



**Isle of Man  
Government**

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# International Development Funding Allocations

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## **1. Introduction**

The Isle of Man Government's Programme for Government 2016-2021, set out the Government policy in respect of International Development which is to "maintain our commitment to International Development". The Programme for Government was unanimously approved by Tynwald in January 2017.

The current administration remains committed to this policy.

The Cabinet Office is responsible for implementing the Isle of Man Government's policy on International Development and for the allocation of funding from the £2.5 million International Development budget, in accordance with the policy of the Council of Ministers.

## **2. Background**

The Isle of Man Government has supported International Development projects for over three decades and is proud of this long tradition of providing assistance to those in need.

In 1985, the Council of Ministers formed the Voluntary Service Overseas (VSO) Aid Committee to fund the overseas postings of Isle of Man VSO volunteers. The Committee was renamed as the Overseas Aid Committee the following year when it was given responsibility for the funding of all overseas development aid projects. Responsibility for donations to disaster appeals was tasked to the Committee in 2000.

Following a review in January 2013, the Overseas Aid Committee changed its name to the International Development Committee to reflect a shift in emphasis in how the Isle of Man supports the world's less developed nations.

In September 2016, the Council of Ministers reviewed the Isle of Man's International Development policy and subsequently agreed that the International Development Committee would not be reconstituted and that the management of the Government's International Development budget would be the responsibility of the Cabinet Office Political Group, in accordance with the policy of the Council of Ministers.

The review further considered the changing International Development environment and how it has moved on since the original policy in 2008. The Council of Ministers subsequently agreed that the Government should refresh the four policy objectives that support their policy for International Development, to address the new Global Agenda for Sustainable Development.

## **3. Objectives**

The four objectives that support the Government's International Development policy are –

Isle of Man Government will:

- Ensure that International Development funding is targeted to support charities and projects that meet the UN's 17 Sustainable Development Goals;
- Focus International Development funding on those countries ranked as 'Low Development' on the United Nations Human Development Index;
- Provide a swift response to international humanitarian crises, and;
- Support the voluntary sector to raise awareness of global development issues throughout the Manx population.

## **4. The United Nations Sustainable Development Goals**

The Isle of Man's policy objectives have been refreshed to align with the [United Nations Sustainable Development Goals \(SDGs\)](#) of the 2030 Agenda for Sustainable Development, replacing the previous Millennium Development Goals which have underpinned the Isle of Man's International Development policy since 2008. The 17 SDG Goals, which came into force on 1<sup>st</sup> January 2016, are a new set of standards with 169 targets which cover a broad range of sustainable development issues; and represent the high level priorities in tackling poverty and inequality that UN Member States will follow until 2030.

The 17 Sustainable Development Goals are:

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnership for the goals

## **5. Funding**

Despite increased pressure on internal budgets, the Isle of Man Government has remained committed to maintaining its contribution to International Development.

The Isle of Man Budget for 2018 – 2019 included an increase of £100,000.00 for the International Development Fund, raising the budget from £2.4 million to £2.5 million.

The Isle of Man Government is responsible for ensuring the best value is achieved for every pound spent on International Development, and that funding is targeted at people and countries that will benefit the most from its money.

The following five funding streams apply in respect of the annual International Development budget.

### **5.1 Disaster and Emergency Relief Budget**

The agreed annual budget for this funding stream is £600,000.

This budget is reserved for Disasters Emergency Committee (DEC) Live Appeals.

Disaster and Emergency Relief provides humanitarian assistance to those affected by a natural or man-made disaster where the government of the country is unable or unwilling to provide assistance. This form of aid also includes financial assistance, provision of goods and basic supplies and technical assistance of expertise and labour.

