

**NATIONAL  
HERITAGE  
MEMORIAL  
FUND**



# **National Heritage Memorial Fund - Receiving a grant**

**Monitoring; Permission to Start; and  
Grant payment**

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## **1. Introduction**

Thank you for approaching NHMF for a grant. We want your project to be a success as much as you do – this document will help you request a payment and report on the progress of your project.

It is essential that you comply with the NHMF terms of grant and additional requests set out in your Grant Notification letter. You must also address any issues we identify in the course of monitoring, and follow the requirements specified in the Application guidance, which is available on our website.

### **Before You Start**

Before you can start your project and seek a grant payment, you will need to sign the grant contract we sent you and complete a Permission to Start form.

You should not start your project until you have received our approval through Permission to Start. If you do start before receiving our approval, this will be at your own risk. We will not make any grant payments until this form has been approved.

### **Reporting on progress**

If your project involves capital works you will be expected to report progress on a regular basis to NHMF.

This is done through completing a Progress Report form online [link]. As a minimum we would expect reports every three months.

You will also need to complete a Progress Report form along with each Payment request form submitted.

We may choose to alter the frequency of reports depending on how well the project is progressing.

### **Seeking payment of your grant**

The payment arrangements are based on the type of work your project will undertake.

Acquisition projects:

- We expect that you will claim 100% of your grant immediately after it is awarded in order to fund the acquisition
- We will authorise payment of your grant on receipt of a project Completion and Final Payment Request form
- You must supply an invoice for the full purchase cost of the acquisition with this payment request

Projects involving capital works:

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- We will pay your grant in instalments after each phase of the work is completed
- You will submit Payment Request forms along with a progress report for each payment claim. We will pay the payment percentage of claims submitted to us
- We will retain the last 10% of your delivery grant until we are satisfied that the project is complete and necessary evidence has been provided
- When your project is complete you must fill in a Completion and Final Payment Request form to claim the final part of your grant. We will not pay the final part of your grant until we are satisfied that all our requirements have been fulfilled

## **2. Completing the Permission to Start form**

Before you submit your Permission to Start form online, you must return your signed grant contract to us in hard copy.

The following documents will need to be uploaded with your form:

- Proof of partnership funding
- A detailed timetable
- Cost breakdown and cashflow (capital works projects only)
- Detailed project management structure
- Method of buying goods, works and services (capital works projects only)
- Your bank account details

We will use the documents you supply with the Permission to Start form to help us monitor your project's progress and performance. We will normally pay only towards costs incurred after you have obtained our Permission to Start.

If you have already sent us the above documents you will need to bring the information up to date and provide any other details we ask for.

Once the form is completed, print a hard copy, sign and date it, and send to your Grants Officer for NHMF approval.

The person signing this declaration must have the authority to do so. By signing the declaration, you are confirming that your organisation understands and accepts the grant award along with all the associated requirements.

### **Cost breakdown and cashflow (capital works projects only)**

You will need to:

- Provide an up-to-date breakdown of costs. In your breakdown you must identify separately any amounts allowed for VAT and contingency. We will only pay for VAT that you cannot reclaim. The amount for VAT is fixed at the point of decision so we will not transfer costs to cover VAT increases, nor can we allow VAT savings to be used as contingency for other costs

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- Provide a cashflow, which shows the planned timing of your income (including grant payments and any partnership funding) and expenses over the life of your project. Remember that we normally retain 10% until your project is completed

#### **Partnership funding**

You will need to:

- Provide proof that any partnership funding is in place and confirm its source

#### **Timetable or Programme**

You will need to:

- Provide a detailed timetable to complete the whole project before the grant expiry date included in the Grant Notification letter. These should show a realistic timescale for achieving the approved purposes, including any additional conditions set out in the Grant Notification letter

#### **Project management and procurement**

You will need to:

- Provide a description of how you will organise and manage your project

#### **Proof of ownership**

We expect you to own any property (heritage items or intellectual property) on which you spend the grant. See appendix B.

#### **Bank account details**

We will pay your grant by bank transfer (BACS). We will not make payments into personal bank accounts and the grant can only be paid to the organisation named in the Grant Notification letter.

We will need to see a copy of a recent bank statement (dated within the last three months), or a cheque or paying-in slip for the relevant account, showing the bank's name and address.

#### **Declaration**

We ask you to sign this Declaration with your Permission to Start form for our records. We will return a copy signed by NHMF to you for your records.

## **3.Updating us on your progress**

If your project involves only acquisition you need to report to us only once - when you submit your completion report and final payment request.

If your project involves capital works you will need to provide regular progress reports to us, at least every three months, during your project.

#### **Approved Purposes Progress**

This is a summary of your progress against each of the approved purposes of your grant.

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### **Additional grant conditions (if any)**

This is a summary of your progress towards meeting any additional grant conditions.

### **Identifying, charting and managing risk**

This is a summary of any difficulties you have/risks you face and how you will overcome them.

### **Changes to your project timetable and programme**

Explain any significant delays to your project's delivery, and how you plan to make up the time so that the project finishes by the grant expiry date. NHMF staff may agree changes to timetables.

### **Partnership funding update**

Explain any changes to your funding sources. Make sure to keep your cashflow table up to date.

### **Selecting consultants, contractors and suppliers (Capital works projects only)**

Procedures to recruit consultants and contractors must be fair, open and keep to the relevant equality legislation. In all applications regardless of level of funding we will ask you to give us details of the procurement (buying), tendering and selection process for all parts of your project. If you are unsure about your obligations, we advise you to take professional or legal advice.

