

# King's Purse Policy



## What is the King's Purse?

1. As an organisation, The Foundry International Ltd ('The Foundry') has committed to prayerfully and carefully give away more of our income than we spend. This means that a minimum of 58% of our income is set aside in 'the King's Purse' for redistribution in the form of giving grants and gifts in accordance with The Foundry's charitable objects. (From inception until March 2025 we committed to giving 51% of out income, but in April 2025 Trustees voted to increase this to 58%.)
  - 1.1. The Foundry's charitable objects, as set out in its Articles of Association, are:
    - 1.1.1. The advancement of the Christian faith through the creation and provision of training materials, projects, events and other resources in order to catalyse church planting, disciple making, networking and collaboration across the wider church.
    - 1.1.2. To relieve poverty or financial hardship across the United Kingdom and other nations of the world by issuing grants and providing the charity's resources to individuals and organisations that strategically support and empower effective social and community transformation.
  - 1.2. This policy sets out the process for administering the King's Purse.

## Governance

2. We acknowledge and affirm the importance of proper governance to administer the funds in the King's Purse as led by God, lawfully and properly, in His honour (as the ultimate giver) and in honour of those who have given to The Foundry.
3. The trustees will ensure proper governance when administering the King's Purse as follows:
  - 3.1. By setting and adhering to the priorities for support as set out in paragraph 4; and
  - 3.2. By only awarding grants and gifts in accordance with applicable:
    - 3.2.1. internal processes and requirements as set out in this policy and related documents, if any; and
    - 3.2.2. laws and regulations.

## Priorities for support

4. The number of grants and gifts that can be awarded by the trustees is necessarily limited to the amount of funds that are available for distribution in the King's Purse, and priorities for support will be determined by the trustees.
  - 4.1. The trustees will determine priorities for support at least once yearly and otherwise at their discretion, having regard to the circumstances, including The Foundry's plans, projects, and financial status. Any change to the priorities must still be in furtherance of The Foundry's charitable objects and for the public benefit.
  - 4.2. As part of this, trustees should aim to maintain balanced giving between The Foundry's charitable objects, and may take into account how much of the King's Purse to apportion between gifts and grants.
  - 4.3. The trustees have determined that the current priorities for support are:
    - 4.3.1. the advancement of the Christian faith;
    - 4.3.2. church planting and network opportunities across the Christian church;
    - 4.3.3. relief of poverty or financial hardship;
    - 4.3.4. individuals who can evidence financial hardship; and
    - 4.3.5. giving to small and medium organisations or individuals, where there is likely to be a more significant impact (rather than giving to large UK-wide or international organisations).A gift or grant may be awarded with any, or more than one, of these priorities in mind.

## Gifts and Grants, Process and Selection Criteria

5. In this policy, the distinction between gifts and grants is that grants must be sought by application from Prospective Applicants, whereas gifts can be given by The Foundry of its own volition.
6. Prospective Applicants means:
  - 6.1. individuals based in the UK. If these individuals are not known by the trustees, they must be endorsed by a trusted person (eg social worker, GP, clergy) irrespective of the amount sought; or,
  - 6.2. organisations based in the UK, including charitable and non-charitable organisations, grassroots community groups and voluntary organisations.
7. A proposal for a grant must be made using The Foundry's online application process. An application will only be considered when all the questions in the online application have been answered fully.
8. A proposal for the giving of a gift may be made by:
  - 8.1. one or more of the trustees, or

- 8.2. anyone working for The Foundry (whether a contractor, employee or volunteer).
- 9. A proposal for giving a gift must include information about the potential recipient and set out the research, due diligence and assessment undertaken of the suitability of the gift and how it meets the requirements of this policy.
- 10. Though gifts and grants will only be awarded to UK-based organisations and individuals, funds can be used for projects, services or activities outside of the UK.
- 11. Any activity, initiative, project or program which falls within the responsibility, control or authority of The Foundry or sits within its structural framework is ineligible for a gift or grant from the King's Purse.
  - 11.1. For example, the following would be ineligible for a grant or gift from the King's Purse:
    - 11.1.1. a project that is adopted into The Foundry, such as Sutton Community Project;
    - 11.1.2. a project or event that is coordinated by The Foundry, even if in conjunction or partnership with other(s), if that project or event benefits from the structural framework of The Foundry, such as coming under its insurance policy. An example of this is the All Through This Hour Event co-organised between All Through This Hour and The Foundry in August 2023.
  - 11.2. However, if The Foundry runs an event and there are individuals in hardship which would benefit from a gift or a grant in order to be able to attend the event, a gift or a grant to such individuals could be made out of the King's Purse, provided other required criteria are met.

