

## Armed Forces Covenant Fund Trust

### Capital Grants

#### ***DRAFT UNTIL ISSUED***

#### Standard terms and conditions for grants

This Grant Agreement is important. It sets out the standard legal conditions of our grant offer to you. You accept that these standard terms and conditions are not negotiable. This is a legal document, and you should ensure that you fully understand your responsibilities before accepting a grant from us.

#### 1. Definitions

- “You” and “your” means the organisation receiving a grant from the Armed Forces Covenant Fund Trust subject to these terms and conditions.
- “We”, “us” and “our” means the Armed Forces Covenant Fund Trust acting and includes our employees and those acting for us.
- The ‘Project’ means the project or activity that we have agreed to support with a grant, as set out in your application form together with any supporting documents and/or as varied by your Offer Letter.
- The ‘Grant Agreement’ includes and incorporates:
  - these standard terms and conditions;
  - the Offer Letter which sets out any additional conditions; and
  - your application to us

#### 2. The Grant

2.1 You acknowledge that you are holding the grant on trust for the beneficiaries of the Project and therefore you must use the grant exclusively for the Project.

2.2 The amount of the grant is set out in the Offer Letter. We are not able to increase the amount of the grant. The amount of the grant may be different to the amount that you applied for.

2.3 You must accept our offer within four weeks of receiving it by signing and returning this Offer Letter electronically as requested. If you do not return the signed Offer Letter within four weeks our offer will lapse. The Offer Letter must be signed by yourself as main point of contact, and your CEO or someone with an equivalent level of authority to sign your organisation up to these Terms and Conditions.

2.4 The Grant Agreement will come into force on the date that we receive the signed Offer Letter from you.

2.5 You must tell us immediately if you obtain any duplicate funding in respect of any part of your Project which has been paid for in full using this grant.

2.6 You must tell us promptly about any changes to information you have given us, including any receipt of duplicate funding or any changes to your bank or building society details and you must make sure that the information we hold about your organisation is always true and up to date.

2.7 You must not use the grant to pay for any spending commitments you have made before the date of the Grant Agreement.

2.8 You must hold any unused part of the grant on trust for the beneficiaries of the Project at all times and if you spend less than the whole grant on the Project, you must return the unspent amount to us on demand.

2.9 We will pay the grant by bank transfer (BACS) into a UK-based bank account or building society account in your name, which requires the signatures of at least two authorised people for every withdrawal. You may use a debit card to make cash withdrawals or payments from this account for any purchases in relation to this Project, provided that at least two authorised people sign off the monthly account before payment.

2.10 You will show our grant as a restricted fund in your accounts and acknowledge our grant in your annual report and accounts covering the period of the Project.

2.11 If applicable, you understand and accept that we may require security over any capital assets funded by the grant as described in these Terms & Conditions. If we have asked for security, you understand that we will not pay more than a maximum of 5% payment of the capital grant

until we have received the relevant security documents completed to our satisfaction.

2.12 You understand and accept that we will require evidence on the ownership status of the property, prior to any payment being released. Evidence is required on the ownership status of the property/land this project would either build, refurbish, extend, or alter. This will be either a copy of the land registry title deeds if you own the property/land freehold. Or, you will send us a copy of the lease which will be for the following minimum term of years or for the minimum asset monitoring period in clause 7, whichever is the longer:

- For a capital grant of up to £75,000: a lease of at least 10 years, without a break clause.
- For a capital grant of £75,001 or more but less than £500,000 a lease of at least 15 years, without a break clause.
- For a capital grant of between £500,000 and £1 million: a lease of at least 20 years, without a break clause.

In all lease settings, there should be no break clause and no automatic return of the land or building to the landlord in the event your organisation becomes insolvent.

### 3. The Project

3.1 You must start the Project in line with the dates advised in your application.

3.2 You agree to deliver the Project within a «Request\_Term\_Months»-month period.

3.3 If you want to enter into an agreement with any third party with a view to commercial exploitation of the Project or anything relating to it, you must contact us to obtain our prior written consent. Our consent may be subject to conditions, including conditions requiring the repayment of all or part of the grant.

3.4 If you are required by us to enter into a partnership agreement with another organisation or organisations in order to deliver the Project then you will submit the proposed partnership agreement to us for our approval and understand that you cannot start the Project until you have a signed partnership agreement in place. The partnership agreement must ensure that you are named as the accountable body for delivering

the Project. You should also ensure that your partner(s) must act at all times in accordance with these terms and conditions of grant, so far as applicable to their role on delivering the Project, and in the event of conflict between the terms of the partnership agreement and these terms and conditions of grant, then these terms and conditions of grant must take precedence.

