



# Catalyst: Endowments

Grants of £500,000 or £1 million

## Application guidance

November 2012  
[www.hlf.org.uk](http://www.hlf.org.uk)

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# Part one: Introduction

## Welcome

Catalyst: Endowments offers eligible heritage organisations in the UK the opportunity to match-fund the creation, or further development, of an endowment fund with the aim of providing an annual income over the very long term.

The Catalyst: Endowments initiative is part of a broader partnership between HLF, DCMS and Arts Council England (ACE) to encourage more private giving to culture and heritage, and to build the capacity and skills of cultural and heritage organisations to fundraise from private donors, corporate sources and trusts and foundations.

You can apply for a Catalyst: Endowments grant of either £500,000 or £1 million, to be matched £1:£1 by private donations you raise.

In funding the creation of endowments we expect to create a lasting source of financial support for heritage organisations, and to establish relationships with donors whom it is hoped will want to continue to support these organisations after the scheme ends. Helping these organisations diversify their income and become more resilient helps HLF to make a lasting difference for heritage and people.

This initiative is intended to achieve the following:

- additional private money in the heritage sector;
- a significant growth in endowments, invested to provide sustainable funding for heritage organisations in the long term.

## About this guidance

This guidance will help you decide whether this is the right initiative for you, as well as providing you with the information you'll need to plan a full application.

Read **Part one: Introduction** and **Part two: Application process** to find out about what we fund and how to apply.

**Part three: Receiving a grant** tells you about how we will work with you if you receive a grant.

**Part four: Application form help notes** provides information to help you answer each of the questions on the application form.

## How to register

If you want to apply, you will need to register online at [www.hlf.org.uk](http://www.hlf.org.uk) by **31 December 2012** and send us a project enquiry form. Staff in your local HLF office will get in touch within 10 working days to let you know whether your Catalyst project fits this initiative and whether you should continue with your application.

Complete all sections of the project enquiry form except question 5a (How much is your project likely to cost?).

We recommend that you read **Parts one and two** of this Catalyst: Endowments application guidance before sending us your project enquiry.

## Who we fund

### To be funded under this initiative, you must:

- be an organisation – or an active participant in a collaborating group of organisations – that we are currently funding or have funded in the past. Current HLF grantees can apply for a Catalyst: Endowments grant to run alongside their current project.
- have a constitution or other governing document of your organisation which enables the operation of an endowment fund that meets the requirements of this guidance.
- demonstrate that your organisation has the necessary processes in place to provide strong financial management. This should include, where your organisation already holds investments, evidence of their management, whether direct or through investment managers or managed funds, backed by recent audited accounts.

### In addition, you must be able to show that your organisation has:

- experience and success in fundraising from private donors, whether trusts, foundations, individuals or corporate givers;
- an ability to engage with donors and encourage new or additional giving from them;
- sensible plans for legacy giving as an important element of a sustainable endowment fundraising strategy; and
- the ability to run a match funding challenge (you do not have to have direct experience of having done so).

You must ensure that your fundraising strategy has been discussed and endorsed (whether formally or informally) by your Board or governing body.

We normally expect you to be the owner of the heritage asset which will benefit from the Catalyst endowment. If the endowment relates to land or buildings and you are not the owner, you will need a lease with at least 20 years left to run after the project completion date. If you are the long-term custodian of a collection, you will need to demonstrate that you have permission to receive a Catalyst: Endowments grant and have an appropriate legal framework covering a similar time period in place.

## Partnerships

In some circumstances a group of heritage organisations that individually would not have the capacity to fundraise for endowments might form a partnership to provide the capacity necessary to deliver successfully a Catalyst: Endowments investment. Such cases will need to demonstrate a more ambitious match challenge than would otherwise be possible, as well as providing economies of scale and enabling cross-organisational learning. In such cases:

- such an arrangement must be permitted by the governing documents of each participating organisation;
- there will be a named 'lead partner' that will receive all the funds that accrue to the endowment (both from HLF and other givers), and this organisation must have a governing instrument that empowers it to receive and distribute the endowment funds in the way the application proposes;

- there will be a formal consortium agreement (e.g. memorandum of understanding, heads of agreement, letters of intent etc.) that does not need to be a binding legal contract, but should at least list the organisations in the partnership or consortium, explain their roles, responsibilities, accountabilities and the terms of the relationship between the organisations involved. It should also describe the outline process for how disputes will be resolved; and
- there should be a mutual commitment to continuing joint fundraising to grow the endowment beyond the four year period of the programme.

