the time you need to finish your project.

Tell us about any changes or events which may prevent your project from achieving its aims or affect its viability. We may then re-assess the project, or take any other action we consider necessary.

Section 3 Changes to your project timetable

Explain any delays to your project. 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.

Section 4 Selecting consultants, contractors and suppliers

Competition

If you have received a grant from us and you are looking for goods, work or services worth more than £10,000, you must get at least three competitive tenders or quotes and show that you have selected the one which provides best value for money.

If you have not followed a competitive process you must agree this with us in writing before you award the contract.

If we disagree with your reasons for not selecting the lowest offer, we may reduce your grant.

Section 5 - Staff and volunteers

If your approved purposes include creating new jobs, you must advertise the vacancies and back-filled posts openly in suitable places.

Send a copy of the job description to us for our approval before you make any appointments.

If we ask, you must provide us with copies of all CVs and contracts of employment for new staff.

Section 6 Project records

You must send us a free photographic record of your project recording its stages and events.

The photographic record should be at least:

- four high resolution digital images in electronic format (images 250mm x 200mm @ 300 dpi minimum), or
- four colour slides (35mm); or
- four colour prints (250 x 200mm minimum)

The pictures should show your project in action and its outcome. You should also provide a sample of photos which 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 use your photographs in publicity material. If your photographs include people, you must gain their permission (or that of parents or guardians for children under 16) before you submit them to us.

Ensure that you have the written consent of the copyright owner of the images you send to us so that HLF may use any of them to represent the project.

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

4 Each time you request part of your grant

Each time you request a grant payment you must fill in on line the 'Grant payment request' form (or send in a hard copy if you do not have an online account).

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

4.1 Definitions

Eligible costs - The costs we have agreed to contribute towards as set out in your grant award notification.

Back-filled post - A back-filled post is the position that is vacated when a secondee from within your organisation takes on a post created within your project.

Volunteer - Any person who gives their unpaid time for the benefit of the project.

VAT - Our grant percentage will include your VAT payments if these were included in the eligible costs for your project.

You must do all that you can to:

- make your project is VAT-efficient;
- make sure that VAT is applied only to relevant parts of your project; and
- claim back any VAT which you can.

If your VAT payment decreases during the project, we will reduce our contribution to those costs and you will have to pay back any amounts of VAT you have managed to claim back from HM Revenue and Customs. If your VAT payments increase we may not increase our grant payment. You must not transfer any VAT savings that you have made to any other budget heading.

Contingency allowances for unexpected expenses - Only use this allowance where unforeseen circumstances have affected the costs of individual elements of the project. You must get our permission for major spending of the contingency against any individual elements. We will reduce your grant by the proportion of the contingency that you did not need to spend.

4.2 Filling in the grant payment request form

Section 2.1 Spending and eligible costs

- a) Give details of your spending to date, and your forecast of the final cost of your project. You must tell us about any major changes to the costs of your project. If your project costs have increased you must tell how you will meet these additional costs and how it will affect your project.
- b) Identify and explain any contingency amounts spent on unexpected expenses.
- c) You must not transfer any significant costs between budget headings (or between separately identified elements of your project) without our written permission.

Section 2.2 Funding acknowledgement and public relations

You must acknowledge our support publicly, featuring our logo clearly and visibly.

Do this in line with the 'How to acknowledge your grant' guidance. This guidance can be found at:

<http://www.hlf.org.uk/English/PublicationsAndInfo/AcknowledgementArea/Howtoacknowledgeyourgrant.htm>

You must fulfil the minimum requirements as set out in this guidance for the kind of project you are running. We will look for appropriate visual recognition of our grant when assessing the progress of your project.

Any marketing work that you undertake for your project should also acknowledge our support in line with the 'How to acknowledge your grant' guidance.

You need to get our agreement before you give an interview, make a public statement or issue a press release relating to a project or work that we have funded when you initially announce the grant and at completion of the project. At other times, please notify us of any press and media contacts so that we are aware of any potential clashes, broader issues or possible links with similar activities that we are planning ourselves.

Let us know when any celebration or marking of a project achievement, such as an opening event is taking place at which a representative from HLF can attend.

If you need any help or have any questions about how to acknowledge your grant please contact your Grants Officer.

For any acknowledgement you display, it is your responsibility to get in good time all the statutory approvals or permissions that you need.

Section 2.3 Your grant payment request

This is where you enter the amount that you are asking for, based on the summary of invoices sheet.

You must send hard copies of invoices showing your project expenditure to your Grants Officer. Include a print out of your summary of invoices sheet from your online payment request. All proof of costs must be dated after the grant award date and before the grant expiry date shown in the grant notification letter.

If any of your invoices include costs which are not part of your eligible costs, you must provide a breakdown of the invoices showing clearly which costs we have agreed to support.

For amounts of less than £100 you should submit a table of costs which specifies the date, amount and description of each item of expenditure, instead of the individual invoices. This table of costs must be signed by one of the people listed on the 'Permission to start' form. The total of your table should be shown as a single line on your schedule of invoices. Please keep all of your invoices so that if we ask you to, you can send them to us.

