THE ARMED FORCES
COVENANT FUND TRUST

Sustaining Support to Armed Forces Communities

Core Funding Track

The Armed Forces Covenant Fund:
Sustaining Support for Armed Forces Communities

PROGRAMME GUIDANCE- CORE FUNDING TRACK

Under this programme, the Armed Forces Covenant Fund Trust (the Trust) will award grants of up to £100,000 to <u>either</u> support
- **successful existing charitable projects that give help to Armed Forces communities**

or
- **Armed Forces charities with core costs such as salaries, which need short term support to continue, as a result of the impact of Covid on charitable income.**

This guidance is specifically for organisations considering an application under the Core Funding Track.

Please read this guidance in conjunction with the main programme guidance document.

Core Funding Track

Your application will need to show the following.

- **The work of your organisation is needed:** we need to know why you need this funding, and the difference it will make. Please show us that your work will not be duplicating other work that is happening and tell us if it fills a gap in support locally.

- **How your organisation supports people from Armed Forces communities:** this is where you tell us about the general work that your organisation does.

- **What posts (if any) you would like grant funding to support:** this is where you give us more details about how you would use the funding. You can apply for funding for up to two Full Time Equivalent posts.

- **How having these posts funded enables your organisation to continue its work:** tell us about the impact these posts have on your organisation and what would happen if these were not supported.

- **How you would usually fund the costs that you are asking for funding for:** tell us about the impact that Covid has had on your organisation's finances. If you have unrestricted reserves amounting to more than six months' worth of operating costs, tell us why funding these posts/other costs from your reserves is not an option for your organisation.

- **Whether this grant will help you to transform any of your work to improve future sustainability:** you may have a need to develop how your organisation works with volunteers, delivers services digitally or works with other organisations to help to reduce costs, improve efficiency or help to plan a future for your organisation's work.

  One of the posts supported through the grant can work on transformational activities to help make your organisation more sustainable, as long as we can see that this will be likely to have a significant impact on people from Armed Forces communities. You cannot use the grant for any fundraising activities or for engaging new fundraisers.

You can use part of the grant to make changes to how you work to make your service more sustainable in future. This could include greater support for volunteers or better use of technology. It might include exploring or undertaking restructuring, business re-engineering, relocation or merging, as well as keeping the current services operating in the short term. You can use external consultants to support you with this work, but you must be able to show that this will offer value for money.

You can't create a new post for this work, but you can request costs towards a current member of staff's salary costs for this work.

Example 1

A veterans' charity generally receives significant funding from fundraising events. Unrestricted income in previous years has covered the salaries for around half the staff, with other staff posts funded through grants for projects.

They explain about the work their organisation does. They run two services and five projects which, combined, support 800 veterans a year.

They apply for support with the salary costs for the Finance Manager and for the Operations Manager.

The Finance Manager is involved in planning financial forecasts, ensuring the annual audit is conducted and managing the organisation's cashflow. The organisation has assets, but these are long term assets that could not be easily liquidated.

The Operations Manager oversees work by project leads. They ensure that safeguarding policies are followed, and they act as the Safeguarding Officer if a veteran was unwell or in danger.

As part of the funding request, the organisation shows that the Finance Manager will also lead a project to deliver more of their services digitally, which will reduce costs in future years. The organisation explains that while they have significant assets, they have five months' running costs in line with their reserve policy, and their assets are not appropriate to use at this time as it would take a long time to sell the buildings that

they own. Selling these assets would also have a negative impact on their beneficiaries in the longer term.

The organisation can show, through both posts that they have requested funding for, that:

1. *the work these posts do helps the organisation to deliver services to people from Armed Forces communities*

2. *they have a need for funding at this time, that can't be released from the charity's reserves or other assets*

3. *part of the funding will be spent on activities to help reduce costs and improve efficiency for the organisation, which will help to make it more sustainable in future.*

Example 2

An Armed Forces charity works with Armed Forces families. Their fundraising has been severely impacted by the Covid pandemic, and they have reduced the Chief Executive's working week to four days. Their most urgent need is to keep providing support to Armed Forces families - particularly families that have found lockdown challenging. Having funding for their Families' Project Worker will enable them to keep delivering this support.

