

COVID Recovery Programme for Organisations

Application Form Guidance Notes

Introduction

The Executive and the Minister for Communities, Deirdre Hargey MLA, have provided COVID recovery funding for charities, social enterprises and a range of other not-for-profit organisations.

The aim of the COVID Recovery Programme sectoral Organisations is to **reduce or remove operating deficits in eligible organisations, which have arisen in the 2021/22 financial year because of the COVID pandemic.**

The Department has appointed Community Finance Ireland to deliver the COVID Recovery Charities & Social Enterprise Programme. We will invite eligible applications from organisations that were negatively affected by the pandemic in the financial year 1 April 2021 to 31 March 2022, and that can demonstrate an operating deficit during that period which is attributable in full or in part to COVID.

The Guidance Note provides information on the funding programme, the application process and funding priorities. Applications must be made online through Community Finance Ireland online grant application portal at www.communityfinanceireland.com

The fund will be open for 3 weeks from 9am Wednesday 5th January 2022, closing for applications at 5pm on Friday 28th January 2022.

Available Funding

The maximum amount of funding available to an eligible organisation under this Programme is £50,000.

In exceptional circumstances, a greater amount of funding may be available to eligible organisations that can demonstrate that the **deficit attributable to COVID** in the financial year is greater than £50,000 and that the organisation requires funding in excess of that sum to stabilise financially.

In the event that the proposed awards exceed available funding, those organisations with the largest¹ operating deficits will get priority.

Exceptional Circumstances

Only exceptionally should the value of an award under the programme exceed £50,000. In such circumstances, the onus is on the applicant to demonstrate how the organisation meets one or more of the criteria for a higher award:

- a. That it is in financial difficulty, with a risk of (a) closure or (b) loss of jobs or (c) loss of services which would impact on community health or wellbeing;

¹ Deficit expressed as a percentage of income in the financial year 2021/22.

- b. That it is of significant strategic importance to the sector or locality and without financial support its survival is threatened, and that the loss of the organisation could cause longer-term damage to sectoral growth and development.
- c. That it is prudent to accept a single application on behalf of a number of smaller charitable entities that are an integral part of a larger established organisation, and where financial need is greater than £50,000.

Before public funding may be committed, an application for more than £50,000 will be subject to a wider assessment to determine viability, financial resilience, and strategic importance within a balanced sector and explore whether other financial levers are available to the organisation.

On behalf of Community Finance Ireland, the Department may arrange to provide additional financial expertise to ensure sectoral consistency to larger awards.

Charities

The Charities Act (Northern Ireland) 2008 defines a charity as:

- It is an institution, that is, it is an organisation that is an independent body, the hallmarks of which include having control and direction over its governance and resources, and
- It has exclusively charitable purposes, and
- It is governed by the law of Northern Ireland.

Whilst registration with the Charity Commission for Northern Ireland is compulsory regardless of an organisations income, size or whether they are registered with HMRC for charitable tax purposes, it is how the organisation was established which determines whether or not it is a charity in law. See paragraph 2 for eligibility criteria.

Section 167

The Minister is sympathetic to the extensive work undertaken locally by charities which are established in and have their main base in another jurisdiction but which operate for charitable purposes in or from Northern Ireland. These organisations are now considered to eligible for funding if they can provide separate financial information relating to their charitable activities in Northern Ireland.

Social Enterprises

Social enterprises are businesses with primarily social objectives who reinvest surpluses in the business or in the community, rather than maximising profit for owners and shareholders. Many of these organisations will also be charities that comply with the Charities Act (NI) 2008. See Question 1 of Application Form.

Treatment of Reserves

The Charity Commission for Northern Ireland defines reserves as the unspent resources or income of an organisation. These may or may not be governed by an explicit reserves policy.

The Department for Communities recognises that it is prudent for organisations to build up and maintain a level of reserves appropriate to the circumstances of the organisation.

This means that the maximum grant available to your organisation will normally be limited to a maximum of six months costs. It also normally means that if your organisation has projected reserves at 31 March 2022 in excess of six months costs you should not expect to receive a payment under this Programme.

If you believe that your organisation has a valid reason for holding reserves greater than six months costs, you must include this reason in your funding application.

Applying for Funding

1. Eligible charities organisations:

- a. The organisation was formed prior to 31st March 2021 and is a lawfully operating as a charity as defined by the Charities Act (Northern Ireland) 2008.
- b. The organisation has registered as a charity with the Charity Commission Northern Ireland or has submitted an expression of intent to register with the Commission prior to 31 March 2021.
- c. Section 167 charities may be considered for financial support if the organisation operates for charitable purposes in or from Northern Ireland.

2. Eligible Social Enterprises:

- a. The organisation is a Social Enterprise and must be able to answer yes to all of the following:
- b. The organisation is a trading business, selling goods and services, whose primary objective is to achieve social and/or environmental benefit.
- c. The Social Enterprise operates in Northern Ireland or primarily delivers services/activities in communities in NI and has done before 31 March 2021.
- d. The Social Enterprise Governing Documents require that, upon dissolution, the assets would transfer to another organisation with similar aims and objectives or be applied in full for an appropriate social purpose.

