

# Heritage Endowments

Grants of £250,000, £500,000 or £1million

## Standard terms of grant for grants towards endowment funds

### Definitions:

- **'we', 'us', 'our'** – the Trustees of the National Heritage Memorial Fund (who administer the Heritage Lottery Fund).
- **'you', 'your'** – the organisation(s) awarded the Grant as set out in the Grant Notification Letter.
- **Application** – any documents or information you sent us to support your request for a grant.
- **Application Guidance**– our Heritage Endowments: Introduction and help notes and related guidance.
- **Approved Purposes** – the purposes for which you applied for the grant and how you intend to raise and invest Match Funding and utilise the Endowment Fund and the Investment Income as set out in your Application, but taking account of any changes we and you agree in writing, or that are required by us at any time before we release any of the Grant.
- **Endowment Fund** – a capital fund consisting of such amount of the Grant as shall have been paid to you and such other funds as are from time to time added to it, and the assets, investments and property from time to time representing the same.
- **Grant** - the amount set out in the Grant Notification Letter.  
**Grant Expiry Date** – the date by which you must achieve the Approved Purposes as set out in the Grant Notification Letter and by which you will make the final drawdown of the Grant.
- **Grant Notification Letter** – our letter confirming our Grant award to you.
- **How to acknowledge your grant** – the booklet that explains how we require you to acknowledge the Grant and which gives details of the acknowledgement materials we will provide.
- **Investment Income** – the income earned by the investment of the Endowment Fund.
- **'Match Funding'** – the funding you intend raising for the credit of the Endowment Fund as set out in your Application.

- **Receiving a grant** – the documents we publish to guide you and regulate the conduct of the Approved Purposes, insurance, publicity, how we pay the Grant, how we recover the Grant, project monitoring and changes to the Grant.
  - **Reporting Date** – any date within nine months of the last day of your financial reporting period for every year up to and including any financial reporting period that ends up to 20 years after the Grant Expiry Date.
- 1 You hereby agree and declare as follows:
    - (a) Until the expiry of the period described in paragraph 4 below you will hold, use or invest the Endowment Fund and any Investment Income only in a manner consistent with the Approved Purposes and these terms of grant.
    - (b) You will not use the Endowment Fund or the Investment Income in a manner which is not consistent with the Approved Purposes or not as set out in your Application unless you have received our prior written consent to do so.
    - (c) You will at all times observe and perform these terms of grant.
    - (d) By entering into these terms of grant, you warrant and represent that the Declaration which was contained in the Application remains true.
  - 1A If, in exceptional circumstances, we have agreed in the Grant Notification Letter to award you a Grant notwithstanding that you were not the original applicant under the Application, by entering into these terms of grant:
    - (a) you agree that you will be deemed to be the applicant under the Application and confirm that you have read all relevant guidance referred to in the Application;
    - (b) you confirm that our substitution of the original applicant will not make any material difference to the information provided as part of the Application; and
    - (c) you agree that each reference to the original applicant in the Application and any other documentation regarding the Grant may be read and construed as a reference to you.
  - 2 Before you start your Heritage Endowment project you must send to us for approval the proposed arrangements for the management and investment of the Endowment Fund, including your investment policy, and thereafter must manage and invest the Endowment Fund in accordance with the arrangements we have approved or as are subsequently varied with our prior approval.
  - 3 All Match Funding must be secured no later than the Grant Expiry Date. Our expectation is that, although the Endowment Fund is an expendable fund, where you are treating the Endowment Fund as a capital fund as set out in your Application, you will also treat the match funding as such.
  - 4 Whilst acknowledging that the Endowment Fund is an expendable fund, our expectation is that you will maintain the Endowment Fund for a minimum period of 20 years from the Grant Expiry Date or such other period as was set out in your Application.
  - 5 Subject to you securing the Match Funding in accordance with the Approved Purposes and subject to paragraph 20, we will pay you instalments of the Grant in accordance with the Application Guidance.
  - 6 Your Match Funding will be monitored and reviewed as set out in the Application Guidance. Unless we agree in writing to any variation or extension, if you do not meet the

agreed objectives and targets for securing the Match Funding in accordance with your Application, the amount of the Grant payable may be reduced or payment withheld altogether.