In recent years, the charity has been working more closely with a nearby charity, which also supports Armed Forces families. Through the programme, they request funding to increase the Chief Executive's salary to five days a week. The Chief Executive will use this additional time to work closely with the partner charity and explore feasibility options for streamlining service provision, including exploring the feasibility of a merger. Part of the budget in the application includes costs for external support to assist in carrying out the feasibility study and being able to take proposals to Trustees.

You need to show us how your proposed work meets the programme outcomes

Programme theme	Expected outcome
Services that are valuable to Armed Forces communities are not lost	People from Armed Forces communities can keep accessing services or projects that they value
Organisations that deliver services specifically to Armed Forces communities change parts of how they deliver their work to include	Services that are important to Armed Forces communities are likely to be available in future

more volunteering, digital delivery or other transformational work	

We also need to be able to see that you have the skills and experience necessary to be able to carry out any transformational project work that is included within your application. We would expect you to include the people who benefit from your charity's work in any significant future planning, to enable them to help shape future service delivery.

To the best of your knowledge, the activity that you plan to offer should not be currently offered to people from Armed Forces communities by other organisations. You can continue to work together with other organisations as part of your project. There is more information on working with others in the main guidance.

It is important that the organisations and projects we award funding to complement one another rather than duplicate provision. You'll be asked in your application form how you will ensure this.

This programme will not support:

- direct provision of clinical services
- applications where there is no clear demand for the organisation's work from people from Armed Forces communities or
- where there is no clear risk that without support from this programme, the services of the organisation might not continue.

A strong application would be able to show:

- why your organisation needs support at this time and, specifically, why you can't support these posts through reserves or other assets

- how any posts that you are seeking funding support with are important for enabling your organisation to deliver services to Armed Forces communities

- what would happen to your beneficiaries within the Armed Forces communities if your work could not continue or needed to be scaled back.

If your work involves delivery with children or vulnerable people, you will need to ensure that you manage relevant risks, such as relevant safeguarding training to ensure keep people safe.

What can funds be spent on?

Your application (including your accompanying letter) must be able to clearly show how the Covid pandemic has had a negative effect on your organisation's finances.

Under this programme, we'll make grants of up to £100,000 for posts or work lasting up to a year. You can apply for less than this, or for a shorter duration.

Funding bands

General funding band:

You can apply for between £20,000 and £50,000.

Upper funding band

You can apply for a grant of between £51,000-£100,000.

To apply for a grant in this band your organisation's annual turnover before the pandemic should be £500,000 or above.

The Trust can pay for most of the things you'll need, whether it is people's time, costs of delivering work online or buying/hiring equipment.

It's highly unlikely that we'll fund budgets that are dominated by capital costs. We would not expect to fund the costs of purchasing a vehicle, but we would pay for mileage costs on vehicles used by your staff and volunteers.

Your project might include the following costs.

- Staff time, including time-managing volunteers that may be involved in your delivery.
- Salary costs for up to two members of core staff essential to your organisation.
- Rent or other costs that are essential to your organisation.
- Costs of transforming part of how your organisation delivers services to make these services more sustainable so that Armed Forces communities can continue to access them in future. This can include digital delivery projects, volunteering development or other transformational work. This can include external experts to support you if necessary. However, you should carefully consider value for money.
- Purchasing items that provide practical support, or that can enable activities to take place.
- Purchasing items that you may need to provide support, such as additional telephones or laptops.
- Reasonable costs for storing and transporting items, including wear and tear on private vehicles.
- Reasonable overheads that reflect the cost to your organisation of delivering its services.

What can't funds be spent on?

There are several things **we can't pay for**, either because they're not in the spirit of the Covenant Fund, or because of relevant legislation or tax rules.

- Where funding is not benefiting veterans or other people from the Armed Forces community.
- Making grants or donations of money to individuals or families.
- Topping up existing grants and aid from a government department.
- Where money only benefits one person. By this we mean where your whole project would only benefit one person.
- Repeat or regular projects that require a source of uncommitted funding.
- Investments.
- Paying for ongoing costs of existing partnership activity.
- Fundraising costs, including organising fundraising events and activities.
- Endowments (to provide a source of income).
- Projects, activities or services that the state has a legal obligation to provide.
- Retrospective funding for projects that have already started or taken place
- Excessive management or professional fees or contingency costs.

