**CSIS CHARITY FUND - OUR GRANT GIVING POLICY**

This note describes our grant giving policies and priorities, as approved by the Trustees on 31 October 2014. It reflects the priorities set by our Medium Term Strategy, adopted by Trustees in December 2013. It is intended to provide a framework for our grant giving for the next five years. However, it will be kept under regular review and amended as necessary in the light of experience, new proposals put to us, and continuing dialogue with our key stakeholders.

**The Charity’s Objects**

The objects of the charity as set out in the governing document are:

*“The relief of need, hardship and distress, including (but not exclusively) by the provision of financial and other assistance to serving, former and retired civil and public servants and their dependants either directly or by making grants to other organisations which can provide financial or other support to them.”*

**The Trustees translate this into the following aim**:

*“to put the trading surplus of the Civil Service Insurance Society to good use, helping to relieve need, hardship and distress amongst serving, former and retired civil and public servants and their families, both directly and by action in the local communities in which they live.”*

**Trustees’ Priorities**

Consistent with the Medium Term Strategy which the Trustees adopted in December 2013, our priorities for the next five years are:

* to provide continuing financial support to the widows and other dependents of deceased policy holders of the Civil Service Insurance Society (CSIS), which the charity supports with annual grants and help with specific costs such as phone bills, replacing cookers, etc
* to continue to provide general support to the Charity for Civil Servants for their hardship grants.
* to provide support to the other civil and public service charities with which CSIS Charity Fund has had a long standing relationship, most notably the BT Benevolent Fund, the Rowland Hill Fund and the Civil Service Retirement Fellowship, smaller welfare organisations and benevolent funds that provide support to civil and public servants and their dependants, and other charities and not-for-profit organisations which have a clear and direct link with the public services.

In addition, and to the extent that resources permit,

* to continue to provide grants to any other organisations such as hospices where Trustees can be satisfied that the beneficiaries will include former, serving and retired civil and public servants and their dependants and which are very clearly and directly relieving need, hardship and distress amongst those they support.

In pursuing these priorities and we will continue to look for ways to:

* widen the range of civil and public sector charities we support,
* find new types of projects to support, and
* improve the geographical spread of our direct grant giving.

Bearing in mind what we have learned over the past year about the nature and causes of need, hardship, and distress amongst former, serving and retired civil and public servants, who is worst affected and how their problems can best be relieved, our primary focus will be on trying to help widows and widowers of deceased CSIS policyholders, working civil and public servants who are struggling to cope because of illness, disability or an unexpected family crisis, the very elderly, and carers. However, these groups are not exclusive and we will consider supporting any project which we can see will have a clear and direct impact on any former, serving or retired civil and public servants in need hardship and distress, whatever the cause.

**Funds available**

The charity’s income comes solely from the trading activities of the Civil Service Insurance Society and the investment of its reserves. In 2013, the Trustees made grant payments totalling just over £0.8 million, reflecting a very large donation of £0.7 million from CSIS in December 2012 and the draw down of £100,000 from reserves. With tighter trading conditions, the donation from CSIS in December 2014 is expected to be some £550,000, closer to the past average of some £0.5 to £0.6 million a year. CSIS operates in a highly competitive market and it would not be prudent for the charity to depend on even that level of income continuing indefinitely. However, the charity still holds reserves of over £2million which the Trustees now believe is much higher than is necessary.

As part of the work of drawing up a Medium Term Strategic Plan, the Trustees have reviewed the risks the charity faces and adopted the following revised reserves policy:

“Given the potential risks to our income from CSIS and to the value of our investments, and taking account of the our wish to support our existing widows for as long as they need our help, complete any projects we are funding and give our important partner organisations time to adjust, we believe that we should not allow our total funds as shown in the accounts at the end of the year, less the cash donation received from CSIS in December, to fall below £1million. We should aim to reduce our reserves to close to that level by the end of 2018.”

CSIS directors have advised that they expect to make a donation of some £500,000 per annum over the next five years unless market conditions improve or deteriorate significantly, expenditure increases or reduces substantially as a result of CSIS budget strategy or an unforeseen event causes a major financial loss. In the light of that advice, we believe that we can safely plan to send an average of £750,000 a year for the next five years. If income from CSIS and investments permits, we expect to spend additional amounts on one-off grants to charities and not-for-profit organisations, consistent with our objective of bringing our reserves down to around £1 million by the end of 2018, providing we can identify worthwhile projects to support

**Type of Projects Sought**

The Trustees will consider supporting any appropriate organisation which approaches the charity for help, providing the proposal falls within the charity’s Objects (see above). The Trustees believe these Objects provide considerable scope for expanding the charity’s activities, and a great deal of flexibility in the type of project we can support. Requests for funding must, however, always be supported with realistic costings and a clear explanation of what the project is intended to achieve and how that fits with the Trustees priorities outlined above.

Moreover, in addition to supporting the main public service charities, our general preference is to help support organisations that do not have access to other substantial sources of income, where our contribution can make a real difference. Small amounts of money can make a huge difference to such organisations, so that is in general where we aim to focus our efforts. To protect our ability to do that, we have adopted, as a rough rule of thumb, that the Charity for Civil Servants should receive no more than 50% of the yearly amount donated by CSIS to CSIS Charity Fund, although it will remain our largest beneficiary by far for the foreseeable future.

Details of the charity’s income and information about the grants the Trustees have awarded in past years are set out in the Trustees’ Annual Report and Accounts for the relevant years, available to download from our website along with the 2012 Impact Report.

