

## Fund Management Approach

### About the Organisation

Impact Funding Partners is a company and charity that manages grant funding on behalf of the public sector, businesses and individual donors. The organisation has distributed over £150 million in grants to the third sector since 1982 and in recent years we have also made grants to the public and private sectors.

With 38 years' experience, Impact Funding Partners has a strong track record and an excellent reputation with funding partners and grant holders. The organisation, staff and directors have wide-ranging expertise in all aspects of fund management from development and design to measuring impact.

We use this expertise to work in partnership with investors to design funds which will achieve measurable change.

### Our Mission

To make the most of the strengths and assets within communities by distributing funding, increasing capacity and building trusting relationships.

### Funding Approach

Since the organisation started managing funds, the social, economic and environmental context in which the third and public sectors operate has changed enormously. In order to respond to those changes, Impact Funding Partners has continuously developed its policies, systems and processes to meet the emerging needs of individuals and communities.

Following a rebrand and launch of a new strategy "Let's Create a Fairer Future" in February 2019, we have refreshed our fund management approach. This has three features:

1. Investing money
2. Building skills and capacity
3. Developing trusting relationships

Our fund management approach is supported by a set of best practice funding principles.

### Best Practice Funding Principles

1. **Policy and Fund Development**
  - The fund should be planned well in advance

- Learning from previous and existing funds should inform the design of a new fund
- The main purpose of the fund should be change and impact
- Longer-term funding should be available whenever possible
- Learning and capacity building should be embedded into the fund
- The fund, criteria and processes should be equality impact assessed.

## **2. Fund Processes**

- Fund information sessions should be provided to support potential applicants
- Reasonable time should be given for applications
- A longer application timescale should be given if collaboration or partnership is required
- There should be a clear, simple and accessible application process
- A balanced approach between being held accountable and flexibility should be taken
- Reporting on finance, activities, statistics, outcomes and impact should be proportionate to the level of grant and the funding period
- Reporting schedules should be explained at the start of the funding period
- Risk management should be proportionate to the level of grant and outcomes

## **3. Finance**

- Proportionate core costs should be permitted
- Grant payments should always be paid in advance of need
- Some virement between finance headings should be allowed if better outcomes will be achieved
- There should be a clear understandable financial reporting process.

## **4. Relationships**

- The relationship between the fund manager and funded organisations should be based on mutual trust, shared values and learning
- Honesty and openness should be encouraged and supported
- Creativity and innovation should be encouraged and supported
- Equal value should be given to learning from what has not worked and what has
- Learning between funded organisations and the wider sector should be facilitated
- Organisations should be encouraged to develop their skills and build on the strengths in their communities, adopting strengths-based approaches.

Impact Funding Partners will always encourage funders and investors to adopt these best practice funding principles. However, it is important to acknowledge that funders may not be able or agree to commit to all of them. They may also have their own best practice principles.

**Impact Funding Partners**  
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