The DEC is an umbrella group comprising 15 leading UK charities associated with providing clean water, humanitarian aid and medical care. DEC ensure that aid is delivered as quickly and efficiently as possible. Providing funding to DEC supported appeals will provide reassurance that their support is used for optimal impact when it is needed most. DEC appeal types include:

- i. One-off Catastrophes*  
For example earthquakes, which have an immediate impact on local communities.
- ii. Slow-onset Humanitarian Crises*  
Such as the 2017 East Africa crisis, which develop over time. For example, severe food shortages caused by complex environmental and economic factors may develop gradually over months or even years. The situation may be affected by political factors.
- iii. Complex Political Emergencies*  
For example the 2013 crisis in Syria, which often requires a longer-term intervention for which funding, may not be available. This kind of humanitarian crisis may not attract much, or any, media and public attention until the situation reaches a critical point.

The DEC determines eligibility for an appeal using set criteria<sup>1</sup>. The main criteria are:

- The disaster must be on such a scale and of such urgency as to call for swift international humanitarian assistance.
- The DEC member agencies, or some of them, must be in a position to provide effective and swift humanitarian assistance at a scale to justify a national appeal.
- There must be reasonable grounds for concluding that a public appeal would be successful, either because of evidence of existing public sympathy for the humanitarian situation or because there is a compelling case indicating the likelihood of significant public support should an appeal be launched.

If the funding reserved for Disaster and Emergency Relief is not expended in a particular year, it will be re-directed at the end of the financial year by one large donation to a major international humanitarian crisis. Should this situation arise a shortlist of eligible causes will be submitted to the Cabinet Office Political Group by the External Relations Team for decision.

Further details on this funding stream and the application process can be found [here](#).

## **5.2 Small Countries Financial Management Programme (SCFMP)**

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<sup>1</sup> <https://www.dec.org.uk/article/when-we-launch-an-appeal>

The agreed annual budget for this funding stream is £300,000.

The Small Countries Financial Management Centre (SCFMC) was established as a charity in the Isle of Man in June 2009. Its purpose is to contribute to the economic growth and prosperity of small developing countries through capacity building in their government financial sectors.

The SCFMC achieves this through the provision of targeted annual executive education programmes, conducted by practitioners and academics to provide improved skills and a deeper understanding of best practice around financial regulation, risk management, and broader management of government financial activities.

The Small Countries Financial Management Programme (SCFMP) brings together officials from finance ministries, central banks, and regulatory bodies in small developing countries for a two-week executive education programme designed to stimulate fresh approaches to the challenges they and their countries face.

Along with acquiring enhanced knowledge and new ways of approaching their seemingly intractable problems, the participants develop a sense of shared purpose and community of interest. A strong focus on financial integrity, prudent regulation, and economic management is complemented by sessions to improve leadership skills and the capacity to negotiate effectively.

Past participants act as catalysts for change and improvement within their governments, with the benefits accruing to their countries, not simply to the individual officials.

Council of Ministers has agreed that this annual funding will continue for the duration of the current administration. An annual report and financial accounts will be provided annually for the Cabinet Office's consideration before provision of the next years funding.

Further details on this funding stream can be found [here](#).

### **5.3 International Development Partnerships**

The agreed annual budget for this funding stream is £1.2 million (£2.4 million in total over each two-year funding cycle). Funding is paid in two instalments in line with Government financial requirements. The minimum grant available is £600,000 and the maximum grant available is £2.4 million over 2 years. Project proposals need to demonstrate the ability to raise a minimum of 10% of the total funding allocated, from fundraising, or other donors.

International Development Partnership funding creates two-year partnerships with a small number of respected and recognised international charities. This funding stream replaces the previous Multi-Year grant funding. Funding provided is used for International Development projects which meet the International Development policy objectives agreed by the Council of Ministers. These are set out in section 3 of this document.

For the 2023 – 2025 funding cycle the Isle of Man Government has chosen to address two themes, through a partnership with two charities (one charity for each theme). The themes to be addressed in the 2023-2025 funding cycle are:

**1. Climate change - projects that help communities or groups affected by climate change *or* help communities or groups to reduce their carbon footprint or emissions**

- Only applications for projects taking place in a country or countries ranked as Low Development on the United Nations Human Development Index will be considered eligible.

