



## COMMUNITY INVESTMENT FUND GOOD GOVERNANCE GUIDE

In an increasingly competitive funding environment, there is no guarantee of Community Investment Fund support from Urras Oighreachd Ghabhsainn. No organisation is automatically entitled to receive funding and we have to look at an organisation's capacity to handle the funds granted to them.

In order to ensure these funds are spent effectively and not misused we have a number of measures in place to ensure that organisations that receive UOG's Community Investment Funds have sufficient and appropriate governance arrangements.

UOG will review your application form and the governance arrangements of your organisation as detailed before we assess the project proposal. If there are any changes in your organisation that will affect the application made, UOG will conduct a review.

### **What do we mean by Governance?**

Governance means the way your organisation is set up and run. What procedures, policies, documents and management arrangements you have in place for the way you administer and control your organisation, including its finances and delivery of what it has been set up to achieve. It also considers what relationship the organisation has with the stakeholders and your aims and objectives.

### **Why is good Governance important?**

The Community Investment Fund is not unlimited. UOG must ensure that the money granted is going to organisations that can effectively deliver projects to those most in need in the area of Galson Estate and is being used for the genuine benefit of the community. To ensure this, UOG will only make awards to organisations who can demonstrate that they have adequate governance to have the funds whilst delivering on the aims from the application submitted.

Unfortunately, there is not a guarantee of receiving funding from UOG, no organisation is automatically entitled to receive an award. You should not assume that having received one award that you will continue to receive others. You should never rely on CI Funding to keep your organisation running. The CI Fund has been established to help fund projects that will have a benefit to the communities within Galson Estate Trust area.

It is essential that you can demonstrate that you have the sound governance structures required to ensure that your organisation can successfully manage and deliver the project you want to be funded. This is just as important as demonstrating that your outcomes will bring benefits to the Galson Estate Community.

We are not asking for any additional governance arrangements than those already required by Charity or Company law, or that a well set up organisation will have. We are seeking reassurance that your organisation has sufficiently sound governance to enable you to

concentrate upon the delivery of what your organisation has been set up to achieve, which includes the project that UOG will be funding.

UOG, therefore operates a grant assessment processes that includes the screening of all organisations applying via a risk analysis process. UOG may also conduct risk-based checks throughout the management of any funding award.

### **What is a risk analysis?**

A Risk Analysis is a process that first takes place when UOG receives an application form an organisation. If this analysis highlights areas that UOG needs to look at in more detail then the application under goes further risk assessment.

If we have already identified concerns about an individual involved with your organisation or the application who has unresolved issues with the CI Fund in the past year, your application will be sent for a full risk assessment.

### **What is risk assessment?**

If an application needs to go through further risk assessment, then UOG will check the governance arrangements in more detail before the application is assessed for project outcomes. If the governance arrangements are found to be below UOG's acceptable threshold, the application will be rejected without undergoing a full assessment.

The checks that UOG do will apply not only to applications but also take place at any point during the management of the grant awarded.

### **Person Verification**

To help reduce the risk of fraud UOG will use the name, home address and date of birth of both of the named contacts in your application, or personal details change form, to carry out some basic identity checks. If your named contacts change during the life of a grant UOG will conduct the same checks on these people. We can not make a grant or make grant payments to your organisation unless UOG can verify your named contacts.

### **What do UOG expect of an Organisation?**

When applying for the CI Fund UOG strongly suggest that your organisation should take note of the following areas:

- **Read the application information in detail.**

You should read carefully and understand the guidance notes, application form and terms and conditions of the CI Fund. Before applying, all relevant individuals in your organisation should understand what is required of them and the consequences of not complying with the terms and conditions. Acceptance of a grant offer creates a legally binding agreement with UOG, this makes it essential for you to understand what is expected.

UOG will not be assessing anything in the application that has not already been mentioned in the Guidance Notes.

It is essential that you read and understand what is expected and ensure that you comply fully with all of the requirements.

- **Fill in forms and supporting documents carefully and correctly.**  
 Make sure all personal information, such as names and addresses are spelt correctly and consistently. DO NOT use correction fluid, if you make a mistake delete it with a single line only and initial your mistakes. Application forms and forms telling UOG about changes to your contacts or organisation must be completed by your organisation, not a third party.
- **Organisations Address**  
 The address you provide for your organisation must be the up-to-date registered address. If you have an office address, UOG recommends using this and not the home address of a trustee or the main contact.
- **Governing Documents**  
 Your governing documents must be up to date, correct and in line with the requirements of your regulatory body (if relevant). If requested at any stage, you should ensure that you send UOG the latest, correct, adopted and signed version of your governing documents.
- **Trustees and Management teams**  
 The information you provide about your current management team and trustees must be consistent with information currently registered at Companies House, Office of the Scottish Charity Regulator or any other regulatory authority. UOG will check this.
- **Your supporting documents**  
 UOG will look to see that your governing documents are consistent with other documents that you submit or we ask to inspect. UOG require the information within your application form, governing documents and other supporting documents (such as accounts) to be consistent.
- **Bank Statements**  
 The organisation's name and address must be consistent with the registered address on your governing documents and application form. If there are changes to your organisation during a grant award, then UOG would also expect the bank account information to be amended.

If you are awarded a CI Fund grant, it is likely that UOG will ask you to ring fence any money you are awarded in a separate bank account so it can be accounted for.
- **Accreditations**  
 You should be sure that all professionals you employ, such as accountants, solicitors or architects, have the correct up to date accreditation and registrations. UOG will check this. The professionals you employ must have the correct and appropriate qualifications for the job they are asked to do. UOG appreciate that this can sometimes cost more money but believes that this is money wisely spent. It is not good governance to save money by using suppliers or professional advisors who do not have the correct qualifications. A simple check with the relevant membership organisation will tell you whether the professional holds the accreditations that they claim.

- **Policies and procedures**

Your organisation's formal policies and procedures must be up to date, meaningful and enforced.

- **Signatories**

You must be sure the correct people in your organisation are signing the forms and governing documents. If a trustee or director's name changes, you should ensure that the name change is reported to the appropriate regulatory bodies and recorded on your governing documents. If a trustee or a director is routinely known by another name or names, then only their registered name should be used on all application and monitoring documents.

- **Referees**

If a referee is necessary, your referee must be appropriate for the project that you are applying for funding. A well governed organisation should have links to appropriate members of the community who can act as a referee. It is good practice to have different referees for different projects.

### **What should I do if I have further questions?**

UOG can not provide direct advice on how to fill in your application form.

Our website provides further information on the CI Fund.

Please visit [www.galsontrust.com](http://www.galsontrust.com)

### **Comments or further questions on this document.**

For further information please contact UOG on the details below.

Email: [cif@uogltd.com](mailto:cif@uogltd.com)

Phone: 01851 850411

Post: Urras Oighreachd Ghabhsainn  
UOG Business Centre  
Tom na Ba  
South Galson  
Isle of Lewis  
HS2 0SH