

## Appendix 2

### Management of the Birmingham Municipal Charity

#### Setting Up

1. With the pending consolidation of dormant and small trusts (registered and unregistered) into the **Birmingham Municipal Charity** (BMC). It is proposed that the new trust fund objective is a general charitable nature.
2. The trusts endowment is likely to be in the region of £240k and could generate annual income in the region of £5k (interest rate used 2.25%). It is proposed that **only** the annual accumulated interest will be made available to award grants. It will be safe to assume that the initial amount of annual funding available will be insufficient to meet demand.
3. If resolution 2.3 is adopted the trust will be called the Birmingham Municipal Charity.
4. Committee approved on 12 November 2015 to increase the threshold for awarding grants per application from £500 to £10,000, subject to funds being available in the Trusts unrestricted balances.
5. It is proposed that when the new fund is established all funds be consolidated and transferred into the permanent endowment element of the fund.
6. Subject to Charity Committee approval, annually transfer £0.050m from the trust's restricted to the unrestricted funds to meet charitable objectives.
7. In the event of annual allocation not being disbursed in the year, the balance shall be netted off against the following year's allocation to be transferred from the Trust's restricted funds.
8. Capital donations (dormant, wound up funds), subject to Charity Commission approval, Committee to have greater flexibility in determining how funds are appropriated into which funds (unrestricted / restricted) on a case by case basis, so that a larger proportion, as determined by Committee, can be used for grant awards from its unrestricted balances. Subject to Charity Commission approval.
9. Any fund raising or donations to be allocated directly to the permanent endowment element of the fund. Unless specifically raised to meet revenue funding.
10. As agreed by Trust and Charities Committee on 12 November 2015, apply all charitable donations below £5,000 to BMC's unrestricted fund to be used to meet the Trusts objectives.
11. Committee Approval to be sought for funds to be transferred between the Trusts permanent endowment and unrestricted funds.

## **Funding Application.**

1. Grant awards for specific projects or from individuals will be considered.
2. In the first instance, applications to be submitted to the trusts secretary.
3. City Council officers will be available to support Trustees in vetting applications before a grants panel agrees a list to go forward to Trust and Charities Committee for approval.

## **Criteria of funding:**

1. Grants to be awarded to recipients or beneficiaries who reside within the boundary of the City Council.
2. Grants awarded to be defrayed in the financial year or within 6 months of approval, unless agreed otherwise.
3. Evidence of tangible "public benefit" to be demonstrated in the application Form.
4. Spend is for the benefit of the citizens of Birmingham.
5. Documentary evidence of spend should be provided.
6. A narrative report to be submitted once the grant provided has been defrayed, confirming the use of funds and public benefit.
7. Funding letter to be forwarded to successful applicants
8. Applicants to sign funding agreement and Condition of Grant Aid prior to funds being released.

## **Management Costs**

Staffing costs to run the Trust are to be met in part (proportion to be decided) from the funds unrestricted element.

## **Review**

1. Report to Trusts and Charities Committee on first year of the fund is to be submitted by 30 September 2012.
2. 18 months after the inception of the fund a review should be undertaken to establish if the Trust is operating effectively and report to the Trusts and Charities Committee by 31 March 2013.