



Use of Funds Policy – Welfare Grants Programme

The Cystic Fibrosis Trust offers several types of welfare grants to help support people with cystic fibrosis (CF) and their families through challenging times.

We get a lot of grant applications and make every effort to assess and provide grants quickly and efficiently. We also recognise the pressures on time for endorsers, the vulnerability of many of the individuals we support, and the need for flexible provision to meet needs.

We work hard to provide welfare grants in a fair, transparent and responsible way. Information about our grants and how we make decisions is available on our website. Grant applications are assessed individually according to set criteria, with clearly defined processes.

We ensure grants from charitable funds are provided carefully and consistently, and we are committed to the prevention of fraud and/or misuse of funds.

Given these complex factors, sometimes things go wrong. This policy sets out what action the Cystic Fibrosis Trust will take in different circumstances. We will review each case individually.

1. Reducing the risk

We carry out the following checks and processes to reduce the risk of misuse of funds and/or fraud.

Endorsement

All welfare grant applications must be endorsed by a professional involved in your clinical cystic fibrosis care.

Usually this will be a member of your specialist cystic fibrosis team. Supporting statements should highlight and approve the need for the grant, and confirm that the clinical team is aware of any difficult circumstances you are facing which could affect their CF health.

Supporting statements, or confirmation of providing the statement, must be emailed to us from the endorser's professional email address. If you send the endorsement to us yourself, we might contact the endorser directly to confirm they provided the statement.

Checking previous applications

When assessing a grant application, we will look back at any previous applications made by you (or on your behalf). This allows us to check for repeat applications for the same item or any unusual/inconsistent information.

Checking ownership of bank details

If the name on the bank details provided does not match your name, we may check (with you or the endorser) whose account is being used.

If an application references financial abuse, significant debt, addiction issues or similar we may ask the endorser to confirm it is appropriate to pay into the your account and/or offer payment to a trusted third party. Payments can only be made to a trusted third party with your written permission (email is acceptable).

If you make an application on behalf of an adult (18+) we may contact them directly to confirm they are aware of the application and are happy with payment into the bank account on the application.

Proof of purchase

If the grant is for a specific good or service (eg, a washing machine, gym membership), we will request a copy of a proof of purchase payment receipt is sent to us within one month of provision of the grant.

If this is not received, we will make contact to request this, and we may take further action, as set out in this policy.

Repeat applications

We have policies in place to reduce repeat applications. We hope this encourages grant applicants to buy new items/appliances, take up manufacturer guarantees, and ensure items purchased with grant funding are a) cared for and b) taken with an applicant whenever possible if they move house. Reducing repeat applications enables us to help more people with cystic fibrosis.

Clear information when a grant is provided

We make sure we provide clear information when we confirm that a grant is being provided. This is an example of information we might provide:

'There are few things we wanted to let you know about this grant:

- *We ask you to buy a brand new appliance so that this hopefully lasts as long as possible*
- *You won't be able to apply for another grant for <insert specific appliance> from us for 3 years.*
- *You'll need to send us a receipt/proof of purchase within one month of receiving the grant. This can be a screenshot, email receipt or a photo of a receipt. Please send it through to this email address.*
- *If you don't provide a receipt, you may not be able to apply for future grants from us.*
- *Please make sure you activate the manufacturer's warranty on the appliances – you should get information on how to do this with the appliances.*
- *Thank you for submitting a link/screenshot to the items you need when you submitted your application. We ask you to use your grant for this or a very similar item, and not to use the grant as part-payment for a more expensive item unless you have already discussed this with us. If your circumstances have changed since you applied for the grant and you no longer need the grant to be able to afford the item, please let us know as soon as possible.'*

2. Misapplication, Mis-spend, Misuse, Fraud

The term 'fraud' is used to describe wrongful or criminal deception intended to result in financial or personal gain.