3.5 You must maintain adequate insurance at all times. This includes employee and public liability insurance. If any assets have been funded by the grant, then you will keep them safely and in good repair and condition and will make sure you have adequate insurance cover for all of them. If the asset is damaged, destroyed or stolen, you must tell us in writing and you must repair or replace it as soon as reasonably practical.

3.6 You agree to comply with all laws regulating the way you operate, the work you carry out, the staff you employ or the goods you buy. You will ensure that you have an equal opportunities policy in place at all times, to help you comply with all relevant laws and good practice whilst the Grant Agreement remains in force. You will obtain any planning permission and all approvals, copyright and other consents and licences required by law or by us. This will include, but without limitation, compliance with all employment legislation, equality legislation, health and safety requirements, data security and protection (including the requirements of GDPR) and all other relevant legal or regulatory approvals necessary for the Project to be delivered. In particular, but without limitation, you will ensure that all staff or volunteers involved in the delivery of educational or medical and /or specialist activities or therapies are professionally trained and fully and appropriately qualified and insured. You will be registered with OFSTED or the Care Quality Commission if appropriate for the delivery of your services.

3.7 If your Project involves work with children or adults at risk (“vulnerable people”), you will take all reasonable steps to ensure their safety. You will obtain the written agreement from the legal carer or guardian before having any direct contact with any vulnerable person. You will have and carry out an appropriate written policy and have a set of procedures in place at all times to safeguard vulnerable people which will include; procedures to check backgrounds and disclosures of all employees, volunteers, trustees, or contractors who will supervise, care for or otherwise have significant direct contact with vulnerable people with the Disclosure and Barring Service.

3.8 You confirm that you do not have any undisclosed loans secured on the capital assets. You will not take out any loans secured on any capital

assets funded or part-funded by the capital grant unless you receive our agreement in writing first. Our agreement may be subject to conditions.

3.9 If all or part of your capital grant is to be used for building work you understand and accept and will provide evidence prior to any grant payment being released that:

- you have received any planning permission, listed building consent and building regulations consent (or other applicable consents or regulations) required for the building work; and
- if applicable, evidence that a competitive tender process has been undertaken with a minimum of three estimates for grants above £75,001 received from three independent builders. If you are commissioning the building works under pretended arrangements, you must provide evidence of the original tender process undertaken to identify existing contractors;
- we will make payments in stages when we receive professional/builders' invoices (dependent on the grant programme) or against interim certificates completed on the RIBA (Royal Institute of British Architects) form or other appropriate invoices;
- if relevant, we will keep 5% of the grant until we receive the certificate of practical completion. You must then send us the final certificate and confirmation that you have obtained the building regulations completion certificate and the buildings insurance certificate; and
- if you want to make significant changes to the scope of the project or building works, you must get our permission in writing before going ahead.
- if relevant, you will use building professionals that are fully qualified members of an approved professional body and have all necessary professional indemnity insurance cover; and
- if applicable, if building works come under the Construction (Design and Management) Regulations 2015, you will confirm that you have appointed a principal designer.
- if structural work is necessary, you must employ a structural engineer;

#### **4. Information, publicity, and evaluation**

4.1 You must follow our branding and publicity guidelines at all times if practical and appropriate. You will acknowledge the Armed Forces Covenant Fund Trust using the guidelines we will provide. You will enter details of your Project on our App if requested. You should feature the required logos on all information, marketing and publicity materials including digital media relating to the Project. You should also incorporate

verbal and written acknowledgment of our support into your communications.

4.2 You hereby give the Office for Veterans' Affairs and us permission to use, in our sole discretion and as we think fit, any materials produced for or by the Project. You hereby grant us a non-exclusive, worldwide, royalty free perpetual licence to reproduce part or all of your Project or related documents as we may reasonably require for marketing, publicity, research and evaluation, public dissemination on our website and reporting purposes.

4.3 If asked by us, you will provide information and materials for us to evaluate the grant programme and/or your Project outcomes.

## **5. You agree that**

5.1 You will ensure that you are at all times correctly constituted and that you can deliver the Project under the terms of your constitution and if asked by us you will provide a legal opinion from your solicitors confirming this. You will ensure that you have at least three unrelated trustees or directors governing your organisation in place at all times.

5.2 You must write to us as soon as possible if any legal claims are made or threatened against you and/or which would adversely affect the Project during the period of the grant (including any claims made against members of your governing body or staff).

5.3 You must tell us in writing as soon as possible of any investigation concerning your organisation, trustees, directors, employees, or volunteers carried out by the Police, Charity Commission, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, HM Revenue & Customs or any other regulatory body.

