

The Orr Mackintosh Foundation Limited (known as “ShareGift”)

ShareGift policy	Grant-making policy
Effective from	April 2021
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1. Purpose of the policy

The purpose of this policy is to set out the principles, criteria and processes that govern how The Orr Mackintosh Foundation Limited (known as ShareGift) makes grants.

A grant is defined as a financial award that ShareGift makes from its funds to support charitable activities, to registered charities, charitable community groups and other charitable organisations and interests as defined in the objects of The Orr Mackintosh Foundation Limited.

2. About this policy

The Orr Mackintosh Foundation Limited (known as ShareGift) is a registered charity (number 1052686) and company limited by guarantee (number 03150478). It is governed by a board of trustees who are also board directors under the Companies Act 2006 (the “Trustees”). An employee team led by the Chief Executive has delegated responsibility for all day-to-day activities, including grant-making under this policy.

The Trustees ensure proper governance of ShareGift’s grant-making in three key ways:

- through grant-making principles, as set out in this policy;
- through grant-making processes which set out the mechanics of how grants are to be made, as set out in ShareGift’s internal procedures; and
- through regular monitoring of the employee team’s adherence to these principles, this policy and ShareGift’s internal procedures.

3. Grant-making principles

The general principles which underpin the governance of ShareGift’s grant-making are as follows:

- As part of the process of identifying charitable themes, interests and organisations that may be eligible to receive a grant, the Trustees agree to also consider the inclusion of charitable suggestions from donors, partners and other contacts of ShareGift, but in order to maintain their independence and discretion in this regard the Trustees are not bound to act upon these suggestions;
- the performance of an appropriate level of due diligence on potential grant recipients;
- the making of grants generally (but not exclusively) as unrestricted funding;
- the maintenance of a ‘cause-neutral’ stance (including the purpose and treatment of charity suggestions from donors and that **applications from potential beneficiaries are neither solicited, encouraged or accepted** as part of the grant-making process);
- the making of grants which are not transformative in nature for the recipient charity or charitable organisation;
- the making of grants that are appropriate to any underlying share donation values of those donors suggesting charities, the number of any suggestions received, and in particular the annual income of those charities;
- the making of grants at what the Chief Executive, employee team and Trustees deem to be an appropriate frequency; and

- the assurance that overall grant-making values do not impinge upon required levels of working capital and reserves.

These general principles are explained in greater detail in the following sections. The document then sets out the processes that are followed for the preparation and execution of grant-making.

3.1. Due diligence

ShareGift performs due diligence checks on all charities, community groups and charitable organisations identified as potential beneficiaries of grants. This due diligence is performed on a 'reasonable endeavours' basis, using what publicly-available information may be identified at the time these checks are made, and with due regard to the breadth of charities that ShareGift gives to and the cause-neutral stance. Periodic due diligence checks are performed on charities that may receive repeat grants. Initial due diligence checks involve reviewing charities' websites, details registered with the Charities Commission and with Companies House, where relevant, and media sources.

Such due diligence is designed to identify any financial or reputational risk for ShareGift, which may arise from making a grant to the charity or organisation in question, where that can be reasonably assessed or inferred from an appropriate range of information in the public domain; and the Trustees have agreed that this level of due diligence is reasonable and appropriate for ShareGift.

3.2. Unrestricted funding

ShareGift generally makes grants of unrestricted funding. This enables recipient charities and charitable organisations to apply the funds granted to them in line with their charitable objectives, which may include expenditure on the core costs of the charity or organisation. By contrast, restricted funds may only be spent in accordance with specific stipulations, which may arise by the wishes of the donor or by the nature of any related fundraising appeal.

In infrequent cases, the Trustees may decide to offer a restricted gift to charities or charitable organisations where this is explicitly in their interests, for example, where a restriction may allow the charity or organisation to receive matched funding from the Government or other source.

3.3. Cause neutrality

Unlike most grant-making charities and foundations, which focus on a particular cause, group, class of beneficiary or type of charitable work, ShareGift is most deliberately cause-neutral in its own grant-making and does not evaluate or prioritise particular charitable purposes. This enables ShareGift and its Trustee Board the broadest discretion and independence in choosing which charities and charitable organisations to support, including those which may be suggested by donors, other individuals, companies and organisations that it works with. As a consequence of this approach, ShareGift does not:

- Solicit, encourage or accept applications for grant-making by potential beneficiaries;
- Consider any applications or other approaches made by potential beneficiaries as part of the grant-making process; or
- Formally monitor or require reporting on how its grants were spent by recipient charities and charitable organisations.

3.4. Managing interests and avoiding potential conflicts of interest

Working as we do with a foot in the corporate world and the charitable sector, it is foreseeable if not likely that ShareGift Trustees, employees and volunteers may volunteer their time to, be employed by or a beneficiary of, and/or act as trustees/officers of other charities and charitable organisations.

The existence of such interests does not preclude ShareGift from making grants to the charities or charitable organisations concerned where they have been suggested by a donor or have otherwise been identified as potential grant recipients. However, any interests must be identified, discussed and the rationale for the decision whether to make a grant should be clearly documented and appropriately escalated to an uninterested party as part of the approval process for the distribution in question.

3.5. Avoiding 'transformative' grant values

ShareGift seeks to avoid making what might be deemed 'transformative' grants. This is to avoid creating any actual or perceived dependency by recipient charities and charitable organisations on ShareGift's funding, and also to ensure that ShareGift's independence and discretion in grant-making is not undermined.

Practically, as part of the grant-making process, the recipient charity's or charitable organisation's level of income for the most recently reported financial year and prior years is carefully assessed against the proposed grant amount. The 'rule of thumb' is that the grant would not usually exceed 15% of the recipient charity's annual income, but this is flexed to an appropriate degree when taking into consideration all of the factors involved in the potential donation, and especially when dealing with the smallest charities that we support from time to time.

For example, the smallest grant that we would currently make is £500 but there are charities and charitable organisations for whom that would exceed the 15% 'rule of thumb'. In the case of the smallest charities and charitable organisations we seek to apply our discretion and ensure that the terms of the grant, especially their customary one-off and/or unpredictable nature, are well-understood by the charity or charitable organisation concerned.

3.6. Achieving appropriate grant values

Making grants that are an appropriate value in relation to any underlying share donations, the number of any suggestions received, and the turnover of the charity or charitable organisation, is an important part of grant-making at ShareGift. Achieving this balance involves the consideration of some or all of the following factors:

- the value of any relevant share donation(s) once aggregated and when ultimately realised, when possible;
- the number of any related suggestions for the charity or charitable organisation;
- the charity's / charitable organisation's published annual income levels over the immediate and preceding financial years;
- the value and timing of any previous grants made to the charity / charitable organisation by ShareGift;
- that a newly established charity or charitable organisation may not yet have publicly available financial reports (and that a more modest grant value may be appropriate);
- whether the charity or charitable organisation is in receipt of any government funding; and

- the overall value of the distribution in which the proposed grant is to be made.

3.7. Grant-making values overall and working capital

Each time a distribution of funds is proposed, a check is made on the approximate value which may sensibly be disbursed whilst maintaining an appropriate level of working capital and reserves.

3.8. Grant-making frequency

ShareGift is not prescriptive about the frequency with which distributions are made. The frequency of distributions is more practically governed by the value of funds available to distribute, including the presence of any large donations with associated charity suggestions, and the time and resource required of the team to make each distribution. In practice, this means that currently distributions are usually agreed every six to eight weeks.

Grant-making decisions are entirely at the discretion of ShareGift and are final; there is no process for a charity or third party to challenge a grant.

ShareGift does not accept applications from charities seeking funding.