## What we fund

Heritage includes many different things from the past that we value and want to pass on to future generations. Under this initiative, this can include:

- archaeological sites;
- collections of objects, books or documents in museums, libraries or archives;
- historic buildings;
- natural and designed landscapes and gardens;
- places and objects linked to our industrial, maritime and transport history; and
- natural heritage including habitats, species and geology.

We fund projects that make a **lasting difference for heritage, people and communities** in the UK. Under this initiative, grants are available of £500,000 and £1million matched £1:£1.

When we say **project**, we mean work or activity that:

- is defined at the outset;
- has not yet started;
- will take no more than five years to complete;
- will contribute to achieving the outcomes we describe.

The assessment process is competitive and we cannot fund all of the good-quality applications that we receive.

If your project is designed to **benefit people in Wales**, we expect you to make appropriate use of the Welsh language when you deliver your project.

## What are endowments?

Through this initiative, we only fund the creation of endowments. An endowment is money or property which is intended as a long term investment, often invested as a capital fund both to maintain its value and/or to provide an annual income. Such capital funds can take different forms, legally, and can be held so that:

- there is a distinction between the application of capital and of income (so that capital is retained, either forever or until the occurrence of a particular event or time). Where this is part of the legal set up of the grant, this is called a "permanent endowment"; or
- there is no distinction between spending capital or income, although by the nature of an endowment, it is invested in order to increase its value or produce income. There may, however, be plans to spend the capital at some stage in the future. This type of endowment is typically called an "expendable endowment".

It follows from this that:

- as endowment funds are invested, returns are reliant on the nature of the investment policy adopted and the performance of the financial and property markets; and
- a substantial proportion of the income will need to be reinvested each year to enable the endowment to maintain its value in real terms over a very long period of time, and as a consequence the income available for use each year will always be small in relation to the value of the funds invested.

## What we expect

Successful applicants will be expected to:

- achieve or exceed the agreed targets for match funding from private donors;
- increase the number of donors in their area and the amount that existing donors give;

- invest the capital to generate income to fund the applicant organisation's whole work, or an element of it, as defined in the application;
- comply with all HLF's conditions associated with that investment, including keeping financial records, monitoring and evaluation, reporting on progress against targets etc; and
- make and present plans for the endowment after the end of the programme, showing how the endowment will be developed to attract further funding, and managed to ensure a permanent impact on the heritage organisation.

## The purpose of the endowment

The purpose of the Catalyst: Endowments scheme is to raise match funding from private givers – the 'match challenge' – to provide a continuing benefit to the heritage organisation.

Funds received under the scheme are all expendable endowments, legally. This will enable your organisation to have the flexibility, in the future, to borrow from the HLF funded portion of the endowment, subject to there being a good economic case for such borrowing, as well as the capacity to restore to the endowment the value of the sum borrowed in a timely way. Any proposal to convert capital to income in this way would be subject to HLF's advance approval.

Grant recipients may treat the grant in either of the following two ways for their own purposes:

- An endowment where the capital is used to provide income and will not itself be spent as income. Not only will such funds be restricted from being used for any other purpose than that for which they are given, but they will usually be applied, for as long as the capital is held, for that same purpose.

- As a time-limited expendable endowment, where the fund, both capital and income, is expended over a very long period of time. Only proposals for endowments to be spent up over a period of 20 years or longer from the completion of the fundraising term will be acceptable to HLF.

HLF does not expect Catalyst: Endowments applications merely to remedy current operational shortfalls in applicant organisations. There are other funding opportunities available to support past HLF grantees in overcoming short-term financial difficulty; contact your local office for advice on this. The endowment fundraising campaign should represent a commitment to change by the applicant organisation, at least to diversifying its funding base in respect of private giving. Plans for using the endowment might include:

- developing new business and income streams;
- maintaining and improving current arrangements for engaging people with heritage;
- underpinning planned maintenance of heritage assets and cyclic renewal and refreshment of fixed assets and services; and
- funding 'invest to save schemes' where the income could be used to generate more efficient and economical use of existing assets.

Where the proposal is for a more permanent type of endowment (as described above), the match funding from private donors should be treated in the same way, subject to any third party requirements. HLF's award should also be accounted for in the same way.

