Code of Practice on Funding and Procurement

1. Aim

Many Voluntary and Community Organisations enter into financial relationships with the Public Sector to deliver outcomes on their behalf, either through grant funding or by supplying services purchased through public procurement (contracts). This Code of Practice aims to promote and develop best practice in this relationship.

2. Commitments

1. The achievement of outcomes should be used as a key indicator of the success of funding.
2. Processes should be as simple as possible and in proportion to the amount of money involved.
3. Give equal consideration to the Voluntary and Community Sector budget as to other budgets, if budgetary reductions are necessary.
4. Make prompt payments in advance of expenditure, where appropriate and necessary.
5. Establish proportionate and consistent monitoring and evaluation arrangements.
6. Funders and purchasers should endeavour to join-up or standardise the funding or procurement chain.
7. Apply procedures that are consistent with the principles of good regulation and the need to provide effective protection of, and proper accountability for, public money.
8. Allocate funding and contracts against clear, relevant and consistent criteria within a Best Value framework.
9. Agree terms of delivery before a funding agreement is entered into including implications if funding is not at the level required and in terms of risk management.
10. Implement multi year funding arrangements; e.g. three year renewable annually.
11. There should be clear reasons for decisions made at each stage of the allocation process.
12. Inform applicants as soon as possible of funding decisions and give feedback on decisions made, whether or not they have been successful.
13. Advertise widely and provide information that promotes fair access to funding and encourages applications from organisations who have not applied in the past.
14. Consult on any new funding programmes or proposed changes to existing arrangements, and give timely information about future funding intentions.
15. Give enough notice where possible (minimum of three months) to withdraw the grant.
16. Recognise that if agreed delivery is delayed or prevented by circumstances beyond reasonable control, there should not be a breach of agreement.
17. Recognise that it is legitimate for Voluntary and Community Organisations to include the relevant element of overheads in their cost estimates associated to providing a specific service.
Funding and Procurement Checklist

This checklist guidance aims to promote and develop the best funding relationship possible.

**Application process**

- When developing funding or contract opportunities, care is taken to identify any existing opportunities that are managed by other departments or partners, and that the potential for aligning or pooling opportunities is explored.
- Information on funding or contract opportunities is advertised widely, promotes fair access and encourages applications from a diverse range of organisations.
- The eligibility criteria to apply for funding or contract opportunities is clearly explained.
- Clear written guidance on completing the applications and the scoring of applications is provided.
- Information asked for and provided on application forms is purposeful and directly related to deciding who will receive funding or be awarded the contract.
- Proposed action by applicants meets the specific criteria set out in the funding or tender programme.
- The application process is proportionate to the amount of funding available or the size of the contract.
- An appropriate point of contact from both sectors is identified and support and guidance is offered throughout the application process.
- Both sectors recognise that a proportionate amount of overheads can be included in project or service costs.
- Organisations are informed of funding or contract decisions and given feedback on decisions by the agreed deadline stated in the application process.

**Conditions of the agreement**

- Both sectors discuss and contribute to the terms and conditions of delivery, with conditions being agreed and formally documented in good time.
- Effective processes are in place for the control, accountability and audit of finances and funded projects.
- A schedule for monitoring is set and clearly documented and, whenever appropriate, payments are made in advance of expenditure.
- Potential risks are discussed up-front and responsibility for managing these risks is placed with the sector best able to deal with them.

**Monitoring and evaluation**

- The monitoring and evaluation framework is consistent and helps to maintain high standards of governance, openness and transparency.
- The monitoring and evaluation framework is clear and specific in assessing the measurable outcomes of the agreement and is proportionate to the amount of funding received.
- If agreed delivery is delayed or prevented by circumstances beyond reasonable control, it is recognised that there is not a breach of agreement.
- Reasonable notice (a minimum of three months) is given for the end of grants and contracts and to any proposed changes to existing arrangements.