**2. Displaced persons - projects that help communities or groups affected by political or environmental events and displaced globally**

- Applications for projects supporting displaced persons in countries not ranked as "Low Development" will be considered eligible.
- Normal OECD funding regulations apply.
- Applicants should refer to the United Nations Human Rights Commissioner for the definition of "refugee" and "internally displaced persons".

All projects for which funding is sought must also seek to address at least one of the Sustainable Development Goals (SDGs) and provide reasonable evidence that the project objectives are in line with the selected SDG(s).

Funding provided by the Isle of Man Government will be used to deliver all, or a clearly identifiable part, of a specific project. The total amount of funding available for each project is £1.2million, split across the two year period, awarded to two charities.

International Development Partnerships are open to charities registered in either the Isle of Man or United Kingdom. A group of charities are permitted to apply for the total amount as a partnership. Applications of this nature should explain how activities and responsibilities will be divided and managed between the organisations. One of the charities will act as the 'lead partner' and the name of the lead charity must be confirmed on the application. All members of the partnership however must comply with all eligibility criteria.

Isle of Man registered charities that qualify as a Specified Non-Profit Organisation (SNPO) must be registered as such with the Isle of Man Financial Services Authority before submitting an application.

Charities registered with UK Charity Commissions must adhere to their responsibilities around Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation, as detailed by the respective commissions.

Further details on this funding stream and the application process can be found [here](#).

## **5.4 Small Grants**

The agreed annual budget for this funding stream is £270,000 (£540,000 in total over each two-year funding cycle). Funding is paid in two instalments in line with Government financial requirements. The minimum grant available is £10,000 and the maximum grant available is £100,000.

Small Grants are for projects delivered by Isle of Man charities over a period of two years, i.e. the project should be commenced and completed within the 24 months following the awarding of the grant.

Any project funded is required to meet the International Development policy objectives agreed by the Council of Ministers. These are set out in section 3 of this document.

Any Isle of Man charity funded for Small Grants must be registered in the Isle of Man under the Isle of Man Charities Registration Act 1989 and be able to demonstrate that it has a “physical presence” in the Island such as:

- The headquarters of the charity are in the Isle of Man
- The charity is registered solely in the Isle of Man
- The charity undertakes substantial fundraising activities in the Isle of Man
- The charity has paid staff based in the Isle of Man
- The charity undertakes awareness raising and educational activities in Manx schools, and/or the local community.

Small Grant projects need to demonstrate the ability to raise a minimum of 10% of the total funding allocated from fundraising, or other donors. Applications need to include a communications plan setting out specifically how they will publicise, on Island, any project funded by the Isle of Man Government.

Charities seeking Small Grant funding must be able to demonstrate that they have registered as a Specified Non-Profit Organisation (SNPO) with the Isle of Man Financial Services Authority (IOMFSA), under the Designated Businesses (Registration & Oversight) Act 2015, for the purposes of the Proceeds of Crime Act 2008; or be able to provide written confirmation from the IOMFSA detailing why this is not required.

A group of charities are permitted to apply for the total amount as a partnership. Applications of this nature should explain how activities and responsibilities will be divided and managed between the organisations. One of the charities will be required to act as the ‘lead partner’ and the name of the lead charity must be confirmed on the application. All members of the partnership however must comply with all eligibility criteria.

A single charity (or partnership of charities) may make only one application for a Small Grant in a particular funding cycle. For example, in the case of a partnership, charities will only be awarded a grant for the partnership application and will not be eligible to make an individual application.

A charity that is applying for, or is in receipt of, funding under an International Development Education and Awareness Grant may also make an application for a Small Grant, as long as the capacity to carry out both projects simultaneously has been clearly evidenced.

Applications for the Small Grants funding open in advance of each two-year project period.

Further details on this funding stream and the application process can be found [here](#).

## **5.5 International Development Education & Awareness Raising Grant**



The agreed annual budget for this funding stream is £30,000. Funding for the International Development Education & Awareness Raising Grant is for 12 months, with applications invited on an annual basis.

Previously named the International Development Education, Awareness and Strategy Grant, the grant has been refocused in order to emphasise Education and Awareness Raising for the 2023-2024 funding period.