Under the Fraud Act 2006 the criminal offence of fraud can be committed in three ways:

- Fraud by False Representation – this means lying about something with the aim of causing a gain or a loss.
- Fraud by Failure to Disclose Information – not declaring something when you have a legal duty to do so with the aim of causing a gain or a loss.
- Fraud by Abuse of Position – specific situations where someone abuses a position of trust and places another at financial risk or causes a loss.

Within the context of our grants programme that there are circumstances where funds are misapplied for, mis-spent or misused but often these situations will not be fraud or attempted fraud.

Below is a description of how we define these and how we will respond.

Misapplication

What it is

An applicant applies for something that is not in line with what we can provide or the application doesn't meet the eligibility criteria, but provides fully accurate, truthful information as requested, with no attempt to mislead or deceive.

Examples

- *We receive an application for a washer dryer. When we check our records, we can see we provided a grant for a washing machine two years ago. When we query this with the applicant, they confirm they had forgotten about the previous grant and the application is then withdrawn.*
- *An emergency application is sent in by an applicant to cover the cost of car repairs, which is not something we can help with. When we explain this to the applicant, they say that they have been really unwell and off work for 4 weeks, and the loss of income is causing financial difficulty. We work with them to change the application to cover the emergency need for basic daily living costs as a result of a temporary loss of income.*
- *We receive a health and wellbeing application for carpeting. The application includes a receipt, showing the carpet has already been bought and paid for by the applicant, so we reject the application.*
- *We receive a Home Essentials Fund grant for a bed. The application says the current bed is usable, but getting old and creaky. We contact the applicant to explain that we can only provide Home Essentials fund grants for beds/mattresses when the applicant does not have a bed at all, and look at the criteria to apply for a Health & Wellbeing grant application instead.*

What we might do

- In most cases, no action will be required beyond withdrawing or rejecting the application, or suggesting an alternative source of funding and/or offering alternative support from our welfare team.

Mis-spend

What it is

The grant was not spent, either completely or partly, on what was detailed in the application, without agreeing this with us. However, the grant was spent in a way that would benefit the applicant's CF health, and is broadly in line with the grant amount.

Examples

- *An application is approved for a washing machine. When proof of payment is received, it shows that a fridge-freezer has been purchased instead. When we query this with the applicant, they tell us that just after they received the grant their fridge broke down and they spent the money on this as it was urgently needed to keep medication cool.*
- *A grant is provided for a fridge freezer costing £300. The receipt shows a cost of £259.99 and the family ask us if they can spend the left-over money on food shopping for their child with CF who has recently been unwell.*

- *We provide a grant for a treadmill. When we receive the proof of purchase it shows the applicant bought an exercise bike for the same price as the treadmill because they realised a treadmill would take up too much space in their house.*
- *The applicant does not provide proof of purchase at all*

What we might do

- We might approve a use of underspend of a grant for something else that would benefit CF health
- We'll change our records where appropriate, to reflect what the grant was actually spent on
- If a receipt is not provided at all, we may not be able to accept any further applications from the individual or their household, although we will always seek to understand whether there is a particular reason a proof of purchase has not been provided.
- If a receipt shows a spend of significantly more than the amount provided (£100+)* we will contact the applicant to establish why. If, because of the amount of overspend, it becomes apparent that the applicant could have afforded the item themselves, this may be mis-use of the grant (see below)
- If a receipt shows a spend of significantly less than the amount provided (£100+) we will contact the applicant to establish why. Depending on circumstances, we may request that the remaining money is used in another way that directly benefits the applicant's CF health, or we may need to consider whether this was mis-use of the grant (see below).

*amount for the appliance itself – extra charges such as delivery or installation won't be counted

Mis-use

What it is

The grant was not spent, either completely or partly, on what was detailed in the application without agreeing this with us, and was spent on something unrelated to, or unlikely to benefit, the applicant's CF health.

Or, the amount of spend is not in line with the application – eg, the applicant purchased a much cheaper second-hand appliance when the grant amount would have covered the cost of a new appliance, or used the grant towards a significantly more expensive item which was not detailed on the application.