We will pay your grant only when we have received proof of your eligible costs.

The percentage of invoices we will pay

We will not pay more than the grant percentage of your eligible costs. For example, if the grant percentage is 65% of the eligible costs, we will pay up to 65% of the value of the invoices for those costs which you provide at any one time. The grant percentage is fixed throughout the project

Accounting records

You must keep proper up-to-date accounts and records. We may ask you to provide a copy of your accounts and bank statements within an agreed period of the end of the financial year in which we have made any grant payments.

Volunteer contributions

If volunteer work is part of your project, keep a record of the number of hours that each volunteer has worked. Please tell us how they have contributed to your overall project costs by completing the 'Volunteer timesheet'.

You should calculate voluntary contributions as follows:

- unskilled volunteer – Up to £50 a day;
- skilled volunteer – Up to £150 a day;
- professional services volunteer – Up to £350 a day

We calculate one volunteer Full Time Equivalent (FTE) day to be 7 hours.

5 When the project ends and you request your final grant payment

Request your final grant payment as soon as possible after:

- your project is complete;
- and you have acknowledged the grant in accordance with the 'How to acknowledge your grant' guidance;

Once you have made your final grant request, we will not accept any further requests for payments from you. You should therefore agree your final accounts with your contractors and suppliers before you apply for the final grant payment.

5.1. Final grant payment request and completion and evaluation report

You must fill in the final grant payment request and completion and evaluation report online at <http://www.hlf.org.uk> when you apply for the final part of your grant.

We will not pay the final part of your grant until we are satisfied with your completion and evaluation report and final grant payment request.

5.2. Form details

Completion and evaluation report and grant payment request 3 form.

Section 3.1 Summary against aims of the project

Please provide a summary of how you met each of the aims of the project. Include details on any achievements or key events. Describe any issues or problems that occurred in trying to meet these aims. Report on any significant changes that occurred during the project and the effect they had on the delivery against the aims of the project.

Section 3.2 Evaluation

If your project created any jobs then please record the figure here.

We expect evaluation feedback from all the projects we support, in the form of an evaluation report, attach any evaluation material that you have produced. The detail of what you choose to evaluate, and how, is up to you. Refer to our guidance [Evaluating your HLF project](#) for more information.

Section 3.3 Lessons learnt

Please provide a summary of any lessons you have learnt in managing and delivering the project. Tell us if there are things you would have done differently.

Section 3.4 Project records

You must send us a free photographic record of your project recording its stages and events.

The photographic record should be at least:

- four high resolution digital images in electronic format (images 250mm x 200mm @ 300 dpi minimum), or
- four colour slides (35mm); or
- four colour prints (250 x 200mm minimum)

The pictures should show your project in action and its outcome. You should also provide a sample of photos which 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 use your photographs in publicity material. If your photographs include people, you must gain their permission (or that of parents or guardians for children under 16) before you submit them to us.

Ensure that you have the written consent of the copyright owner of the images you send to us that HLF may use any of them to represent the project.

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

Section 3.5 Eligible and final costs

This table will set out the final project costs against the agreed eligible costs. If the final cost of your project is lower than the agreed costs we will reduce your grant in line with the agreed overall grant percentage. If the final cost of your project is higher than the agreed costs, we do not have to increase your grant.

Section 3.6 Payment request 3

You can send us your final grant payment request when:

- The project is finished; and
- You have achieved all the aims of the project.
- We have received an acceptable final grant payment request and completion form and evaluation report;
- Appropriate funding acknowledgement is in place.

This payment is not an advance and will be for the final 10% of the grant awarded.

Once you have made your final grant payment request, we will not accept any further requests for payment from you. You should therefore try to agree your final accounts with your contractors and suppliers before you request for the final grant payment.

If you spend less on your delivery project than the approved project budget, we will reduce the final grant payable. Any reduction will be in proportion to HLF's grant contribution. You may need to repay the balance of any advance payments to us.

5.3. Monitoring after the project has ended

We will continue to monitor your project after it is finished to make sure that it still meets the terms and any additional conditions of the grant and its goals for the duration of the terms of grant as set out in the grant notification letter. We will send you an evaluation questionnaire one year after the project is complete to help us do this.

Our staff or committee members may also visit your project, if it is a physical site or place open to the public, to carry out a short evaluation two or more years after your project is finished. If we do this, we will not usually let you know in advance.

6 Repayment of grant

6.1 Parting with property

If, during the life of the terms of grant, you part with assets or goods which you have bought, restored, conserved or improved with our funding during the grant contract, you must give us a suitable share of the proceeds of sale after you have paid any debts, costs, expenses and tax. You must do this within a month of parting with the land, assets or other goods.

We may claim from you:

- an amount in the same proportion to the sale price as the grant is to the original cost of the approved purposes; or
 - the portion of our grant spent on assets or goods which were bought, restored, conserved or improved;
- whichever is greater.

You must pay whatever we decide is appropriate in the circumstances.

6.2 Other breaches of the terms of grant

Our 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.