The grant is awarded annually to an Isle of Man registered charity, or group of charities working together, or organisation to carry out a programme of activities that educate and raise awareness of global development issues throughout the Manx population.

Organisations applying for International Development Education and Awareness Raising grant must meet the following criteria:

1. Be registered in the Isle of Man under the Isle of Man Charities Registration and Regulation Act 2019 and meet the requirements of this act, or;
2. Be a company registered with the Isle of Man Companies Registry, or;
3. A consortium of partners who individually meet the requirements of criteria 1 or 2.

The approved programme will have a strong focus on achieving results in the following priority areas: - primary and post primary education, higher education, youth sector and the further, adult and community sector. The final programme of activities will be subject to agreement by the Cabinet Office Political Group. All activities carried out in relation to the Grant must be conducted on the Isle of Man.

The programme may include activities which involve children and young adults under the age of 18 years, therefore charities must have child protection policies in place and undertake any necessary Disclosure and Barring (DBS) checks for those members of the charity/charities, who will be delivering the programme.

A group of charities are permitted to apply for the total amount as a partnership. Applications of this nature should explain how activities and responsibilities will be divided and managed between the organisations. One of the charities will act as the 'lead partner' and the name of the lead charity must be confirmed on the application. All members of the partnership however must comply with all eligibility criteria.

A charity that is applying for, or in receipt of Small Grants funding, may also make an application for an International Development Education and Awareness Raising Grant, as long as the capacity to carry out both projects simultaneously has been clearly evidenced.

A single charity (or partnership of charities) may make only one application for International Development Education and Awareness funding per year. For example, in the case of a partnership, charities will only be awarded a grant for the partnership application and will not be eligible to make an individual application.

Further details on this funding stream and the application process can be found on the website.

## **5.6 Budget Increase**

As noted in section 5, the Isle of Man Budget for 2018 – 2019 included an increase of £100,000.00 for the International Development Fund, raising the budget from £2.4 million to £2.5 million.

For the year 2018 – 2019, the Council of Ministers agreed to allocate £50,000 of the increase in budget to the Disaster and Emergency Relief Budget. The remaining £50,000 was allocated to the Small Countries Financial Management Centre (SCFMC).

Allocation of the additional funding for the remainder of each administration will be considered by the Council of Ministers.

## **6. General Eligibility for all Funded Projects**

### **6.1 Location of projects**

Priority, but not exclusivity, will be given to countries ranked as “Low Development” on the United Nations Human Development Index. Where the country concerned is not defined as “Low Development”, the applicant must set out why there are exceptional reasons to support their project over one in a “Low Development” country.

A country’s political situation will only be considered insofar as there may be concerns whether the project can proceed. In all cases, there is a requirement for the charity to explain how any pressures, which may compromise the successful delivery of the project, will be overcome.

Charities must have the legal authority necessary to operate in the country in which the project is based.

### **6.2 UN or other international sanctions**

UN and other international sanctions are not applied lightly and are only imposed after careful scrutiny and debate within the UN, etc. Such sanctions will have also been widely publicised through the international media and have been the subject of wide public and political debate.

The Cabinet Office is aware there may be “unintended consequences” following the imposition of sanctions. Such unintended consequences can include a significant impact on the daily lives of a country’s population, particularly the poorest and most vulnerable members of the population. As a result there may be a heightened need for humanitarian aid.

It is appreciated that such sanctions may be varied or removed, and indeed imposed between the date on which an application is considered and the commencement of the project.

For this reason applications where UN or international sanctions may be in force, will not automatically be rejected. However, the charity will be required to explain how such sanctions may impact on the need for, and the delivery of, the project when submitting their application. The application must show a clear understanding of the scope and impact of any sanctions on the community, which will benefit from the proposed project.

## **6.3 Regulatory requirements**

Charities must ensure that they meet all necessary regulatory requirements. Isle of Man registered charities will need to register as a Specified Non-Profit Organisation with the Isle of Man Financial Services Authority or provide confirmation from the IOMFSA detailing why this is not required.