Or, incorrect information, which was then used to assess eligibility or make a decision on the application, was provided to us in the application process. This could happen despite information on eligibility or what could be funded being provided on the application form and/or in our communication with the applicant or endorser, but is caused by a misunderstanding or similar accident, rather than a deliberate attempt to provide false information to access a grant.

Examples

- *An application requests a grant for a fridge-freezer. Our records show the applicant received a grant for a fridge-freezer a year ago. The applicant confirms they bought a cheaper second-hand item with the previous grant (which has now broken down) but is not able to provide any information about how the rest of the money was used.*

- *A grant is provided for a year of gym membership. When we ask for proof of purchase, the applicant is unable to provide this and tells us they used the grant for spending money for a holiday instead.*
- *An applicant requests a grant for a cooker, including a screen-shot of a an appliance costing £249.99. The grant is provided for this amount. When the receipt is sent into us, it shows the applicant has purchased a cooker costing £699.99.*

What we might do

We will make contact with the applicant and/or endorser to establish if there is a reason for the mis-use of funds. We will take into account this reason, and any other relevant personal circumstances, when deciding on a course of action.

- We might decide, based on the circumstances and information from the CF team, to continue to provide grants (or for example, to provide another grant for the same item in a short space of time). This will usually only be when there are no other sources of support available and it's clear from information from the CF team that the item is urgently needed to protect CF health.
- We might send them a copy of this policy, with an explanation that we feel the grant has not been used in the way we expected and asking them to consider this in any future applications they make. This may be the right course of action where an applicant has bought something which is different to what was specified in the application but has a genuine reason for doing so (for example, a family member made up the difference to enable them to buy a more expensive, but more energy efficient appliance).
- We might decide that we are unable to accept any further applications from the applicant – this may be for a specific period of time, or relate to a specific grant type
- We might ask for all of, or part of, the grant amount to be returned

Any decisions to restrict/prevent future grant applications can be reviewed if the applicant's circumstances change (eg, if a child with CF becomes an adult and leaves home).

Fraud and Attempted Fraud

What it is

Fraud is a deliberate attempt to dishonestly apply for a grant. This could include providing false or exaggerated information or with-holding information.

This could also include falsifying medical details including the professional endorsement.

Examples

- *A person with cystic fibrosis sends in an emergency grant application form with an endorsement included from a named professional. When we contact the endorser to check they provided the endorsement, they confirm they did not provide it, and nor did any of their colleagues.*
- *A parent of a young adult with CF applies for a grant for a washing machine. The application says the person with CF lives with them full time, but we are aware of separate contact from the person with CF suggesting they live elsewhere. When we check this with the person with CF, they confirm they do not live with this parent and were not aware of the application, which has been made in their name.*

What we might do

- We might report the fraud to the police and/or Action Fraud
- We might discuss the fraud/attempted fraud with the applicant's CF team, particularly if we have concerns for the wellbeing of the applicant
- We might decide that we are unable to accept any further applications from the applicant – this may be for a specific period of time, or relate to a specific grant type
- We might ask for all of, or part of, the grant amount to be returned and/or take steps to recover the money

Any decisions to restrict/prevent future grant applications can be reviewed if the applicant's circumstances change (eg, if a child with CF becomes an adult and leaves home).

Recording mis-spend/misuse or fraud

Wherever possible we will communicate/investigate via email to ensure we have a 'paper trail'. If we need to discuss the issue with the applicant/endorser over the phone, we will make basic notes to record the conversation.

We will only record and share minimal information, on a 'need to know' basis. In most situations, this information will be kept within the support service team, although we may need to inform other staff of the Trust if appropriate.

If we make a decision to restrict future grant applications, to request some or all of the grant is returned, report to police or take any other specific action, we will keep a record of this on our secure database.

Appeals

There is no formal route to appeal decisions relating to welfare grants, but concerns can be flagged via the Trust's complaints process, where they will be investigated and responded to as per the process.

Dated: August 2024