## Assessment

- 12. The assessment process which the trustees will follow when awarding grants and gifts must take into account the scale and range of the proposed project(s) or outcome(s) and the requirements set out below and further in Appendix 1:
  - 12.1. The trustees must properly consider and be satisfied that:
    - 12.1.1. giving the gift or awarding the grant will be an effective way of using The Foundry's resources to further its charitable objects, is in the charity's best interests and for the public benefit; and
    - 12.1.2. risks have been identified and appropriately addressed.
  - 12.2. As part of the assessment process, trustees should be confident:
    - 12.2.1. of the purpose for which the grant is sought or the gift will be given, including an understanding of any project involved and the way in which the funds will be managed and applied;
    - 12.2.2. of the person(s) responsible for the management of the funds and/or for overseeing the project, if applicable; and

- 12.2.3. that if the funds are to be used for a specific project or item(s), that the sum to be given has been reasonably estimated or assessed.
- 12.3. Each grant application will be considered on its own merits, even if one or more similar applications have been made previously and have been unsuccessful.
- 12.4. Where notification under 17.1.2 is given to the Foundry, a risk assessment will be carried out to consider whether the project or purpose are still aligned with The Foundry's charitable objects, whether due diligence needs to be updated, and whether some or all of the funds given need to be recouped.

## Due Diligence and monitoring

- 13. Due diligence of prospective recipients must be carried out as part of the decision-making process for awarding grants and giving of gifts.
  - 13.1. Due diligence will involve adopting a risk-based approach and will include:
    - 13.1.1. Identifying and verifying the prospective recipient(s);
    - 13.1.2. Knowing what the prospective recipient's organisation or business is;
    - 13.1.3. Having regard to risk factors such as the amount to be given or granted, the work or project(s) and the geographical location where the funds will be applied and the nature of the relationship between The Foundry and the prospective recipient(s). In particular, the larger the amount involved or the greater the risk(s), the greater the level of due diligence that will be undertaken.
    - 13.1.4. Assessing whether it is appropriate for The Foundry to be involved or associated with the prospective recipient(s);
    - 13.1.5. The trustees satisfying themselves that the purpose for which the grant or gift is made meets the charitable objects of The Foundry, and the priorities for support set out in this policy; and
    - 13.1.6. The trustees satisfying themselves that the funds will not knowingly be used for money laundering, terrorist financing or bribery.
  - 13.2. In circumstances where The Foundry is not the sole supporter of the work or project(s), and to protect its reputation, the trustees may extend any due diligence beyond the prospective recipient and work or project(s) to include other organisations or individuals partnering with or supporting the work or project(s).
  - 13.3. The results of any due diligence will not last indefinitely:
    - 13.3.1. Due diligence may need to be updated where there is any change of circumstances that may impact the recipient(s), work or project and the purpose for which funds were given.

13.3.2. In circumstances where the recipient(s) are supported for more than a year, there will be an assessment of whether and how frequently due diligence needs to be updated.

13.4. When making gifts and grants, the trustees will also consider their monitoring obligations, adopting a risk-based approach that is proportionate to the level of risks faced:<sup>1</sup> i.e. what reasonable and proper steps need to be taken to verify that the funds have been used for the purposes for which they were intended. They will agree a monitoring process that will be recorded and implemented.