This is not an exhaustive list as we feel it's more useful to focus on what you're trying to achieve and how you're going about this, than to issue long lists of eligible and ineligible costs.

Our assessment criteria: Core Funding Track

Our criteria are set out below. We will consider each application to see how well it meets these criteria, and fund those that we believe will best achieve the programme aims.

The difference that core funding will make	
What are we looking for?	That through supporting your organisation, it will enable your organisation to continue delivering activities, projects or services that people from Armed Forces communities use and value, which would otherwise be at risk
What do you need to show us?	• What services your organisation offers • How these services help Armed Forces communities • How the core posts that you are seeking support for enable your organisation to deliver these services • Why you need funds from us this year

Delivery	
What are we looking for?	That you have the skills and experience to deliver the work that you have requested support with.
What do you need to show us?	• That your organisation is well run and well managed • That you can keep people who you help safe

If you are applying for support for transformational activities as part of your grant, you also need to meet these additional criteria.

The difference that funding will make	
What are we looking for?	People from Armed Forces communities will be more likely to be able to access support in future.
What do you need to show us?	• How your transformation plans will be likely to improve efficiency or reduce costs • How you would work with your beneficiaries through any transformation of services to ensure that they have a say and can shape future delivery

Delivery	
What are we looking for?	Your organisation has the relevant skills and experience to deliver the work that you have requested support with.
What do you need to show us?	• Plans and budgets are realistic • Your plans offer value for money

Please ensure that you read the full programme guidance for the Sustaining Support for Armed Forces Communities programme.

If you are applying for a grant through the Core Funding Track, please ensure that you use the correct application form in our grants application portal. There is more information on this in the Main Programme Guidance document.

How to apply - the application form

You need to apply through the link that we'll provide to the online application forms. There are specific forms for each funding track.

You will be required to answer a range of questions and to provide a letter from your Chair or Chief Executive (it must be the former, if the Chief Executive is submitting the application) which explains:

- the financial impact that the Covid pandemic has had on your organisation's finances
- the action that the Trustees have already taken to mitigate the effect on delivery
- the immediate risk to continuing provision of services
- why you cannot use any reserves to pay for the project or posts for which you are seeking a grant.

This letter should be no more than the equivalent of two sides of A4 and on your organisation's headed paper. You will need to upload this letter to your application.

If you don't have an account for our online application portal, then you will need to create one. On our system, you can save a draft application form to complete later or send a draft copy to colleagues. You can also access copies of the application that you've submitted at any time.

When you submit your application, you'll receive an email confirmation. **If you don't receive this, then you have not applied.**

- If you apply by midday on 4 June 2021, you'll receive a decision in September 2021.
- If you apply by midday on 9 September 2021, you'll receive a decision in November 2021.

We cannot accept any late applications.

We highly recommend you plan to submit your application before the deadline to avoid the risk of missing the cut-off because of technological or other unexpected problems.

It's important that we can contact your organisation, particularly, of course, if you receive a grant. You will need to provide two contacts from your organisation on the application. At least one of these should have an email address that belongs to your organisation. At least one contact must hold the relevant authority (CEO or equivalent) to authorise any grant contract and bank account to be used should you be successful. The main contact must have an email address that belongs to your organisation. If this is not provided, your application may be considered ineligible.

Please think carefully about who these should be, as they will need to be able to sign acceptance of the grant and use of the bank account on the Offer Letter/ Terms and Conditions if your application is successful.

We strongly recommend that you save an offline version of your application form.

You may also find it helpful to complete your application in a Word document and then cut and paste the answers into the online form. Please don't use any formatting, such as tables or numbered lists, in your Word document, as the online form may not accept this formatting and you might have trouble submitting the form.

We suggest you save your form every 10-15 minutes whilst you are completing it, to avoid the risk of it 'timing out'.

Do check that you have fully answered all the questions because, if not, we might not be able to consider your application.

You do not need to send any additional information. Any additional information received will not be considered.

Do not send your application by email or post to the Covenant Fund Trust – only applications submitted via the online form can be considered.