3. General conditions:

- a. The organisation has at least two unrelated people on its board or committee; By unrelated, we mean people who are not: related by blood to each other; married to each other; in a civil partnership with each other; in a long-term relationship with each other; or living together at the same address
- b. The organisation has a UK bank or building society account in the legal name of the charity or social enterprise with at least two unrelated people who can manage the account; By unrelated, we mean people who are not: related by blood to each other; married to each other; in a civil partnership with each other; in a long-term relationship with each other; or living together at the same address
- c. The organisation is financially stable and it has no concerns nor are there any investigations ongoing regarding fraud or financial mismanagement that Community Finance Ireland (CFI) need to be informed about;

- d. The organisation can demonstrate that at 31 March 2022, it will have an operating deficit which has arisen due to COVID.
- e. Where the applying organisation is a Section 167 institution, it must be able to provide disaggregated financial information to demonstrate its NI only charitable operations to enable a reasoned decision be made;

4. Assessment Criteria

- a. An operating deficit is a negative difference between your trading income and trading expenditure in the period 1 April 2021 to 31 March 2022.
- b. Based on the financial calculations the organisation anticipated that it would have an operating deficit for the period 31 March 2022 and can confirm that this is COVID related.
- c. The maximum amount of funding available to an eligible organisation under this Programme is £50,000. Exceptionally, if you need more, you must fill in the relevant template.

5. Pre-Application Support & Guidance

- a. Advice and guidance is available from NICVA and an information webinar will be held after fund announcement in late December. For further information and to book a place, go to www.nicva.org.
- b. NICVA will provide on-going independent advice for applicants from now until the application process closes on Wednesday 26th January 2022. A request can be made for advice by using the NICVA website or by phoning 028 9087 7777.

Key things to note before applying

6. Application Process

All applicants must complete the **Financial Overview Template**, which gathers the financial information that is necessary to underpin and inform sound decision-making. Applicant organisations must therefore provide the financial information set out in the Financial Template taking account of the following:

- Comparative financial data for the pre-COVID year is required as well as the current financial year 2021-22.
- Organisations shall record their operating deficit for the six months 1 April 2021 to 30 September 2021.
- Evaluating previous operating experience, along with the application of best endeavour, applicants shall make evidence-based financial projections for the six months from 1 October 2021 to 31 March 2022.
- Organisations will need to provide year end accounts for both 2019 and 2020 for comparison pre-COVID.
- Where an organisation did not exist for a full year pre-COVID, calculations will be based on the 2021-22 financial data supplied, taking account as appropriate of any partial year figures for 2019-20.

- Two Office Bearers (Trustees, Board Members, Management Committee members, Governors or Directors as appropriate) shall certify the information as complete and accurate.
 - Photo ID - These include Passport, Driving Licence, Electoral Card, Original birth certificate, Firearms or shotgun certificate etc.
 - Proof of Address - Current UK / Ireland driving licence (but only if not used for the name evidence), Utility Bill (within 3 months), Bank/Building Society/Credit Union statement or passbook, Original Mortgage Statement from a recognised lender, Home or Motor insurance certificate, HMRC or Revenue self-assessment statement or tax demand etc.
- The organisation must confirm its final outturn deficit position as soon as practicable after the end of the financial year.
- **The organisation must retain all evidence used to support the claim for operating deficits until March 2025. The Department reserves the right to carry out post payment audits to validate the accuracy of the information provided.**

The Department for Communities & Community Finance Ireland acknowledge the challenges in making accurate financial outturn projections for the remaining months to 31 March 2022. However, people who hold positions of responsibility within sectoral organisations and their professional advisors must exercise best judgement based on previous operating experience, taking appropriate account of normal seasonal trends that could improve or deteriorate finances.

The Application Form & Annex A - Financial Overview Template, can be accessed via a link hosted on <https://communityfinanceireland.com/>. Before submitting the application, please print a copy for your own records and ensure you have attached and clearly labelled the following:

- Completed Financial Overview Template
- Annual Accounts for Year end 2019 & Year end 2020
- Management Accounts (for April 2021 – Sept 2021)
- Financial Projections (for Oct 2021 – March 2022)
- Copy Headed Bank Statement (within three months) clearly outlining name and address of Applicant Organisation and Name, Address, Account Number and Sort Code of relevant bank (This must be the account you want grant paid into)
- Reserves Policy (if no policy in place, 6 months costs used)
- Photo ID & Proof of Address for x 2 Trustees and Main Contact
- Governing Documents (e.g. Memorandum & Articles of Association, Constitution etc.)

7. Letter of Offer

- a. During March 2022, we will inform applicants of the decision through a Letter of Offer.
- b. If the grant offer is accepted, the Trustees/Directors must sign and return the Letter of Offer within 10 working days.
- c. If a signed Letter of Offer is not returned by email in this period, the application will be deemed withdrawn.
- d. There is no appeal process.