GUIDANCE ON APPLICATION OF BENEVOLENT FUNDS (including Beneficiary Policy information)

Please read this guidance and take appropriate action to create a management process around your Benevolent/Welfare Fund, if you have such a fund.

**When you register with the CRA, in the box asking for a Beneficiary Selection Policy, please insert the following:**

**The procedures for Beneficiary Selection are outlined in the Benevolent/Welfare Fund Guidance document and are based on the criteria of experiencing poverty or economic hardship, medical necessity and being in need of urgent welfare assistance.**

Where a parish designates a portion of its income to provide a benevolent fund to assist those in need, it is necessary to have an objective set of criteria for beneficiary selection.

**Categories of need are usually broadly described:**

* Poverty and economic hardship
* Medical necessity
* Welfare assistance

**Accessing the fund:**

Benevolent Funds are usually intended to provide small sums to support those in need, but might also include donations to other charities, such as donations to the local hospice, or to the residents welfare fund in the local old age home at Christmas, as is common in some parishes. Approaches may be made in various ways:

* A verbal request during a pastoral visit
* A letter to the incumbent or select vestry
* A knock on the rectory door with a request for assistance

For the protection of the rector (or pastoral team) responsible for receiving requests a process around the benevolent fund must be put in place to cover not only the more formal application of the fund to institutional beneficiaries, but also to cover and protect the rector in managing supports offered to individuals and families in need. It is not acceptable in modern charitable management that one person should receive, disburse and account for a fund without support. It is necessary to record the request, the decision and the amount given and the date and then to report the activity on the fund as part of the parish accounts (anonymised). A second person should be involved.

Information that needs to be recorded:

* Name of person seeking assistance
* Nature of request and value
* Decision
* How money is disbursed (cash, cheque, electronic payment)
* Authorising signature of incumbent/team and witness

**BENEFICIARY SELECTION POLICY**

As every fund is limited in size, choices have to be made regarding the prioritisation of applicants. Must they be people who attend your parish? Do you offer wider help into the community? If wider help is offered, how do you decide to whom grants will be given? The Church is not generally in a position to seek income or revenue information from applicants, so some other criteria must be applied.

Your overall objective is to select beneficiaries on the basis of need and within the capacity of the fund to offer realistic assistance.

Acceptable means of ascertaining beneficiary status:

*Observation of need through pastoral engagement*

Very often, people slip under the net of statutory supports because they may be marginalised from mainstream society (the homeless, migrants, asylum seekers) or they may already receive state benefits, which may not meet all reasonable needs, or they may sit on the borders of the benefit system. These situations are often not expressed because of personal pride and dignity getting in the way, but can be observed through regular pastoral contact. Where concerns can be raised gently – perhaps you have noticed that the house is not heated when the cold weather arrives – you may be in a position to bring a formal proposal.

*Application letter/form*

Many people fall between cracks because their sense of personal dignity prevents them asking for help. However, if possible, a simple application letter or form helps to create a genuine trail of accountability for the parish for reporting purposes, and provides the incumbent or pastoral team with much more reliable evidence around the process they are operating. This may be particularly useful if you offer grants more widely in the community.

Who makes the decision?

In general, it is better to have two people consider the decision than to leave the burden of allocation decisions to just one person. In general, this can be easily arranged by nominating a person to perform this role alongside the incumbent. However, this might not be possible if the request comes in the form of a knock on the rectory door late at night, but additional criteria can be added locally to limit the type of help that can be handed out in this situation. Perhaps, instead of giving money for a hostel room for the night, an arrangement can be made whereby the rector can contact the hostel to find out if accommodation is available and a standing arrangement put in place with the parish to pay for an accommodation referral the following day. The rector may be limited to handing out smaller sums of €30 for lesser requests such as groceries.

Remember that if any decision-maker is connected to the recipient, they must withdraw from the process. Also, if there should be any possible conflict of interest, someone else must be involved to take the decision.

**Data Protection**

All of the information gathered will be sensitive. The record book must be kept in a locked cupboard. No names should be mentioned in accounts or reports to the parish or Select Vestry.

**Accounting for the Benevolent Fund**

Once the parish decides to create a Benevolent Fund and assigns money to that fund, it becomes a restricted fund that can only be used for the purpose as set out in the decision making of the Select Vestry. Having set it up and supplied the funding, the Select Vestry is responsible for accounting for the application of the fund. This means reporting how many grants and the value of grants made. It should be shown as one of the restricted funds in the parish accounts.