If you have already procured goods, works or services, you will need to tell us how. We cannot pay your grant if you have not followed the correct procedure.

You must get at least three competitive tenders or quotes for all goods, work and services worth £10,000 or more (excluding VAT) that we have agreed to fund.

For all goods, works and services worth more than £50,000 (excluding VAT), you must provide proof of competitive tendering procedures. Your proof should be a report on the tenders you have received, together with your decision on which to accept. You must give full reasons if you do not select the lowest tender.

### **European Union procurement rules**

Your project may be covered by European Union (EU) procurement rules if it exceeds the thresholds noted below. This will require that all services for both fees and construction will need to be tendered through Tenders Direct, previously known as Official Journal of the European Union (OJEU).

- Non-public body

If you are a non-public body, and your NHMF grant (or your NHMF grant combined with other public funding) exceeds 50% of the estimated cost of a contract and exceeds the thresholds noted below, you must adhere to EU Procurement Regulations.

The applicable thresholds can be found on the Cabinet Office website.

- Public body

If you are a public body, different thresholds apply, and you will have to comply with those that are already relevant to you.

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The thresholds apply to all individual consultant appointments (or to the aggregate fee as a single appointment) and to construction works.

#### **Professional fees**

Fees should be in line with professional guidelines and should be based on a clear written specification.

#### **Changes to Agreed Costs**

Complete the Changes to Agreed Costs table if you wish to seek agreement from NHMF to change the approved purposes, grant award or grant percentage.

#### **Photographic and other records**

The photographic record over the duration of your project should include at least five high-resolution digital images; it should also include photos that show your project before, during and after it is finished. Please also supply links to any project information online.

We may make use of your photographs in publicity material; please ensure that the necessary consents are in place.

## **4. Interim Grant Payments (capital works project only)**

You must keep proper up-to-date accounts and records.

Please include all relevant copies of accounts, bank statements or invoices with the form. Please note all files sent to us through the portal should be freely reusable by NHMF in accordance with your terms of grant.

For amounts of less than £500 (less than £250 for grants under £100,000) you should submit a table of costs which specifies the date, amount and description of each item of expenditure, instead of the individual invoices.

The total of your table should be shown as a single line on the summary of invoices. Retain all original receipts and invoices.

We will pay 90% of your grant – after that we will not make any further payment until your project is finished and you complete a Completion and Final Payment Request form (see section 5).

All proof of costs must be dated after the grant award date and before the grant expiry date shown in the Grant Notification letter. If invoices include costs which are not part of the agreed costs, you will need to deduct these from the invoice when making your claim. We reserve the right to refuse payment of invoices which we consider do not form part of the original agreed project.

## **5. Final grant payment**

You will need to claim your final grant payment by filling in the Completion and Final Payment Request form. For acquisition projects, we expect that you will claim 100% of your grant.

The form asks you to:

- describe how you achieved your approved purposes
- describe issues or changes, and the impact on the timetable or costs
- describe how you will meet the long-term requirements
- supply project records such as digital images
- describe how you met any additional grant conditions, including a statement about agreed costs and the declaration needed as part of the payment request
- request your final grant payment as soon as possible after your project is completed and you have achieved your approved purposes and complied with any grant conditions
- acknowledge the grant

Once you have made your final grant request, we will not accept any further requests for payments. You should therefore try to agree your final accounts with your contractors and suppliers before you apply for the final grant payment.



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**Appendix A – Additional Definitions**

**Approved purposes** – the purposes for which you have been offered a grant and how you plan to carry them out as set out in your application and confirmed in our grant award letter, any additional information as set out in the Permission to Start form and subsequent correspondence.

**Approved costs** – the costs we have agreed to contribute towards as set out in your grant award notification.

**Payment percentage** – the proportion we pay against invoices, calculated by dividing the grant award by the agreed costs which excludes any volunteer labour or non-cash contributions.

**Payment limit** – for capital works projects we will normally pay no more than 90% of your grant until we are satisfied that:

- the project is finished
- you have met all our standard terms of grant and any additional grant conditions
- we have received an acceptable final grant payment request and completion report
- appropriate funding acknowledgement is in place

**VAT** – our grant percentage will include your VAT payments if these were included in the approved costs for your project.

You must do all that you can to:

- make your project VAT-efficient
- make sure that VAT is applied only to relevant parts of your project
- claim back any VAT where possible

If your VAT payment decreases during the project, we will reduce our contribution to those costs. You will have to pay back any amounts of VAT you have managed to claim back. If your VAT payments increase we will not increase our grant payment. You must not transfer any VAT savings that you have made to any other budget heading.

**Contingency allowances for unexpected expenses** – only use this allowance where unforeseen circumstances have affected the costs of individual elements of the approved purposes. You must get our permission for major spending of the contingency against any individual elements. We will reduce your grant by the proportion of the contingency that you did not need to spend.

**Increases or decreases in the approved cost** – the costs of the project may increase or decrease. Where a project increases during the course of the project we will only consider increasing your grant in exceptional circumstances. In this case you will have to provide further information. If the final cost of your project is lower than the agreed cost, we will reduce your grant in line with the agreed overall grant percentage.

## **Appendix B: Property ownership**

If you are successful with your NHMF application, we expect you to own any property (heritage items or intellectual property) on which you spend the grant. If we award you a grant, we may require a charge on the heritage items.

### **Heritage items**

For projects involving buying, or carrying out conservation work to, a heritage item (for example, a steam train or historic vessel), we expect you to buy or own the item outright.

### **Digital outputs**

If you create digital outputs we expect you either to own the copyright on all the digital material or to have a formal agreement with the copyright owner to use the material and to meet our requirements.