

## OBAN COMMON GOOD FUND

### DISTRIBUTION POLICY

#### **Management of the Fund**

1. Members will agree an annual budget to quantify the likely level of financial assistance available for distribution in each financial year.
2. The Fund should aim to distribute all of it's expected income in each financial year, subject to the receipt of sufficient appropriate grant applications.
3. The Capital Fund is to be held in perpetuity and no distribution is permitted therefrom without the prior consent of Argyll and Bute Council as parent body.
4. Members will consider making a transfer of funds from the Revenue to Capital Account at such time as it is felt that the value of the Capital Funds has, or is likely to, diminish in real term value due to the economic climate. Advice will be sought from the Funds Investment Managers at that time.
5. Transfers to the Capital Account -are not permitted at any other time.
6. A single grant approval should not distribute more than £5,000 at any one time unless extenuating circumstances prevail. In such instances, all Members appointed to deal with applications to the Fund are required to favour the grant application and a detailed minute of the approval shall be kept.
7. Where an application is approved, and is above the material amount, the applicant will be notified that further applications during the subsequent two years would not be considered unless extenuating circumstances prevail at that future time.

#### **Applications to the Fund**

8. Members meet quarterly to review applications for financial assistance.
9. A limit of one application from any single body will be considered in each financial year.
10. The committee shall not approve any retrospective applications (i.e. where an item of equipment has already been purchased, a member of staff employed, or a project either capital or revenue in nature commenced) where it can be shown that the applicant was aware of a funding deficit at the time of commencement.
11. Grants awarded will be valid for a period of 9 months, after which the offer of grant will lapse and will be considered to be withdrawn. An applicant not drawing down an approved grant before the above period may re-apply.
12. Applications are reviewed against the Oban Common Good Fund Distribution Criteria as follows:-
  - (i) In accordance with the terms of the Local Government (Scotland) Act 1973 (Section 222, paragraph 2), the Council shall, in administering the Fund, have regard to the interests of the inhabitants of (the former burgh of) Oban.

- (ii) Applications for contributions towards recurrent revenue costs will not normally be considered. Applications may be considered, however, for funding to support start-up revenue costs, with the purpose of supporting an applicant prior to the applicant securing recurrent funds. In any case, revenue funding will not be considered for a period exceeding 6 months.
  - (iii) Where significant (large scale) applications are considered, it is expected that other funding sources are detailed at the time of application. In such cases, grants may be approved on the basis that sufficient funds from other bodies will be secured prior to the release of any grant from the Oban Common Good Fund. Should the nature of the project change due to an overall funding shortfall, the applicant should re-apply to the Oban Common Good Fund stating the nature of the change.
13. Where an applicant is seeking funding to offset, either in whole or in part, the cost of hiring an Argyll & Bute Council facility, the Members will consider the application on the basis of the above criteria. Should the applicant wish to hire an Argyll & Bute Council facility for the purpose of fund-raising, the purpose of the fund-raising activity will be considered as the applicants aims, and tested using the aforementioned criteria.
14. Where a grant is approved to support an applicant's capital expenditure, an accountants certificate shall be provided to ensure the correct treatment of the grant in the applicant's accounts.
15. A grant will be released upon receipt of written confirmation and copy invoices from the applicant. This documentation should be sought as follows:-
- I. For goods or services, a copy of received invoice(s) provided.
  - II. Capital project completed, copy of received invoice(s) provided or written evidence of progress from Quantity Surveyor.
  - III. For goods or services, a copy of invoice(s) provided. (where applicants cashflow doesn't allow for invoice settlement in advance of claim)
  - IV. Where a material sum is approved for a revenue project, half of the grant should be paid at the mid-point, with the remainder paid at the end of the period for which the support was approved.
16. For each grant approved, confirmation should be required from the applicant to verify that the funds have been made available for the purpose for which they were awarded. Should this not be the case, the committee will make every attempt to recover the funds.