13.4.1. The monitoring process will usually involve steps aimed at ensuring that:

- 13.4.1.1. The Foundry's funds can be accounted for: an audit trail showing the movement of funds from The Foundry to the recipient and end use and checking that the funds were received.
- 13.4.1.2. The recipient has delivered the project or charitable work expected (as applicable), including ensuring there is an audit trail and proper records that show the recipient has spent the funds on legitimate goods and services relevant to the purpose for which the grant or gift was given.
- 13.4.1.3. The Foundry's funds have been used for the purposes for which they were intended and for the beneficiaries identified, including some form of proactive monitoring with appropriate reporting by the recipient to ensure this. The process should enable The Foundry to show that it receives accurate reports at a frequency and intensity that enable effective control and oversight of the use of its resources.
- 13.4.1.4. Any concerns that need to be dealt with are identified and addressed, including with the recipient where applicable.
- 13.4.1.5. The recipient continues to be appropriate for The Foundry to work with.
- 13.4.1.6. Any potential conflicts of interest or loyalty are identified and addressed to ensure that the monitoring process is independent and impartial.
- 13.4.1.7. Monitoring is carried out objectively and competently by a person/group with the right skills and expertise.
- 13.4.1.8. The results of the monitoring are in the form of a report (whether a simple 'self-certification' or a more formal report) or a record of monitoring work carried out with a sign off/authorisation sheet, which may include off-site or on-site supervision.

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<sup>1</sup> The trustees will consider this having regard to their obligations and guidance as set out by the Charity Commission:  
<https://assets.publishing.service.gov.uk/media/5a81d2deed915d74e34003f9/Chapter2new.pdf>

- 13.4.1.9. Any requirements for information or reporting by the recipient(s) of a gift or grant or other partners involved are clearly communicated and documented in writing.
- 13.4.1.10. Any of The Foundry's trustees, contractors, employees or volunteers involved in the giving of the grant or gift are aware of their reporting obligations if a suspicious situation is identified.

## Conflicts of interest or loyalty

- 14. The trustees recognise that identifying potential or actual conflicts of interest or loyalty is a critical part of the process of administering the King's Purse, and that even the perception of a conflict of interest may be damaging to The Foundry's reputation. The trustees will therefore manage any potential/actual conflict of interest in accordance with their obligations to ensure that any decision is made in the Foundry's best interests.

- 14.1. If:

- 14.1.1. any of the trustees has any link, relationship or connection with the prospective recipient of a grant or a gift, or some other personal interest or loyalty that may affect their ability to make a decision in The Foundry's best interests; or
  - 14.1.2. any of the trustees is aware that one or more of the other trustees may be in the position described in the above paragraph,

then this must be declared to the other trustees prior to any consideration of the relevant grant application or gift being considered, even if it is the opinion of the trustee(s) in the position described in (a) or (b) that a conflict of interest does not arise in the circumstances.

- 14.2. At minimum:

- 14.2.1. the trustee(s) who are potentially conflicted will not be involved in discussions and the decision about whether a conflict or perceived conflict of interest exists;
  - 14.2.2. if a conflict of interest exists or the perception of a conflict of interest is likely to be damaging to The Foundry's reputation, the trustee(s) who are conflicted or potentially conflicted will not be involved in the decision of whether or not to give the grant or gift to the affected prospective recipient;
  - 14.2.3. if there is an insufficient number of trustees to form a majority if the conflicted or potentially conflicted trustee(s) is/are excluded, the

trustees will not make a gift/award a grant to the prospective recipient;  
and

- 14.2.4. there will be a record of what the potential/actual conflict is, when it was raised, what steps were taken by the trustees and how the potential/actual conflict issue was managed.

## Decision-making process

15. The Foundry's board of trustees is responsible for deciding whether or not to give a gift or award a grant upon application by Prospective Applicants, in its discretion and in accordance with the Foundry's charitable objects.
16. Decisions for the awarding of grants or giving of gifts must have the agreement of a majority of trustees. The process is further described in Appendix 1.
17. The decision of the trustees as to whether or not to award a grant or a gift is final, and the trustees are not obliged to provide an explanation to Prospective Applicants in the event their application is unsuccessful.
18. Conditions:
  - 18.1. Where a grant or gift is awarded for a specified project or purpose and:
    - 18.1.1. in circumstances where that project does not proceed, the purpose cannot be achieved or where any funds remain unused, such funds must be returned to The Foundry as set out in Appendix 1; or
    - 18.1.2. the project or activity changes / purpose changes in any way from what is represented to The Foundry by the recipient organisation or individual during the application and awarding process (for a grant) or as part of the selection criteria and process (for a gift), the individual or representative of the relevant organisation, as applicable, must notify The Foundry in writing as soon as practicable.

