

# Babergh and Mid Suffolk District Councils

## Grants Review – Glossary of Terms

This document outlines the terms used throughout funding processes offered by Babergh and Mid Suffolk District Councils to Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations.

### **Accounts**

Statements summarising all money received and paid out by the organisation within a specified financial year, often including details of assets, liabilities and a balance sheet. The Council will require these documents to be provided alongside grant applications in most cases.

Source – [Charity Commission](#)

### **Additionality**

Significant tangible betterment of an existing facility or service.

### **Applicant**

A VCFSE organisation applying to the Council for funding.

### **Application**

The information an applicant provides to support their request for funding. Some funding available within the Council uses the term **Bid**, which means the same.

### **Asset**

An item of monetary value that an organisation owns (such as a building or land).

### **Capital Funding**

Money used to buy, lease or improve assets such as buildings, land or equipment.

### **Carry-Forward**

The amount an organisation has available at the end of a financial year, to use/spend in the next financial year.

### **Community Benefit**

How a project or service will positively affect the area in which it is taking place or the community taking part.

### **Community Need**

Why a project or service is required. Commonly this would be a hardship, disadvantage or unmet ambition within a community. For many of the Council's grants, we require this to be clearly evidenced.

### **Constitution**

A constitution is the document setting out the principles and rules by which an organisation is run. It is most usually used by community groups and small charities.

### **Developer Contribution**

Money paid by a developer or housebuilder to the Council to mitigate the impacts of development. This includes Section 106 (S106) and Community Infrastructure Levy (CIL), to which community groups are eligible to apply.

## **External Funding**

Sources of funding which are outside of an organisation's own contribution towards a service or project. This term is also used to refer to sources of funding outside of the Council, such as the National Lottery and local or regional Charitable Trusts.

## **Full Cost Recovery**

An approach whereby the full cost of a service or project delivery can be included in funding applications, such as staffing costs. This approach includes all necessary costs, such as a portion of staff management, utilities, and overheads, not just the immediate costs of the project activities. Full Cost Recovery is available for some Council Grants.

## **Funding Package**

This term means an explanation of the different funding sources that will cover the cost of a project or service. This may include a variety of external funding sources or an organisation's reserves. For some grants, this is an important part of the application process, as a completed funding package demonstrates that a project can be delivered

## **Funding Source**

Where the money to deliver a service or project will come from. Funding sources may include an organisation's own reserves or a grant from the Council.

## **Governance**

This is the system an organisation uses to make sure that it runs in a proper and legal way. All organisations should have a governing document covering their aims, decision-making and how they will operate, such as a **constitution**, articles of association, terms of reference or similar.

Other common governance measures include holding **key policies** for the organisation's activities, having trustee oversight and reporting publicly on finances & activities to the Charity Commission, Companies House or through a public meeting (often called an Annual General Meeting).

## **Grant**

A grant is money paid by the Council to another organisation to achieve a benefit. The benefit will align to the Council policy or aims set out in the Fund. Normally, the way the money will be used is agreed in advance. Grants generally do not give a direct economic benefit to the recipient.

The money can be reclaimed under certain conditions, for example, if the recipient:

- misuses the money
- fails to spend the money
- is unlikely to spend the money within the agreed timeframe

## **Grant Funding Agreements**

Also known as **Grant Offers**. This is an agreement by the Council to pay an amount of money to an applicant. It is also an agreement by the applicant to use the money in specific ways in a set period of time. Grant Funding Agreements normally include conditions for the applicant to report back to the Council on how the money was spent and how the project went. Another common condition is for unspent or misspent money to be repaid to the Council.

## **Grant Manager**

Also known as a **Contract Manager** for some projects. A member of staff or team at the Council responsible for making grant funding agreements with applicants, making grant payments and checking on how projects are run (monitoring).

**Grant Recipient**

The project or organisation that is paid money through a grant.

**Gross Cost**

The total cost of a project/purchase, including VAT.

**Impact**

The effect, positive or negative, of a project taking place. For the purposes of funding applications, this may include the social, financial or environmental impact of a project.

**Indicators**

These are the means in which outcomes and outputs will be measured and can be quantitative (such as number of people using the facility within a specified timeframe) or qualitative (such as user feedback).

**In-Kind Contribution**

Support that is given by an organisation toward a project or service, which is non-financial. This might be the time that volunteers give to a project. It could also be a donation of materials or services by another organisation that is helping the project.

**Intervention Rate**

The percentage of a project's costs which can be grant-funded. For example, an intervention rate of 50% means that 50% of a project's costs can be applied for.

**Key Policies**

Some of our grants require that organisations have adopted policies, such as Safeguarding, Health and Safety or Equal Opportunities. Policies are an important part of the **governance** of community groups and organisations.

Source – [Community Action Suffolk](#)

**Match Funding**

Another source or sources of funding that will combine with the Council's grant to meet the cost of a project or service, such as from an organisation's own funds. Some grants require that a fixed level of match funding is secured before Council funding can be awarded.

**Need**

Sometimes described as **Market** in grants to businesses. This is the demand that an organisation has identified for their service or project within a defined geographic area. This might be the number of people that live in the area and are of a background or situation likely to benefit from the project. It might be the number of located cases of a type of hardship which the project will help to alleviate. Many of our grants ask how the need has been identified and how the service or project will meet it.

