

Grant Offer Letter

Explanatory Notes for Grant Managers

Notes are included in the green boxes



Insert name

Position/title

Company name

Address line 1

Address line 2

Address line 3

[Insert date]

Dear [insert name]

Re: Grant Offer Letter [insert programme/activity and grant register reference number **(i)**]

(i) You must record your grant in the grant register. It will be given a unique reference number which you must include on all correspondence and must appear on all grant claims. Grant Offer Letters (GOL) cannot be issued without it.

This Grant Offer is made between:

(1) The Secretary of State for Education **(ii) and**

(ii) This will always be the Secretary of State (SoS) regardless of whether this grant is being managed by core DfE or an Agency because it is the SoS who holds the relevant powers to make grants under legislation

(2) **[Name of the body]** of **[address]** **[with Charity Commission registration number or Companies House Registration number]**.

This letter confirms that a grant will be awarded for **[insert programme/activity]** to the value of £**xxxxxx** **(iii)** for the period ending **xxxx** **(iv)** and such grant is subject to the Department for Education Grant Terms and Conditions as displayed on its website.

(iii) 'value of ' – remember that future years funding cannot be absolutely guaranteed, particularly if future years cross into the next spending review period. You should split the total amount into (a) a firm amount for the current year and (b) an indicative amount for the remainder.

(iv) 'period' – as above, the timescale can only be indicative if the grant spans financial years. A change in departmental or government policy could result in a programme being cancelled and grants being closed down within the indicated period. Periods up to the end of the current spending review can be used. You should caveat any extension beyond that need as indicative only.

This Grant Offer Letter, relevant annexes and the Grant Terms and Conditions together make up the Grant Funding Agreement.

Any grant paid by the Secretary of State will be paid pursuant to **[**insert details of legislation**]** **(v)** and will accordingly be paid only in respect of approved expenditure incurred by **[insert the name of the body]** for the purpose of the funded activities.

(v) The department must have a legal power and Parliamentary authority to make any payment. You must include details of the relevant legislation – name of the Act, sections or any relevant Schedule – confirming the legal power used to provide this particular grant.

You should be aware that some legislation may have restrictions such as type of body that can be funded or type of expenditure incurred (capital/revenue) or specific legislative requirements on the SoS. If this is the case you should be confident that your grant does not compromise the restrictions and the SoS is aware of the requirements.

This letter must be read in conjunction with the relevant annexes **(vi)** :

(vi) Do not delete any Annex from the list or change the letter order as this will affect the cross references in the Terms and Conditions document. If you don't need a particular annex simply indicate this in bold after the Annex

name.

Annex A - Acceptance of Grant Offer and effective date

Annex B - Bank account details

Annex C - Claiming Grant in Arrears

Annex D - Claiming Grant in Advance

Annex E - Details of Grant Allocations

Annex F - List of Objectives for which the grant is being paid

Annex G (i) - Annual Certification of Expenditure (external auditor / accountant's report arrangements)

Annex G (ii) – Statement of Grant Usage (Statement prepared by Local Authority)

Annex H - Grant Payment schedule

Annex I - Sample Exit Plan

Annex J - Sample Progress Report Template

[Insert any additional conditions specific to your project/programme (vii)]

(vii) The Department uses standard terms and conditions for every grant which are published on our website. You are not allowed to change that document. However, you may add additional bespoke conditions that you consider necessary to your grant by inserting these in the Grant Offer Letter.

Where a specific annex does not apply as with Annex C or D or Annex G(i) or G(ii), strikethrough the relevant Annex, then annotate it “does not apply”. On the actual Annex, you may also wish to delete the contents leaving only the Annex heading.

Where you plan to insert bespoke conditions you must ensure that they are consistent with those in the standard GFA and do not contradict or adversely impact on them.

To accept this offer of funding, please sign both copies of this Grant Offer Letter (Annex A) and provide bank account details, if you haven't already done so (Annex B) and return a copy to the Department for Education (DfE), *[Insert contact policy lead address]. (viii)]*

Yours sincerely,

[Insert name and job title]

(viii) Agreement signing

When you're ready to sign, you must

- 1. send two copies of the final grant funding agreements to your grant*

recipient, ask them to sign and return both complete copies (including all annexes)

- 2. check the returned copies to ensure no changes have been made then*
- 3. get whoever is signing on behalf of the Secretary of State for DfE to sign both copies*
- 4. return one copy to the grant recipient*
- 5. pass the second copy to your Grant Manager so they can file it securely.*

The person who signs a grant agreement must have the appropriate [delegated] authority to do so.

As a finance record, you must ensure a copy of the agreement is held for at least 7 years. You may wish to scan and upload the agreement to Workplaces.

Annex A (ix) - Acceptance of Grant Offer and effective date

(ix) No agreement exists until this Annex is signed by the DfE and grant recipient's authorised representatives. You have no authority to make any payments to the body until the signed copy has been returned to you.