**Type of Grants We Will Pay**

We will continue to make welfare grants direct to the widows we support, but otherwise grants will generally only be made to other charitable or not-for-profit organisations. Where necessary and appropriate we will consider making a grant direct to other individuals, but our strong preference will be to provide support through other organisations who are prepared to undertake the necessary casework and assessments of individual need. Only in very exceptional circumstances will we be prepared to undertake the necessary casework ourselves. We are a small charity and our general aim will be to help organisations that help individual civil and public servants and their dependants, not to provide the help directly.

We believe it is important to continue to provide direct support for widows and widowers of deceased CSIS policyholders and to regard that as one of our key tasks. They provide a direct link to the CSIS policyholders who provide the money for the charity as well as a key link to the origins of the charity. However, when considering helping new widows or widowers, our aim will be if at all possible to provide a single one-off grant that would help resolve their immediate problems, for example, to clear their debts, and get them into a position where they can cope without continuing annual grants.

Any new grants we award to other organisations will normally be in the form of one-off payments, or short term commitments with a clear cut-off date, in order to protect our ability to support our existing beneficiaries. However, exceptions will be considered. We will also try to be flexible in the type of support we offer organisations, including, for example, paying directly for equipment they need or paying for practical support or guidance on, for example, IT or marketing (eg, website design) where there will be a clear consequential benefit to their service users.

**Conditions on Grants**

In all cases where we offer support, we will try to award unrestricted grants wherever possible. However, we will wish to know what the funds we provide are to be spent on, what is expected to be achieved and how that fits with our priorities. All organisations awarded a grant will be asked to report back on how the money has been spend and the effect it has had, and to give publicity on their website, etc, to the contribution we have made. We will wish to discuss the impact the grant has made with the organisation concerned before awarding further grants. In the case of the main civil and public service charities with which we have a long standing relationship, we will do this as part of a rolling programme of reviews in which we will look in depth at one main charity each year.

Where we make grants to other charities as restricted funding, we will try to ensure that the terms provide a reasonable amount of flexibility in how the aims of the grant can be achieved. Other conditions, such as a requirement for match funding, may be imposed, but only when the Trustees feel it is sensible and appropriate to do so in a particular case.

**Our Procedures and Timetable for Considering and Authorising Grants**

The main decisions on the grants we will award for the year ahead will be taken at a meeting of all Trustees, convened for this purpose in February of each year, chaired by a Trustee elected to be the Grants Trustee or by the Deputy Chairman. The papers for this meeting will be circulated two weeks in advance and organisations submitting reports to be considered at the meeting will be asked to comply with that timetable.

The meeting will review the charity’s grant giving policy document and agree amendments to it as appropriate. The meeting will also consider

* the detailed policies to be applied in making grants to the widows which the charity supports;
* the actual grants to be made to each of the widows in the following year (based on applications forms submitted by them);
* whether to continue all of the grants made to the main civil service charities we support, and if so, at what level; and
* whether to make grants to any other bodies that have come to our notice during the year which we believe can help us to further our aims.

In deciding the level of grants to be made, the Trustees will take into account

* the funds which the charity currently holds;
* the forecast income expected from CSIS;
* the reserves policy which the Trustees have agreed on;
* advice from the Treasurer on the level of grants it would be prudent to budget for and any comments he wishes to make on any particular project;
* the grant giving policies which the Trustees have agreed;
* the purpose of each grant, how it would contribute to meeting the Trustees’ objectives for CSIS Charity Fund and how it fits with the Trustees’ agreed list of priorities;
* reports from the charities in question on how they have used any past donations and the impact the money has made; and
* any extenuating circumstances which would justify making an exception and going outside the previously agreed grant giving policies.

The Trustees are free to make further grants during the course of the year if they are persuaded of the merits of a case and feel it is unnecessary to wait until the annual grants meeting to take a decision. Normally such decisions will be tabled for decisions at the next convenient regular meeting of the Trustees. However, if the matter is urgent, Trustees may be consulted on such proposals by e-mail, post or by telephone. In such cases, all Trustees must be consulted. A decision can be taken providing that at least three Trustees agree. However, any Trustee may ask that the issue be discussed at a meeting, and that request will be respected.

In addition, if an urgent request for help is received from, or on behalf of, a current individual beneficiary, or someone who is likely to become a beneficiary, the following delegated authorities will apply:

* The nominated Grants Trustee and CSIS Charity Fund Secretary can together agree a grant of up to £3,000
* The nominated Grants Trustee and any other Trustee can together agree a grant of up to £10,000.

This emergency procedure only applies to grants to widows and other dependants of former CSIS policy holders. However, in addition, the Grants Trustee along with the Chairman or Deputy Chairman can agree minor amendments to the restrictions on a grant which has already been awarded, award a grant of up to £1,000 to any charity which requires a top up to an existing grant to complete a project which we have been supporting or award up to £500 to a small charity in urgent need of funds for a project which the Grant Trustee feels merits our support.

In all such cases, details of the grant and the reason for using these emergency procedures should be reported to the Treasurer and the full board at the earliest possible opportunity. If the nominated Grants Trustee expects to be unavailable for any length of time, he may, with the agreement of the Chairman, nominate one or more other Trustees to act on his behalf in such emergencies.

**Payment of the Grants**

Once grants have been authorised under the procedures above, the actual payment, whether by cheque or electronic transfer, will be approved by the authorised bank signatories in accordance with the normal procedures and agreed delegated authorities. Payments made will be checked against the relevant authorisation as part of the in-year internal audit programme and the annual audit.