- 7 Unless we agree otherwise, until the Grant Expiry Date or the payment of the final instalment of the Grant, whichever is earlier, in your annual accounts and elsewhere you must refer to the Endowment Fund as 'the Heritage Lottery Fund Heritage Endowments fund'.
- 8 As well as these terms of grant, you must follow the conditions (if any) set out in the Grant Notification Letter, meet the conditions and requirements set out in 'Receiving a grant' and follow all legislation and regulations that apply.
- 9 You must send us, in line with our instructions, the information we ask for in 'Receiving a grant'.
- 10 You must give us or anyone we authorise any financial or other information and records we may request from time to time on the Grant, the Endowment Fund and its management and your progress in achieving the Approved Purposes.
- 11 Unless we agree otherwise, without prejudice to the generality of paragraph 10, you must send us annual financial statements on the Reporting Date prepared to meet in full the Statement of Recommended Practice: Accounting for Charities (and any successor accounting standard or such requirement as we may specify) that clearly identifies the value of the Endowment Fund and the transactions associated with it, the investment policy adopted and its performance, and the Investment Income and the sums applied for the Approved Purposes.
- 12 If we (or anyone we authorise) make any recommendations on any matters revealed in your reports referred to in paragraph 11 above, you must take those recommendations into account when meeting your obligations to us.
- 13 On or before the Grant Expiry Date you must submit to us for approval your proposals for the future development and management of the Endowment Fund to attract further funding. After that, you must implement the proposals (or any variation of them) that we approve.
- 14 As long as these terms of grant subsist, your acceptance of instalments of the Grant and the maintenance and investment of the Endowment Fund for the Approved Purposes must comply with the objects and powers set out in your constitution. If requested, you must supply us with an opinion from your Solicitors confirming that the terms of this paragraph are being complied with.
- 15 We may impose additional terms and conditions in respect of the Grant or the Endowment Fund if:
  - (a) We consider you are in breach of these terms of grant; and/or
  - (b) We believe such conditions are necessary or desirable to ensure that the Approved Purposes are achieved as set in your Application or following any agreed variation of it.
- 16 Notwithstanding paragraph 6, we may withdraw the Grant if fundraising for the Match Funding has not started within 12 months from the date of the Grant Notification Letter or if you have not demonstrated satisfactory progress towards your agreed fundraising targets within 24 months of the date of the Grant Notification Letter.

- 17 Before we make any public announcement of the Grant, you must not issue any public statement, press release or other publicity in relation to the Grant or which refers to us, other than in a form we have approved beforehand.
- 18 Once we have announced the Grant, you must acknowledge the Grant publicly in line with the requirements set out in 'Receiving a grant' and our 'How to acknowledge your Grant' booklet.
- 19 We will make the purpose and amount of the Grant public in whatever way we think fit.
- 20 We will, up to the Grant Expiry Date, pay you the Grant or any instalment of it in line with these terms of grant and the procedures and terms set out in 'Receiving a grant' as long as:
  - (a) the National Lottery continues to operate under the National Lottery etc. Act 1993 (as amended from time to time), and enough funds are made available to us under the Act; and
  - (b) we are satisfied that you are achieving (and will continue to achieve) or have achieved the Approved Purposes in line with these terms of grant and that you are using the Endowment Fund and Investment Income in a manner consistent with the Approved Purpose and these terms of grant.
- 21 You acknowledge that the Grant is the total amount of funds we will provide and will not be increased.
- 22 You must repay to us immediately the Grant we have paid you (and we will stop any future instalments of the Grant) if:
  - (a) the Endowment Fund (or any Investment Income) is used or applied for any purpose other than the Approved Purposes or these terms of grant.
  - (b) you no longer operate, or you are declared bankrupt or placed into receivership or liquidation;
  - (c) you have, in our opinion, given us fraudulent, incorrect or misleading information;
  - (d) you have acted negligently in any significant matter or fraudulently in connection with the Approved Purposes;
  - (e) any competent authority directs the repayment of the Grant;
  - (f) there is a significant change in your status;
  - (g) you knowingly withhold or withheld information that is relevant to the content of your Application; and/or
  - (h) you fail to keep to any of these terms of grant or the terms of any other grant awards we have given to you.

It shall be for us, acting reasonably, to determine whether a situation has arisen such that paragraph (f) above applies, but you must advise us if there is to be any likely change of your status of which we should reasonably be made aware.

- 23 You may not, and must not claim to, transfer the Grant, the Endowment Fund, the Investment Income or any rights under these terms of grant.

- 24 You must take all steps and sign and date any documents as may be necessary to carry out your obligations under these terms of grant and to give us the rights granted to us under them.
- 25 If there is more than one of you, any liability under these terms of grant will apply to you all together and separately.
- 26 We may rely on any of our rights under these terms of grant at any time, even if we do not always choose to do so immediately. If we decide not to rely on one right, we may still rely on any of our other rights under these terms of grant.
- 27 If you need our approval for anything, you must write to us to ask for it. You may only rely on any approval needed under these terms of grant if we (or anyone we authorise) give it to you in writing.
- 28 Any notice, request or other document we or you send to each other under these terms of grant can be delivered or sent by any effective means.
- 29 Any documents you need to send us under these terms of grant are for our own purposes only. If we approve or accept any documents, this does not mean that we have approved or accepted them for any other purpose.
- 30 These terms of grant will last for 20 years from the Grant Expiry Date.
- 31 These terms of grant cannot be enforced by anybody other than you or us.

Entered into by \_\_\_\_\_

[complete charity/organisation name]

Signature \_\_\_\_\_

Acting by (name): \_\_\_\_\_

Job title: \_\_\_\_\_

Date: \_\_\_\_\_