This section should be signed by the person with the correct delegated procurement authority. This will be either the Budget Manager (Dir or DD) with responsibility for that particular budget or Team Leader (or below) where those specific tasks have been delegated by the Budget Manager.

Annex B (x) – Bank account details

(x) The contact details should be consistent with those provided on the original bid for grant funding. Payments cannot be made until bank details have been provided. Annex B should be signed by the Finance Director or senior representative.

Annex C (xi) - Claiming Grant in Arrears

Annex D (xi) – Claiming Grant in Advance

(xi) You will need either Annex C or D depending on the agreed payment schedule at Annex H. You will not need both. The name and position of the 'authorised senior officer' in the body who will sign the claim forms should

have been notified to you prior to claims being submitted.

Annex E (xii) – Details of Grant

(xii) You should present the total grant by value across all relevant financial years adding columns as necessary. You should clearly mark future years as indicative and refer to the Grant Funding Agreement for the process of confirming grant amounts annually.

If the grant is a mixture of revenue and capital show the two amounts separately.

[other]: Include any other funding which is contributing towards the delivery of this programme/project. For example, grants from other government departments, financing from private sector, contributions from the body itself.

Wages: Show the direct wage costs of those individuals working on the project/programme within the body.

Staff related costs and administrative expenditure: List here the cost categories associated with this project and consistent with clause 6 of the GFA Terms and Conditions

Annex F (xiii) – List of Objectives for which the Grant is being paid

(xiii) You should be able to populate much of this from the original grant advert inviting bids. Note that Spending Controls apply to grants and none of these categories of spend should appear in Annex E unless they are part of the project/programme and funded from a different income source, or, you have received exemption approval from the spending control team. If you do have an exemption you should amend para 4 accordingly.

You should also make it clear whether the grant is revenue or capital, and therefore whether the recipient is allowed to purchase or improve assets with the grant.

Annex G (xiv) – (i) Annual Certification of Expenditure or (ii) Statement of Grant Usage [For Local authorities or LA controlled bodies]

(xiv) The letter provides the background to the current position on the audit assurance certificate. You should sign this at the time you sign the main letter.

The Statement of Grant Usage (Section (ii)) is an alternative to Annex G (i) and is only to be used where the grant recipient is a Local Authority or maintained school or an LA controlled body.

Certificate: You will need to decide on the level of risk to your grant which will determine the level of assurance which you need from the auditor. If you have a robust process in place for the day to day grant management, including the checks performed on the claim forms prior to payment, then limited assurance from the external auditor may be sufficient.

Limited Assurance: *In limited assurance engagements, accountants seek to gather evidence sufficient to obtain a level of assurance which provides the basis for a negative form of conclusion on unaudited financial statements, that is ‘... nothing has come to our attention to refute the directors’ confirmation that ... the financial statements give a true and fair view ...’.*

Reasonable Assurance: *In reasonable assurance engagements, accountants seek to obtain sufficient appropriate evidence that will enable them to express a positive opinion on the report prepared for users and reduce the risk of a material misstatement. For instance in an audit, accountants express their opinion that ‘... in our opinion the financial statements give a true and fair view, ...’.*

Note that limited is ‘we haven’t found anything to make us disagree with the Director’s opinion’, whereas reasonable is the auditors opinion. Consequently Reasonable requires more work from the auditors and will be more expensive to the body, and the department as the fees are classed as eligible expenditure. The type of assurance should be agreed at the outset and costs factored into the grant bids by the bidding organisations.

Annex H (xv) – Grant Payment Schedule

(xv) The payment schedule should mirror what you have agreed with the recipient during negotiations. If payments are to be quarterly then delete the ‘month 1,2,3 etc’ elements and vice versa.

*The departmental default position is that payments should be paid in arrears. There are exceptional circumstances where smaller voluntary and community sector organisations may require payment in advance due to the impact on their cash flow. You cannot make payments in **advance of need** so in order to avoid the risk of this the recommendation would be to have a monthly payment schedule rather than quarterly.*

You may need to be flexible and revise this annex if actual delivery differs

from planned delivery. Any changes should be agreed at regular grant management meetings with the body and decisions recorded and retained for audit purposes.

Annex I (xvi) – Sample exit plan

(xvi) The inclusion of an exit plan is a mandatory requirement. The format will be dependent on the nature of the grant, but should be clear to both parties what will be expected once the funding ends. A more detailed plan will be required particularly in the following circumstances:

- The grant is over an extended period*
- The grant is a high proportion of the body's income*
- The grant is likely to need reCompleting with the possibility of it moving to another delivery body*
- There is a risk of misunderstanding over continued funding*
- The policy which the grant supports is volatile and could change or cease requiring early grant closure.*

Annex J (xvii) – Sample Progress Report Template

(xvii) The purpose of this annex is to ensure a consistent approach to reporting across the project / programme. This template is just an example. You are free to use whatever format best meets your needs.