**Net Cost**

The cost of a project/purchase without VAT. Some organisations are able to claim back VAT, meaning funding offers are based on the net cost of a project rather than the gross cost.

**Not-for-Profit**

A not-for-profit organisation is a business/organisation that aims to achieve community benefit rather than make a profit for the owners, such as providing a public service or helping people. Any surplus after costs or reinvestment in the business is used to further community benefit.

## **Outcomes**

Outcomes are the intended results a project or organisation aims to achieve. These will relate to the difference a project or grant has made.

## **Outputs**

Outputs are the immediate results of the project, such as a new building or purchase, or delivering a series of workshops, etc..

## **Project**

A collection of actions and activities within a set period of time to achieve specific aims. Projects can be very varied. Examples include building an extension to a village hall or running a series of activities for local children.

## **Qualitative**

Information that describes an experience or effect. It is normally word-based (written or spoken) and gives subjective information about the experience of people taking part in a project. We may ask for qualitative data such as customer/user feedback to demonstrate people's views on the need for a project or on its impact once it has been completed.

## **Quantitative**

Information which number-based. We may ask for quantitative data such as the number of hours of support offered or the number of people taking part.

## **Rateable Value**

An estimate of what it would cost to rent a property for a year, from a set valuation date. This value is used to work out business rates bills.

Source – [HM Government](#)

## **Ratepayer**

A ratepayer is an organisation or individual liable to pay national taxes, such as Business Rates.

## **Restricted Reserves**

Money that an applicant organisation holds that has restrictions applied to its spending which means it cannot be used in a project. Restrictions may be part of the applicant's Reserves Policy or the terms under which they received the money (for example under a separate grant).

More information – [Charity Commission](#)

## **Retrospective Costs**

Costs that have already been incurred such as purchases which have been made, services that have been delivered or projects which have completed. Retrospective costs are mostly ineligible for funding applications.

## **Revenue Funding**

Money used towards the running costs of a project or the core costs of an organisation which might include staffing costs, equipment, utilities, etc.

## **Social Infrastructure**

Facilities which are used for the social or wellbeing interest of the community, such as village halls, play areas and sports facilities. Social infrastructure for our purposes excludes profit-making commercial premises and is normally owned by a public organisation like a parish council or a charitable organisation. Social infrastructure differs from strategic or transport infrastructure such as roads, railways, schools and hospitals.

## **Subsidy**

A subsidy is where a public authority provides support with a financial value to an enterprise (which is any legal person who engages in economic activity by putting goods or services on the market), and this support gives the enterprise an economic advantage, meaning that equivalent support could not have been obtained on commercial terms. This could include, for example, a cash payment, a loan at below the market rate of interest or the free use of equipment or office space.

Subsidies are given by all levels of government in the UK, including central government, devolved governments, and local authorities, as well as other types of public authority.

Note that a not-for-profit organisation or registered charity can be deemed an enterprise in this context if it has commercial activities. For example, if a charity charges for training courses, then financial assistance from a public authority to the commercial part of the charity's operations could be a subsidy.

Source – [www.gov.uk](http://www.gov.uk)

## **Subsidy Control**

Subsidy control is a legal framework that governs the giving of subsidies. It must be followed by all UK public authorities, including the UK government, arm's-length bodies, the devolved governments, local authorities, and other organisations exercising functions of a public nature. The framework allows public authorities to use subsidies as a tool to meet their policy objectives, while at the same time avoiding unnecessary harm to fair competition between businesses in the UK, and between the UK and other countries.

Source – [www.gov.uk](http://www.gov.uk)

## **Surplus**

For not-for-profit organisations, surplus is the amount remaining once expenditure is subtracted from income, generated during a specified period such as a financial year. This funding can be re-invested into the organisation, invested into charitable aims, or held in reserve.

## **Social Enterprises**

Social Enterprises are organisations that are not-for-profit but charge for providing goods or services. This includes charities, Community Interest Companies (CICs) and Community Benefit Societies (CBSs).

## **Social Value**

Social Value is an approach defining how organisations and projects improve the economic, social and environmental wellbeing through activities on which Council money is being spent. This might include benefits such as creating local employment, providing skills training or improving the natural environment in the location of a project.

## **The Council(s)**

Babergh District Council or Mid Suffolk District Council. Both, if referred to as 'The Councils'.

## **Trustees**

Trustees make decisions about the direction a charity/organisation takes and how its purpose will be carried out. They also make sure that the charity has the resources and policies it needs and to comply with legal requirements.

**Unrestricted Reserves**

Money that an applicant holds with no restriction on how it can be spent. Unrestricted reserves are commonly used for unexpected costs or initiatives made at an organisation's own discretion. For some grants, we check whether applicants hold enough money in unrestricted reserves that they could deliver the project without Council funding and without affecting their other activities.

More information – [Charity Commission](#)

**Value for Money**

Measuring the cost of something compared to the quality or benefit that it would/does provide. As Council funding is public money, value for money is an important part of funding applications, and this is usually evidenced by organisations providing quotes for works being undertaken.

**Voluntary, Community, Faith and Social Enterprises (VCFSE)**

VCFSE is an umbrella term covering most not-for-profit organisations. Often used interchangeably with 'community groups'.