Specified Non-Profit Organisations ("Specified NPOs" or "S.NPOs") are defined by Schedule 4 to the Proceeds of Crime Act 2008 ("POCA") as:

"a body corporate or other legal person, trustees of a trust, partnership, other association or organisation and any equivalent or similar structure or arrangement, established solely or primarily to raise or distribute funds for charitable, religious, cultural, educational, political, social or fraternal purposes with the intention of benefiting the public or a section of the public and which has-

- (i) an annual or anticipated annual income of £5,000 or more; and
- (ii) remitted, or is anticipated to remit, at least 30% of its income in any one year to one or more ultimate recipients in or from one or more higher risk jurisdictions;"

The full list of jurisdictions that may be at higher risk of money laundering or terrorist financing is available from the Financial Services Authority (FSA) [here](#).

## **6.4 Administration costs**

The Isle of Man Government does not provide core funding for a charity's administration or day-to-day operation including staffing.

However it is recognised that, for all projects funded, there is an element of administrative support required. Therefore administrative costs, of up to 10% of the overall funding sought, are permissible within the country the project is taking place. This includes: - general office costs, project monitoring, project evaluations and financial management.

Please note that salary costs, and costs associated with essential personnel for project delivery, are not considered administrative costs, for instance costs relating to a doctor or nurse, or teachers. The condition is that these personnel are a vital component of the project delivery with a specialised skill set.

## **7. Governance of Funded Projects**

### **7.1 Oversight**

The International Development budget for each financial year is allocated as part of the annual budget process.

The Cabinet Office Board are responsible for the distribution and management of the funds designated for International Development projects and the provision of disaster and emergency relief funding.

The Cabinet Office Board will be responsible for awarding funding to projects which meet the policy objectives and funding streams agreed by Council of Ministers.

The Cabinet Office Board are supported by the External Relations Team in the Cabinet Office.

The External Relations Team provides strategic direction to the Cabinet Office Board. The External Relations Team is also responsible for the day-to-day administration of the Government's International Development funding. This includes due diligence, good governance, applications processes, and managing relationships with relevant stakeholders.

## **7.2 Payment of funding**

Funding provided for two year projects, such as Small Grants and International Development Partnerships will be paid in two instalments, in line with financial requirements. The first payment will be released on receipt of the completed Conditions of Grant Agreement, which will be sent to the charity when funding has been approved by the Cabinet Office Board.

The second instalment will be provided 12 months into the project delivery. This payment will be subject to the submission of a satisfactory interim report and the Cabinet Office Board being satisfied that the project is being delivered, in accordance with the approved application proposal, and ongoing compliance requirements.

Payment will be made through the BACS system.

## **7.3 Evaluation of applications**

The Cabinet Office are responsible for identifying application criteria that meet agreed International Development policy objectives agreed by the Council of Ministers.

All applications must be accompanied with a budget breakdown based on how best the charity will ensure project delivery.

Each project is considered on its merits and assessed against the following criteria:

- The project objectives are clear and correspond with the Isle of Man's policy objectives;
- The delivery plan is well defined and achievable;
- Project costs have been realistically assessed and the project budget is detailed;
- The project budget demonstrates measures are in place to safeguard charity finances;
- The charity has adequate safeguarding policies in place to protect vulnerable people;
- The charity has demonstrated that it can sufficiently manage this level of funding;
- The charity has sufficient technical expertise to implement the project and has identified an appropriate project manager;
- The charity has demonstrated a proven record in delivering similar projects;
- A satisfactory risk assessment has been undertaken;
- The project is sustainable after Isle of Man funding;
- An appropriate level of due diligence has been conducted on partner organisations;
- The project is technically, environmentally and socially appropriate; and

- The project communications plan clearly sets out detailed activities for raising awareness of the project and Isle of Man Government funding on the Island, in the project location and globally.
- The project is deliverable within any specified timeframe.

Procedure for evaluating applications includes, but is not limited to, the following five checks:

- *Charity* – including where relevant, compliance with UK Charity Commissions regulations, to include any child protection and/or safeguarding policies, and compliance with the requirements relating to inclusion in the Charities Register in the Isle of Man. Further checks relate to the charity's fundraising history and the proportion of the charity's income spent on income generation and governance and where previous grant aid has been awarded, compliance with monitoring and reporting requirements.