Checks we may carry out on your organisation and accounts

We may carry out several checks on the information you provide us. This is to make sure that the information is correct and there are no significant risks we can identify when awarding grants.

These may include checks:

- on whether financial information on your application form matches that held by your regulatory body (Companies House, Charity Commission etc.)
- that your governing documents (such as constitutions and memorandum and articles of association) are up to date, correct and properly signed
- on your accounts that are accessible through regulatory bodies
- on any identified concerns about a person named as a contact or who has a position within your organisation
- that your organisational name and address on your bank statement are consistent with the details you've provided in any completed form or the information that's held elsewhere in the public domain
- that your bank statement shows that your account is being managed in line with your own financial procedures and our programme requirements, and
- that the signatories are valid and well informed about the project
- on your published accounts and on your website/social media activity that your organisation is undertaking the activities as described in your application.
- to ensure you are up to date on all reporting with any active grants you hold with the Trust.

We may ask you to send us additional information or answer specific questions about your organisation. If we ask you to do this, you'll need to send us this information within five working days.

Working with delivery partners

If you are already working with other organisations who will receive any part of the grant, then you need to read our guidance below on delivery partners.

A delivery partner is an organisation which is either:

- receiving part of the grant OR
- their involvement in the project, through providing resources or some other means, is critical to the delivery of the project.

Role of the lead organisation

The organisation that submits the application is the lead organisation. It will have legal responsibility for all funding we award and will be financially accountable for any funds that may be distributed by the lead organisation to delivery partners.

Delivery partnership agreements

If we award you funding and you plan to work with one or more delivery partners, it will be a term and condition of your grant offer that you have a formal signed partnership agreement with them. If you're successful, the draft delivery partnership agreement must be approved by us and finalised prior to any funding being released. We may request changes to the draft agreement before it's finalised. You can find guidance on what a delivery partnership agreement should include on our website.

After you submit your application

You will get an automated email to confirm that your application has been submitted.

If you have not received this email, then your application was not submitted successfully. Please log back into the portal to submit it.

The Trust will check your application to ensure that you've provided all the information we have requested. We may contact you during our assessment if there are any issues we are unclear about – please do not assume any contact or lack thereof is an indication of your likelihood of being successful or declined.

The Trust will review the information you provide in your application and, where relevant, data and information from the Charity Commission, Companies House or other regulators' websites relating to your constitution and recent audited accounts. We may also look at other publicly available sources such as your organisation's website and social media activity.

We will assess your application against the key criteria of the programme.

Final decisions will be made by the Trustees of the Armed Forces Covenant Fund Trust, who will review the applications, using balancing criteria in addition to the key criteria. The balancing criteria include the relative strength and value for money of the project when viewed as part of a national portfolio of projects.

Funds are limited. Therefore, our Trustees use their discretion to choose which projects to fund, ensuring a good spread of funded projects and to differentiate between projects that are considered fundable.

Please note: they may also take the decision to part-fund proposals (this may involve awarding less money than was applied for).

After the Trustees have met, we will send an email to you using the primary contact email address you provided in your application. This will tell you whether you've been awarded a grant.

Our terms and conditions of grant can be accessed on our website. If we offer you a grant, you will need to confirm that you will follow these terms and conditions of grant before we can release any of your grant to you. You must also make sure that the

Trustees and senior staff within your organisation know that you are submitting this grant application.

If we plan to fund your project, you'll need to accept our grant offer and the terms & conditions of the grant **within four weeks of receiving the offer letter** or risk the offer lapsing.

We will email you in the first instance to advise you that you have been successful. This email will give you full instructions of what you need to do next to receive your official offer letter, how to accept the grant and what documents you need to provide. We may also invite you to a post award webinar to provide you with further information and answer any questions you may have.

Once we have all the necessary documents back, we will pay the first instalment of your grant. If there are any discrepancies/queries within these documents, this will delay your payment, so please read the accompanying information we provide, thoroughly.

If you receive a grant, you will need to keep good records of how the funds were spent and how many people you helped and how. We will ask you to report on this later.

If we're not able to fund your project, we will write to you to tell you this.

If you have any questions relating to this programme, please look at the programme information that we have on our website.

Following this, if you still have queries and cannot find the answer in these guidance notes, please email info@covenantfund.org.uk