## Administration and finance

19. A record of the assessment, due diligence, decision-making process and final decision must be kept.
20. Payments of gifts and grants will be provided by means of an electronic bank transfer to a verified bank account of the recipient organisation, or by the giving option provided where a UK registered charity is the recipient. Funds will not usually be transferred overseas or to an individual's personal bank account, given the higher

risks posed, though the trustees may decide to do so in exceptional circumstances and having carried out a higher level of due diligence.

20.1. The Foundry's usual payment authorisation process will be applied to any payments.

21. Where formal applications and other documents have been received, these will be stored and subsequently disposed of in accordance with the Foundry's policy on data protection and applicable legislation.



## **Appendix 1: Grant criteria and process and conditions:**

### **Grants for individuals, groups and other charities:**

#### **How do I apply?**

Applications must be made using the Foundry's grant application form, which can be found at <https://www.thefoundryinternational.com/finance>.

#### **Who can apply?**

**Individuals** who are based in the UK. Where an individual is not known by the trustees they must be endorsed by a trusted person who is sufficiently connected with the applicant and their circumstances (eg social care worker, GP, clergy, etc) irrespective of the amount applied for.

**Organisations** based in the UK including charitable and non-charitable organisations, grassroots community groups, and voluntary organisations. Funds can generally only be paid into the organisation's UK bank account. In situations where the organisation does not have a bank account, information must be included about how finances are managed and where any grant funds would need to be deposited. For example, a particular project may be run by a group of individuals which is supported by a UK registered charity, and donations are given to the registered charity for use by the group in the project.

#### **What can grant money be spent on?**

**Individuals** can apply for funds for the relief of poverty or financial hardship, including:

- Essential living costs such as food, gas, electricity, clothing;
- Training courses or equipment that will help lead to employment;
- Costs related to seeking employment such as telephone or travel costs; or
- Replacement of essential household items - washing machines

The applicant must state clearly their current financial situation, the details of what they are applying for and how this will relieve poverty or hardship.

Successful recipients can only use the money for the purposes, and in accordance with any conditions, agreed with the trustees if a grant is given by The Foundry. Any money issued and not used for these specific purposes must be returned to The Foundry.

**Organisations** can apply for grants towards running costs (including salaries), projects, equipment or capital developments. The work can be new, continuing or a one-off initiative.

The application process requires an explanation, in full, of what is being applied for, how it links to The Foundry's charitable aims, an itemised breakdown of costs, and

the timescale for when funds will be used. This needs to be within a 12 month period from the date of issue. If applying for a project, the application should also clearly define the expected deliverables/outcomes.

Any project that includes children, young people or vulnerable adults must include a safeguarding policy and procedure explaining how risks are mitigated.

To be eligible, organisations must have a bank account in the name of the organisation and any grant monies given by The Foundry must be recorded as restricted income in the organisation's accounts.

Where the grant is for a specified project or purpose, and in situations where that purpose does not proceed or where any grant or part thereof remains unused within the 12 month period (or any further period agreed in writing with The Foundry), unused funds must be returned to the Foundry.

If the project activity changes in any way from the original application, the Foundry should be notified in writing as soon as practicable. Significant variations in project activity may result in the grant being altered or withdrawn.

It is not a prerequisite, but for grants over £5,000, it will be a favourable factor in the assessment of a grant application if the organisation can match or partially fund the project.

## **What is the decision making process?**

You will receive email confirmation that your application has been received and an approximate timeline for a decision where further information is not required.

Decisions that can be made by the trustees are:

- **Awarding of the grant:** the applicant will receive an email confirming the outcome, any conditions (including reporting) and the next steps.
- **Further information required:** if the trustees require further information to make a decision, the applicant will receive an email requesting specific information to be returned to The Foundry. This will then be used for further consideration by the trustees. The final outcome will be communicated to the applicant. .
- **Application unsuccessful:** the applicant will receive an email confirming the outcome.

## **Appendix 2**

### **Monitoring and evaluation**

<https://communityfoundationwales.org.uk/wp-content/uploads/2021/03/How-to-monitor-and-evaluate-your-project-ENG.pdf> (This is an example.)