The Cabinet Office may contact the UK Charity Commissions, Jersey or Guernsey Overseas Aid Commissions, or other funding providers, as a further probity check.

- *Project location* – including position on the United Nations Human Development Index, the political situation in the country, particularly where the government is unstable or repressive, whether the country is subject to any UN, or other international sanctions, the country's human rights record, etc.
- *Project objectives* – including assessing the project's objectives, how it will benefit the community, how many people will benefit, directly or indirectly, from the funding, the sustainability of the project without reliance on further International Development funding, the reasonableness of the time frame for delivering the project, whether the needs of the beneficiaries have been fully identified, whether all logistical issues have been considered and planned for, whether the project has been well thought out, etc.
- *Project budget* – including assessing the reasonableness of the proposed spending on the project, the cash flow projection, the level of detail, the cost-effectiveness, whether the proposed spending appears to support the objectives of the project, the level of any administrative costs, including financial management, monitoring and evaluation costs, etc. Where a project involves a shared or co-funded agreement, this must be clearly explained, including the timescales for confirming such agreements.
- *Risk assessment* – including assessing the risk of jurisdictions according to the Isle of Man Financial Services Authority with regards to a country having deficiencies in Anti Money Laundering (AML)/ Counter Financing of Terrorism (CFT). The list of at risk jurisdictions is regularly updated by the IOMFSA. Previous delivery of projects of a similar size and scope will also be assessed.
- *Communication plan* – including assessing the list of, and reasons for, proposed activities for promoting and raising awareness of the project and Isle of Man funding on the Isle of Man and in the project location.

Applications for funding received will be assessed by the External Relations Team to confirm eligibility and undertake the necessary due diligence. Following this, the External Relations Team will submit a shortlist of applications to the Cabinet Office Board for a decision on funding allocation.

The Cabinet Office Board will either: - a) agree to full funding, or b) offer partial funding, or c) offer funding on set conditions, or d) reject the application.

#### **7.4 Notification of decisions**

Charities will be advised of decisions made regarding their applications as soon as is practical, following determination. In some cases, a decision may be deferred to request additional information or clarification of some aspect of the application.

#### **7.5 Successful applications**

Where an application is approved in full, the charity will be asked to confirm that the project is still able to proceed as set out in the application and the anticipated start date. The charity is also required to sign a Conditions of Grant Agreement, which sets out the amount of the grant, the purpose for which the grant is made and the reporting requirements. Funding will not be released until the agreement has been signed.

Where an application is approved in part, the charity will be asked to submit a revised budget and application to account for the adjusted funding amount. Once approved, the charity will be required to sign an agreement as above.

#### **7.6 Unsuccessful applications**

Where an application is unsuccessful the Cabinet Office will notify the unsuccessful applicants. This will include informing the charity, where relevant, as to any aspects of the application which were unclear, lacking in detail, or that did not meet the funding criteria.

#### **7.7 Monitoring and evaluation**

The monitoring and evaluation of projects is a fundamental aspect of the agreement between the charity and Isle of Man Government. The Conditions of Grant Agreement sets out the reporting timeframe specific to each project.

It is recognised that local circumstances may have an impact on the feasibility of reporting within the agreed timescales. Should the situation arise whereby the timescales cannot be met, the charity must contact the External Relations Team prior to the date on which the reports are due setting out the reasons for the delay and seek agreement to an extension to the reporting period.

Under Isle of Man Government Financial Regulations, the Cabinet Office's External Relations Team may also undertake checks to verify that funds have been spent in accordance with the project's budget. This may involve requesting receipts and invoices to verify the accuracy of reported expenditure.

#### **7.8 Interim reports**

All charities in receipt of funding must provide interim reports. These reports must provide a concise overview of the project to date, and include reference to the overall objectives of the project and the spending against the approved budget.