5.4 You understand and accept that we will monitor the progress of the Project and require you to complete all the activities specified in the Offer Letter on time.

5.5 You must send us any information we may reasonably request and records that we reasonably require from time to time in order to monitor your Project and how the grant is being used.

5.6 You will be available for meetings with us, as may be reasonably requested, relating to the Project.

5.7 You will inform us immediately in writing of anything that significantly delays, threatens, or makes unlikely the Project's completion, including any delay or difficulty in fulfilling your obligations to work with others as specified in the Offer Letter.

5.8 If we ask, you will allow us, any person nominated by us or the National Audit Office, access to all records relating to the Project and/or subsequent profit made by the Project upon demand, including (but not limited to) accounts and any other financial records, VAT, and any other tax records. If any part of the grant is to buy an asset or a series of assets items which have an economic life of five years or more, regardless of cost you will keep all receipts and invoices for us to look at. We can ask for access to these records for up to seven years after the Project has finished.

5.9 You will provide us with a full report on the Project within one month of completing it, using our end of grant report form which we will send to you. We understand that the grant is finished only after you have completed this report to our satisfaction and we have received to our satisfaction, the evidence of expenditure we have requested for the period of the Grant Agreement.

5.10 If applicable, we will continue to monitor capital assets bought with the grant after the project is over and you will supply information about and allow us to inspect the capital assets in accordance with our standard procedures for the longest of the following applicable periods:

- for capital grant of up to £100,000 for building work (on freehold or leasehold land already owned by you): 5 years
- for capital grant of more than £100,000 but less than £250,000 for building work (on freehold or leasehold land already owned by you): 10 years
- for capital grant of more than £250,000 but less than £500,000 for building work (on freehold or leasehold land already owned by you): 15 years.
- for capital grant of between £500,000 and £1million for building work (on freehold or leasehold land already owned by you): 20 years.

5.11 If applicable, you understand and accept that the asset-monitoring period will start from the date of purchase of the capital asset (if purchased with the grant) or the date of completion of the building work, whichever is the earliest.

## 6. General conditions

6.1 If you fail to meet any term and/or condition of the Grant Agreement and we do not enforce one or more of our rights straight away, this does not mean that we will not do so in the future. We will give up our right to enforce this Grant Agreement only if we tell you in writing.

6.2 We will not be held responsible for any action you take, any action you fail to take, or for your debts or liabilities. You are fully responsible for every part of the delivery and content of the Project or for your organisation and the decisions about them. We will not be responsible to anyone else who may take, or threaten to take, proceedings against you.

6.3 You accept that we may share information about your grant with any parties of our choice as well as with members of the public under the Freedom of Information Act 2000. Details of the grant may be broadcast on television, on our website, in newspapers and through other media.

6.4 You acknowledge that the grant comes from public funds and you will not use it in any way that does not comply with the Subsidy Control Act 2022 (or equivalent legal provisions covering Northern Ireland) and associated regulations as amended from time to time. Where applicable, you agree that we will publish information relating to the grant and that you will keep reasonably detailed records to demonstrate compliance with the Subsidy Control rules and shall provide a copy of such records to us upon reasonable request. In the event that the Project is deemed to be non-compliant with the Subsidy Control Act 2022, you will repay the entire grant immediately.

6.5 You may not transfer any part of the grant or this Grant Agreement or any rights under it to another organisation or individual, unless you have entered into an agreement, authorised by us in accordance with clause 3.4.

6.6 We may reject any future application from you to other programmes we run if you do not comply with these terms and conditions, or we judge that you did not handle the grant adequately or if you failed to complete any requests for information, we made to you.

6.7 The projects we support need to be carried out to the highest possible ethical standards. You confirm that you have the skills and experience to work with the group or groups of people that your project focusses on, can ensure they are kept safe, and that you take an ethical



approach to your work. The Trust's ethical values are Respect, Competence and Integrity.

## **7. VAT**

7.1 You acknowledge that the grant is not consideration for any taxable supply for VAT purposes. You acknowledge that our obligation does not extend to paying you any amounts in respect of VAT in addition to the grant.

7.2 If you are registered for VAT, or subsequently become liable to register for VAT, you must keep proper and up to date records and you must make those records available to us and give us copies when requested.

7.3 If we have agreed to fund any or all of the VAT costs associated with your Project and you subsequently recover any VAT, you must pay us back immediately any of the VAT that has been paid for with the grant.