The scope of the scheme does not include endowments in the form of tangible assets having a functional purpose for a heritage organisation, such as chattels held for preservation, or land and buildings occupied by the organisation.

## Eligible donors and assets

### Eligible donors can include:

- private individuals;
- businesses of all types including limited companies (whether public or private or by shares or by guarantee), sole traders, partnerships, community interest companies;
- other 'not for profit' enterprises;
- faith groups;
- trusts and foundations where the gift to the match challenge is additional to, and separate from, any previous support given to the recipient organisation and is specifically identified for the endowment; and
- funds administered by local authorities or National Health Service bodies as charity trustee (but not from their general budget).

Eligible donors need not be UK registered companies nor do individuals need any UK domicile or residency qualifications.

### Ineligible donors

Public sector funding, including that distributed by intermediaries, cannot be used as match funding. This includes:

- endowments created in the past by defunct organisations such as English Partnerships or the Regional Development Agencies;
- grant schemes funded directly or indirectly by central or local government, or other public bodies;
- National Lottery funds;
- European Union Funds; and
- endowment funds that have already been incentivised from public funds (e.g. the Match Funding Schemes for Voluntary Giving in higher education in both England and Wales, Grass Roots Match Challenge and Community First Endowments).

### Asset Classes

All asset classes will be eligible as match funding as long as they are certain in time (i.e. transferred to the recipient organisation before the expiry of the award) and amount (valuations of non-cash assets should be as of the day of transfer, net of costs associated with their transfer, and acceptable to HMRC for tax calculations). These classes include the following:

- cash;
- property, either from the sale of the property or from rental income;
- the sale of stocks, shares, gilts and bonds;
- any other realisable asset, e.g. paintings, jewellery, bullion or other assets;
- Gift Aid received from UK tax payers on the match fund value, subject to the usual Gift Aid rules;
- legacies;
- the residual assets of any dormant or ineffective charity (subject to regulatory consent where necessary).

Donations should normally be unrestricted. Restricted gifts or those that carry a heavy burden of donor-dictated terms are only suitable for match funding where they match precisely the specific purpose approved by HLF.

## The difference we want to make

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We describe the difference we want to make to heritage, people and communities through a set of 'outcomes.' These outcomes are drawn directly from our research into what HLF-funded projects have actually delivered.

For more information, please see **Section four: Project outcomes** in **Part four: Application form help notes**.

Applications under this initiative are expected to achieve both of these outcomes.

**Outcomes for heritage:**

With our investment, heritage will be:

- better managed

**Outcomes for communities:**

With our investment:

- your organisation will be more resilient

## Other information about your application

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### Freedom of information and data protection

We are committed to being open about the way we will use any information you give us as part of your application. We work within the Freedom of Information Act 2000 and the Data Protection Act 1998. When you submit your declaration with your application form you are confirming that you understand our obligations under these Acts.

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### Complaints

If you want to make a complaint about HLF, we have a procedure for you to use. This is explained in *Making a complaint*, a document available on our website. Making a complaint will not affect, in any way, the level of service you receive from us. For example, if your complaint is about an application for funding, this will not affect your chances of getting a grant from us in the future

# Part two: Application process

## Making an application

First, register online and submit a project enquiry form by **31 December 2012** (find out about **How to register** in **Part one: Introduction**). We will then release the application form to you which you will need to complete and submit, along with supporting documents, by **28 February 2013**. Awards will be made in May 2013.

In your application, you will need to provide the information detailed in **Part four: Help notes** and a fundraising strategy and plan for achieving an endowment of at least £1m (if applying for the minimum £500,000 matched 1:1 by new fundraised income).

Successful applicants will have until **May 2017** to achieve their fundraising target.

In this round of Catalyst: Endowments we are particularly encouraging applications from the following sectors/geographic areas which have been under-represented in applications to date:

- organisations from industrial, maritime and transport sectors;
- organisations from land and natural heritage sectors;
- organisations based in Wales, Yorkshire and Humber, the West Midlands and the East of England.

## How we assess applications

When we assess your application, we will consider the following:

- What is the heritage focus of your endowment fund-raising campaign?
- What was the impact achieved with HLF's original grant?
- What is the need or opportunity that the match-funding project is responding to?
- Why does the Catalyst project need to go ahead now?
- How will the Catalyst project contribute towards our outcomes?
- Is the project well planned?
- Is the project financially realistic?
- Does your organisation have the capacity to deliver the fundraising plan and manage the endowment?
- Will the project outcomes be sustained after the project has ended?

## How decisions are made

Applications for Catalyst: Endowments are decided on by our Board of Trustees. These applications will compete against other Catalyst applications across the UK.

Our decision makers use their judgement to choose which applications to support. In doing so, they may take account of issues such as achieving a geographical spread of our funding.

# Part three: Receiving a grant

## Terms of grant

If you are awarded a grant, you will need to comply with our terms of grant, which you can see on our website.

The standard terms of the grant will last for **20 years from project completion**. We may withdraw our grant if your fundraising has not started within a year of the letter awarding you the grant or if you have not demonstrated satisfactory progress towards your fundraising targets within 24 months of your award (see **Grant payment** for more information.)

## Acknowledgement

We want people to know that the National Lottery has supported your project through HLF. If you are awarded a grant, you must acknowledge our funding using our logo, both during the delivery of your project and after its completion. We will give you guidance on this and can provide some acknowledgement materials free of charge.

HLF requires that, during the period of the Catalyst fundraising campaign, the endowment fund created with its support should be called (in annual accounts and elsewhere):

- the 'Heritage Lottery Fund Catalyst: Endowments fund'

Once the final draw-down of the grant has taken place, it is then at the discretion of the recipient organisation whether to make other arrangements that acknowledge the contributions of other donors. However, such arrangements should continue to recognise HLF's contribution (as described above).

## Images

If you are awarded a grant, you will also need to send us images of your project. These can be hard-copy photographs, transparencies or high-resolution digital images.

You give us the right to use any images you provide us with. You must get all the permissions required before you use them or send them to us.

## Permission to start

If you are awarded a grant you will need to have our written permission before you start any work. In order to grant you permission to start, you will need to provide us with:

- a project management structure;
- your bank details, authorised signatories, and a signed hard copy of the declaration and permission to start request form.

## Grant payment and match-funding

We will link the release of our grant to the achievement of a match challenge target by your organisation, to be achieved within a maximum of four years from the date we make our award. We are expecting applicants to achieve a match ratio of:

- £1:£1 grant for awards of £500,000 and £1m

Payments of the award will be made when evidence of the matched funding can be shown. All donations must be realised as cash before we will release our grant. If agreed objectives and targets are not met then the award may be reduced or payment withheld altogether. The fundraising timetable available to achieve the match is negotiable, subject to this not being longer than four years from the date of award.

Requests to draw down HLF payment must be made online using HLF's standard monitoring forms and include:

- a brief progress report; and
- a donors' profile, which lists donors and distinguishes between gifts from new donors and additional funding from existing donors.

Organisations will also be required to supply a set of the audited/ independently examined annual financial statements that clearly identify both the value of the Catalyst: Endowments Fund, and the transactions associated with it during the accounting period. If an organisation has such a large number of endowments that its financial statements are aggregated of necessity, a pro forma statement of movements in the Catalyst: Endowments Fund should be provided in addition to the main accounts.

Normally Catalyst: Endowments will be held as a separate endowment from any others held by an organisation. They may only be used to augment an existing endowment where that is the stated purpose on an application, that the purposes of the application match those of the existing endowment, and the other terms and conditions identified in this guidance can be met.

The gifts of private givers must be invested to generate income to be used for the purpose specified in the application. Investment policy (e.g. the spread of assets, whether to invest in common investment funds, whether to have an ethical investment policy) will be left to the discretion of your organisation but should comply with all statutory requirements, including charities accounting regulations and other best practice.

Progress towards the agreed match challenge target will be monitored and a review triggered 24 months from the date of the award if your organisation has not raised at least half of its match-funding target (whether in cash or firm pledges from givers). This review could lead to loss of some or all of the remaining HLF share depending on the assessment of your prospects of raising additional match funds in the remaining 24 months.

Applicants should commit themselves to further growth of the endowment fund following the end of the scheme.

## Evaluation

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Details of the evaluation requirements associated with the initiative will be sent to successful applicants. We will undertake a national evaluation of the initiative to measure its impact, identify best practice and assess its value to participating heritage organisations.

In support of national evaluation we will expect all recipient organisations to evaluate those parts of the initiative for which they are responsible:

- describing and assessing the difference that Catalyst: Endowments have made;
- describing the learning experienced within the organisation and how this will affect future work;
- assessing the extent to which the intended outcomes of this match-funding project have been achieved:
  - Your heritage will be better managed, and
  - Your organisation will be more resilient.

# Part four: Application form help notes

This is a generic form used across several HLF programmes and initiatives. Not all the questions are relevant to Catalyst : Endowments meaning you will not need to answer them all. The following notes outline the information we would expect as a response to each question.

There are word limits to some of the answers you may give; these are shown on the online form.

## Section one: Your organisation

### 1a. Address of your organisation.

Include your full postcode. If the project is being delivered in partnership, please insert the address of the lead organisation.

### 1b. Is the address of your project the same as the address in 1a?

Fill in as appropriate.

If identifying the postcode is difficult, provide the address and postcode of the nearest building.

### 1c. Details of main contact person.

This person must have official permission from your organisation to be our main contact. We will send all correspondence about this application to this person, at the given email address.

### 1d. Describe your organisation's main purposes and regular activities.

Tell us about the day-to-day business of your organisation.

Tell us about your previous experience in raising funds from private sources and/or managing endowments.

### 1e. The legal status of your organisation.

Fill in as appropriate.

- If you are not a local authority, but report to the government (such as a state school or university), please tick 'other public sector organisation'.
- If your type of organisation is not listed, please tick 'other'. This might include a Community Interest Company or a social enterprise.
- If you are not a public sector organisation, you will also need to tell us about your organisation's capacity by providing information about your staff structure, your governing body and your financial situation.

### 1f. Will your project be delivered by a partnership?

Fill in as appropriate.

If you are applying as a partnership, there must be a lead applicant.

See **Part one: Introduction** for more information on partnerships.

## 1g. Are you VAT-registered?

Fill in as appropriate.

## Section two: The heritage

### 2a. What is the heritage your project focuses on?

Provide a description of the heritage as it is today. If different types of heritage are involved, describe each of these.

Provide an explanation of what is important about the heritage. Tell us whether it is:

- a source of evidence or knowledge;
- of aesthetic, artistic, architectural, historic, natural or scientific interest;
- of social or community value.

Tell us who the heritage is important to. This could include experts and/or the local community.

Provide a link to your website if there is one.

## Section three: Your project

### 3a. Describe what your project will do.

Describe the purpose and nature of the proposed endowment. The purpose for which the endowment is to be used should be realistic in relation to the expected annual yield and allow for the reinvestment of funds to maintain the endowment's value in perpetuity, or until the end of its planned life.

Tell us how you will meet the expectations outlined in **What we fund** in **Part one: Introduction**. Where appropriate, refer to your fundraising strategy and plan.

### 3b. Explain what need and opportunity your project will address.

Provide a business case that demonstrates the need for an endowment. The business case should include:

- why an endowment is an appropriate form of funding in relation to organisational needs and aspirations;
- why you need the amount of endowment funding you have applied for
- how the application balances fundraising for short-term projects/programmes with long term sustainability;
- a statement as to whether the endowment is to be treated as permanent or time-limited, and if the latter, its time-horizon;
- the scale of annual yield planned for the endowment, how much of that (if any) will be applied as income in its initial years, and the longer term expectation of an annual income;

- In the case of a time-limited endowment, a calculation of how the endowment is planned to spend-up over the period of its life;
- Any short-term intention to seek HLF's consent to borrow from the endowment; and
- The applicant organisation's overall financial performance during the preceding years, based on its audited/examined accounts (or in the case of an individual element within a larger organisation, based on its accrued incoming and outgoing resources, and balance sheet).

### 3c. Why is it essential for the project to go ahead now?

Tell us why now is the right time for your organisation to create an endowment fund. In particular, you might want to refer to:

- Any opportunities for match funding, or particular occasions which might give rise to a good chance of success in achieving your match-funding targets (such as an anniversary);
- Capacity that you currently have within your organisation to create an endowment fund.

3d. You do not need to answer this question.

### 3e. What work and/or consultation have you undertaken to prepare for this project and why?

- Tell us about the fundraising options you have considered, and why an endowment fund is a suitable funding vehicle for your organisation
- Tell us about any consultation you have done and how this has shaped your project proposals (this might be with local trust funders, philanthropists or private sector businesses).

## Section four: Project outcomes

In question 3a, you told us what your project will do. Use this section to tell us about **what your project will achieve** – what change will be brought about by our investment?

### 4a. What difference will your project make for heritage?

We need to understand the difference that your endowment will make to your heritage and in particular how it will help you to sustain it and develop strategically.

Tell us how your match-funding project will contribute towards achieving the outcome for heritage:

- Your heritage will be better managed

**4b.** You do not need to answer this question.

#### **4c. What difference will your project make to communities?**

Tell us how your match-funding project will contribute towards achieving the outcome for communities:

- Your organisation will be more resilient

In the notes opposite, we have provided descriptions for our outcomes for heritage and communities, to help you understand the difference that we want to make with our funding.

**4d.** You do not need to answer this question.

#### **4e. How many full-time equivalent volunteers do you expect will contribute personally to your project?**

Tell us about any additional volunteer help you expect to have to deliver your Catalyst: Endowment fundraising campaign.

#### **4f. How many full-time equivalent posts will you create to deliver your project?**

Tell us if you plan to create new paid posts to deliver your Catalyst: Endowment fundraising campaign. We cannot contribute to these additional costs.

#### **As a result of HLF investment:**

##### **Heritage will be better managed**

There will be clear improvements in the way that you manage heritage. This could include the implementation of a new management and maintenance plan, securing additional staff, Trustees or other resources that you need, or the more effective use of existing resources. As a result of these improvements, you will be able to show that the heritage you manage is in a stronger position for the long term, including, if appropriate, a stronger financial position. These improvements to managing the heritage are likely to mean that you can meet national or sector quality standards.

##### **Your organisation will be more resilient**

Your organisation will have greater capacity to withstand threats and to adapt to changing circumstances to give you a secure future. You will achieve this greater resilience through stronger governance and greater local involvement in your organisation; increased management and staff skills; fresh sources of expertise and advice; and working in partnership to share services, staff and resources. You might have new volunteers who increase your capacity and skills; or new sources of income through commercial activity, endowments or new fundraising programmes. You will be able to show that your organisation is stronger and in a better position for the future as a result of the changes you made as part of your project.

## Section five: Project management

Here we use the term 'delivery phase' to describe your match-funding campaign.

**5a – 5d.** You do not need to answer these questions.

### 5e. Who are the main people responsible for the work during the delivery phase of your project?

Describe the governance and management structure of your organisation. Include CVs of the key personnel who will be involved with the fundraising plan as attachments to your application form. Provide detailed information about the team that will work on your delivery phase, including the person who will take overall responsibility. Explain who is responsible for making decisions and approving changes to your project. Describe the reporting structure and how often meetings will take place.

The details of governance and management structures provided should demonstrate an appropriate level of organisational capability and capacity to manage the endowment. If your organisation manages existing endowments explain the system you use to distinguish the differing status of these different funds from both legal and accounting perspectives.

### 5f. Complete a summary timetable for the delivery phase of your project.

Summarise the timetable from your fundraising plan (see **Section nine: Supporting documents** for further details). The fundraising plan should set out how the match funding is to be raised to the level specified during the four years of the Catalyst: Endowments funding. It should include a target date for reaching the match funding target.

### 5g. Tell us about the risks to the delivery phase of your project and how they will be managed.

Use the table to tell us what the risks are for your match-funding project.

Here we want to see that you have started to think about the possible problems that you may face during your match-funding project. Detail your planned actions to mitigate these risks, and identify a person responsible for leading on each risk/action.

### 5h. When do you expect the delivery phase of your project to start and finish?

Fill in the boxes.

## Section six: After the project ends

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### 6a. How will you maintain the outcomes of your project after the grant ends and meet any additional running costs?

Detail how the capital sum will be invested and managed. (See **Part three: Receiving a grant** for further details.)

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### 6b. How will you evaluate the success of your project from the beginning and share the learning?

Please read about **evaluation** in **Part three: Receiving a grant**.

We want to know how you plan to identify and evaluate the changes that have come about as a result of the endowment fundraising programme, and whether they are perceived as positive or negative. Tell us your proposed approach to evaluation, who will have overall responsibility, and how you will share the evaluation and lessons learnt with similar organisations.

## Section seven: Project costs

**7a – 7d.** You do not need to answer these questions.

### 7e. Delivery-phase activity costs.

Enter your total endowment target (HLF grant plus all fundraising) as an 'other' cost heading in the activity costs table. Leave all other budget lines blank. Leave the VAT column blank.

**7f.** You do not need to answer this question.

### 7g. Delivery-phase income.

Referencing your fundraising plan, enter the funds you will raise to match HLF's contribution in some or all of the following budget lines: Private donation – individual; Private donation – Trusts/Charities/Foundations; Private donation – Corporate. Other sources of private income, such as that raised from faith groups, should be stated in 'other fundraising' and the nature of the fund should be declared in the 'description' column.

Please note that for Catalyst: Endowments applications, in the column headed "Secured?" you must enter "no" for each source of funding.

The amount of HLF grant requested for your endowment should be stated in the budget line: 'HLF grant requested'.

## 7h. Delivery-phase financial summary

The delivery-phase financial summary table is completed automatically and will read as follows:

- Total delivery costs – the total value of the endowment you hope to raise;
- Total delivery income – the total value of the income you hope to raise to from the endowment;
- HLF delivery grant request – the total requested value of HLF's contribution to your endowment;
- HLF delivery grant % - the percentage of your total endowment that HLF has been asked to fund.

**7i.** You do not need to answer this question.

**7j.** You do not need to answer this question.

## **Section eight: Additional information and declaration**

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This part of the form aims to collect the information we need to report on the range of organisations we fund. We will not use this information to assess your application.

When you submit your online form, you are confirming that you have read, understood and agree with the statements set out in the declaration.

## Section nine: Supporting documents

Catalyst: Endowments has a single-round application process, but you will still need to submit some of the supporting documents listed under 'First round' on the application form. When submitting your full application form (which we will release to you after you have registered by the 31 December), please provide the following documents:

1. Copy of your organisation's constitution, unless you are a public organisation.  
If you have sent a copy of your constitution with a previous grant application (since April 2008) and no changes have been made to it, you do not need to send it again. Tell us the reference number of the previous application. If your application is on behalf of a partnership or consortium, please also provide the constitution of each of these organisations too.
2. Copies of your agreements with project partners, signed by everyone involved, setting out how the project will be managed (if applicable).
3. Copy of your organisation's accounts for the last financial year. This does not apply to public organisations.

The following documents, which are listed on the application form, **are not applicable to Catalyst: Endowments** applications and do not need to be submitted. **Please tick "not applicable" to each of the following documents:**

- Spreadsheet detailing the cost breakdown in Section 7: Project costs
- Calculation of Full Cost Recovery
- Briefs for internally and externally commissioned work
- Job descriptions for new posts

In addition to the documents listed above, please attach the following to your application form:

4. Your current business plan. The business plan should be your organisation's actual plan and not specially created for this application. It should provide evidence that the endowment is necessary and the annual income will be sufficient to meet the intentions of the application in relation to the heritage asset or activity identified.
5. A fundraising strategy. The fundraising strategy should include proposals for donor growth that demonstrate an understanding of the needs and motivations of donors in relation to the applicant organisation and the heritage assets for which it is responsible. It should look forward to the period after the four-year Catalyst: Endowments phase ends, and show a commitment to continued activity in this area. Evidence that this strategy has been discussed and endorsed (whether formally or informally) by the applicant organisation's governing body should also be provided.
6. A fundraising plan. The fundraising plan should give an overview of the fundraising strategy, and include the following key elements: activities or actions, milestones/timetable, allocation of responsibility to individuals, source of the donations, extent of the donations.
7. A document explaining the following:
  - tell us if you own the freehold of any heritage asset that will be the beneficiary of the endowment. If you do not own the heritage asset, tell us who does.
  - If you own the leasehold of the heritage asset, tell us the length of the lease in years at the date you make your application. Provide copies of deeds, leases and/or other proof of ownership.
  - If your organisation has, or you are planning to have in the future, a grant, mortgage or other loan secured on the property or item, give the amount you owe and the name of all the funders and lenders.

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# Glossary

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**Delivery-grant request:** The amount of money you request from us towards your delivery phase.

**Delivery phase:** This is when you carry out your match-funding project.

**Lead applicant:** If you are applying as a partnership, you will need to nominate a lead applicant who will submit the application on behalf of other organisations in the partnership. If the application is successful, the lead applicant will enter into a contract with HLF and receive grant payments.

**Outcome:** An outcome is what your project will achieve and the change – for heritage, people or communities – that will be brought about by our investment. For more information on outcomes, read about **the difference we want to make** in [Part one: Introduction](#).

**Project completion:** This is the date that we make our final payment and are satisfied that the approved purposes of the grant have been met. The standard terms of grant will normally last for 20 years from this date.

**Project enquiry form:** This form allows you to register to apply for this programme. It was previously known as a 'pre-application form'.