Where feasible, the report must also address how the delivery of the project has benefitted the community to date. It is recognised that where a project involves, for example the construction of a new facility, such direct or indirect benefits may not be apparent during the construction stage.

## **7.9 Final reports**

The final report must provide a concise overview of the full delivery of the project and this must reflect the overall objectives of the project and the final costs against the approved budget. It must also address how the project has, and will continue to benefit the community, and include reference to both direct and indirect beneficiaries. If the number of beneficiaries is different to that identified in the approved application, the report must explain why the differences have arisen.

The final report must be submitted no later than 12 months after receipt of the final instalment of the grant, unless otherwise agreed in advance. The final report will be published on the Isle of Man Government website.

## **7.10 Other reporting requirements**

In addition to the obligatory reporting requirements set out above, funded charities must notify the Cabinet Office Board of any material changes in circumstances, without delay, which may impact on how the project is delivered. Such reports must clearly outline:

- What change has occurred
- What steps the charity has taken to mitigate the impact of that change
- How the charity proposes to overcome the change
- What impact the change will have on the costs of the project
- The length of any delay to the overall project timetable
- Any other material factor

Where the material change in circumstances will have an impact on the approved project budget, a revised budget must be included with the report.

In addition, the charity must ensure that no further money is spent on the project until it has received confirmation that any necessary revisions to the project have been approved. The Isle of Man Government reserves the right to require a charity to return all or part of the grant award where it is satisfied that it would be appropriate and reasonable to do so.

## **7.11 Non-compliance with the reporting requirements**

Reporting is an obligatory requirement for all funding provided by the Isle of Man Government.

Non-compliance with reporting requirements<sup>2</sup> is taken very seriously and a range of sanctions can be applied, including:

- Agreeing a revised reporting deadline with the charity where it is satisfied that non-compliance was due to factors outside the reasonable control of the charity;

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<sup>2</sup> Reporting also includes correspondence with the charity. In this case, after taking reasonable steps to contact the charity project manager (or similar) and not receiving a reply to queries.

- Issuing a warning notice to a charity, advising that a breach has occurred and may be taken into consideration when considering future applications over a specified period;
- Requiring the charity to return some or all of the funding provided;
- Where relevant, not providing the second instalment of funding; and
- Automatically rejecting future applications from the charity for a specified period or indefinitely.

In all cases, where the Cabinet Office Board is of the opinion that some action must be taken, the charity will be provided with reasons for the decision and given an opportunity to ask for the decision to be reviewed. The Cabinet Office Board reserves the right, after consideration, to disregard the representations of the charity and, in such cases, will provide reasons for so doing.

### **7.12 Return of unspent balances**

If the project is achieved under budget, all unspent balances must be returned, without delay, and in any case no later than the date for the submission of the final report.

If a charity becomes aware of a potential underspend, due to project savings, and wishes to use any unspent balance to extend, or undertake additional activities in relation to the project for which funding was provided, then it must submit a proposal to the Cabinet Office for consideration. The proposal will need to clearly indicate how the proposed extension, or increased activity, meets the original project objectives and provide updated documents including a budget breakdown. The Cabinet Office will consider any such proposals and notify the charity of their decision.

Applications to divert unspent balances into alternative projects will not be considered. Any such applications will be considered in the same way as other standalone applications.

### **7.13 Non-delivery of approved projects**

If for any reason a charity is unable to proceed with a project for which funding has been granted, the charity must notify the Cabinet Office without delay. The charity must also ensure that no further monies from the funding provided by Isle of Man Government are spent.

The charity must provide a report explaining:

- Why the project cannot proceed as approved;
- How far the project had progressed; and
- How much of the grant award has been spent, and on what.

The report must also address whether the problems are such that the project is unlikely to be able to proceed at all, or the anticipated length of any delay in completing the project. The report must include a comparative budget, showing how much money and on what has already been spent against the approved budget.

The charity must return any unspent balances without delay. Returned money may be re-released, if, during the funding year, the charity is able to confirm that the situation has further changed and the project can now proceed as originally approved.





**This document can be provided in  
large print on request**

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