## **8. Conditions relating to assets or services purchased with the grant**

8.1 If any part of the grant is used to buy any assets, such as buildings, or a singular piece of work costing more than £10,000, but less than £75,000, you will provide two quotes for the work, dated within the last three months, with a cover letter outlining which quote you have chosen and why. If there are good reasons why you cannot provide quotes, you will obtain our written agreement beforehand. You will comply with all anti-bribery and anti-corruption legislation.

8.2 You will not sell, give away or borrow against any grant funded assets during the period of their economic life without first receiving our written consent. As the grant comes from public funds, you understand and accept that if we do provide written consent, we may require that the sale is at full market value and/or subject to conditions requiring you to repay all or part of the money you receive.

8.3 If applicable, you will not sell, lease, let, sub-let or otherwise dispose of or change the use of any capital asset without first obtaining our written consent, which may be subject to conditions. If you sell or dispose of any capital asset, you may have to repay us all or part of the money you have received from us. The amount you repay will be in

direct proportion to the share of the project cost that came from us. If, with our consent, you sell any capital asset wholly or partly bought with the grant, the sale must be at full market value.

## 9. Breach of these terms and conditions, and suspending or repaying the grant

9.1 If you fail to meet any of these terms and conditions, we may, in our absolute discretion:

- require you to pay back all or part of the grant (regardless of how much you may have already spent if you have not spent it in accordance with these terms and conditions); and/or
- end this Grant Agreement immediately.

9.2 We may recover the grant (in full or such part which has not been properly spent and/or accounted for) in our absolute discretion, if any of the following events occurs:

- i. your organisation closes down (unless it joins with, or is replaced by, another organisation that can carry out the Project and we have provided our prior written permission);
- ii. you make any changes to the Project without first getting our written permission;
- iii. you use the grant for anything other than the Project;
- iv. you do not follow our reasonable instructions;
- v. you do not carry out the Project with reasonable care, thoroughness, and competence;
- vi. you do not complete the Project on time;
- vii. you have supplied us with any information that is wrong or misleading, either by mistake or because you were trying to mislead us;
- viii. you act illegally or negligently at any time, and we believe it has significantly affected the Project, or is likely to harm our or your reputation;
- ix. you use the grant or any part of it for any activity that is intended to influence or attempt to influence Parliament, Government, or political parties, or attempts to influence the awarding or renewal of contracts and grants, or attempts to influence legislative or regulatory action;
- x. without first getting our approval in writing, you sell or in some other way transfer the grant, your organisation, or the Project to someone else; and /or
- xi. you fail to declare the receipt of duplicate funding

## **10. Termination of the Grant Agreement**

These terms and conditions and the Grant Agreement remain in force for whichever of these is the longest time:

- for one year following the payment of the last instalment of the grant;
- as long as any part of the grant remains unspent;
- the expiry of the maximum period required under the Grant Agreement for asset monitoring;
- as long as you do not carry out any of the terms and conditions of the Grant Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or Project delivery).

## **11. Additional conditions**

We have the right to impose additional terms and conditions on the grant if:

- You are in breach of the Grant Agreement;
- We withdraw any part of the funding for the Project;
- We judge that members of your governing body, volunteers or staff or any person or organisation closely involved in carrying out the Project act in a way that may have a detrimental effect on the Project or the reputation of the Armed Forces Covenant or the reputation of the Armed Forces Covenant Fund Trust;
- We have reasonable grounds to believe that it is necessary to protect public money; and/or
- We believe such conditions are necessary or desirable to make sure that the Project is delivered on time and/or as set out in the application form or following any agreed changes.

**«Request Type»**

**Acceptance of Grant & Payment Request Form: «Request\_ID»**

We, as duly authorised signatories for and on behalf of «**Org\_Name**» accept this offer of an Armed Forces Covenant Grant on the terms and conditions stated.

We would like to request the initial grant payment, as outlined in the grant payment schedule in section 5.2 of the Offer Letter.

| BANK DETAILS  |   |
|---|---|
| ACCOUNT NAME  |   |
| BANK SORT CODE<br>(e.g. 20-50-40)   |   |
| ACCOUNT NUMBER<br>(Last 4 digits)   | «Org_Last_4_digits_of_Bank_Account_Numbe» |
| <p><b>PLEASE NOTE:</b><br/>If the 4 digits above are blank or do not correspond with the details we hold for you, please insert the last 4 digits of your account number, and then also email the bank account evidence separately to: <a href="mailto:docs@covenantfund.org.uk">docs@covenantfund.org.uk</a></p> |   |

**«Aff\_Views\_Contact\_Table\_Offer\_Letter\_Te»**

**Signatory 1:**

Name:

Signature:

Position:

**Signatory 2: (This needs to be CEO or Trustee Level)**

Name:

Signature:

Position: