Reach Fund Grant Application Guidance

The Reach Fund is grant programme that helps charities and social enterprises raise investment. The programme is funded by Access – The Foundation for Social Investment and is open to organisations in England.

Social investors are often approached by charities and social enterprises who require extra support to raise investment. Through this programme, social investors can refer these organisations to the Reach Fund to apply for the support they need.

How can I apply?

You can only apply for a grant through this programme following a referral from an Access Point. Access Points are social investors approved by the Reach Fund to refer organisations they are working with to apply for grants.

The fund is intended to support those organisations who are close to raising repayable finance for a specific purpose and where a social investor has indicated there is some essential information missing which is preventing them from making an investment offer. If you do not intend to raise repayable finance, are very far away from raising finance, or are looking for general capacity building support the Reach Fund may not be right for you.

If you want to raise social investment you should contact an Access Point to talk to them about what you want to do. The Access Point Directory provides information on all our Access Points and the type of investment they offer. If your Access Point refers you to the Reach Fund you can begin your application for a Reach Fund grant.

Typically grants of up to £15,000 are available but your grant request should be determined by the work required by your Access Point. All grant requests will need to be fully justified and demonstrate value for money.

Registration

The first step of the process will be to register on the Reach Fund website at www.reachfund.org.uk. There you will be asked for some basic information about you and your organisation.

Please note, when entering the name and address of your organisation **it is very important** that you enter your legal name as registered at Companies House/The Charity Commission as well as your registered address. All our legal documentation will use this name.

Diagnostic Tool

The second step of the application is completion of the Reach Diagnostic tool. This is used to help understand how ready your organisation is for investment.

You will be asked for information regarding your Governance and Leadership, Impact and Vision, Market Potential, Financial Performance and Operations. The scores from each of these sections will be combined to provide an Investment score.

There are no right or wrong answers to the questions and you do not need to get a specific score to successfully apply for a grant.

The diagnostic tool is designed to help us better understand the needs of all the different organisations applying for a Reach Fund grant and help us understand how support from the Reach Fund has helped your organisation.

Investment report

Upon completion of the diagnostic tool you will receive your 'Investment report'. This report will contain your scores for each of the sections of the tool and an overall Investment score. It will also provide you with useful resources, hints and tips based on your results. For example, if your Market Potential score is low you will be signposted towards resources that may help you improve your market understanding and analysis.

Invited to Application

Your diagnostic report will also be shared with your Access Point. Once they have received your report, they then decide whether they think you should apply for a grant.

If they confirm their support for your application, you will be invited to apply for a grant via the Social Investment Business online application portal.

If you are not approved, you will be provided with alternative suggestions of support. At this point, we would also advise that you speak to your Access Point about why your application did not proceed.

Application Process

Once you have been invited to apply for the fund, you will receive an email inviting you to complete your grant application via our online community. The community is separate to the Reach Fund website as it links directly to our CRM system. Your username to access the application form will be the email address that you used to register on the Reach Fund website; you will create a password when you first log in.

When you first log into the community you will see a page like this;
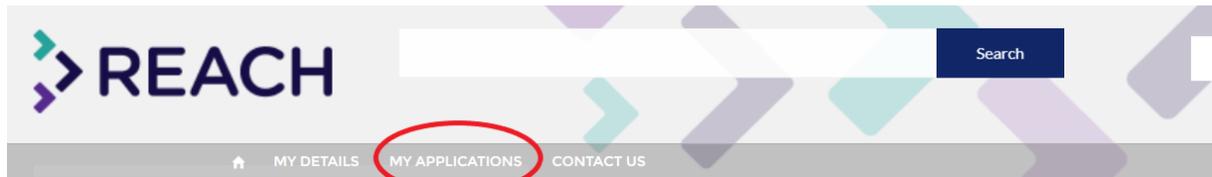
Welcome to your Reach Application

From here you can submit your application and check back on your progress.

A quick overview of your page...

My Details is where you'll find the information that you have provided about your organisation. Click on this page to edit and update your information so we always have the most up-to-date information about you.

My Applications is where you'll find your application to the Reach Fund. You can begin your application and save it at any time to complete at a later date.

Questions and Support. If you need any assistance or support with your application please contact us. We'll respond to your query as soon as we can.

To access your application, click on the 'My Applications' link in the grey bar at the top of the page. Once you have done this, you will then see a page like this;

MY APPLICATIONS

APPLICATION NAME	INVESTEE	CREATED DATE	STATUS
APP-12345		30/01/2019 13:43	Submitted

View All

Click on the application number, and you will then see the application questions.

To answer the questions, simply click on the Edit box on the top right of the screen;

Your Access Point can help you to answer the application questions.

Application questions

1.   Detail your current services

Please provide us with a brief description of the services that your organisation provides. What is it that your do and how do you do it? Essentially here, we want you to tell us what you do as an organisation.

Please use no more than 300 words when writing your answer.

2.   Investment raise amount

Here you need to indicate how much repayable finance you are hoping to raise from your Access Point. You should have already been in discussions with your Access Point about this before applying to the Reach Fund.

You will only be able to enter numbers in this field so please don't try to enter symbols.

3.   Main type of investment sought

Here you need to select which of the list is the main type of investment you are seeking. A definition/description for each type is below;

Type	Description
Bridging Finance	Finance for big short-term cashflow shortfalls. This will often be used to cover
Community Shares	A withdrawable, non-transferrable equity investment into a cooperative or community benefit society.
Crowdfunding	An investment that is raised via an online platform, which may or may not be secured against an asset (a building or equipment). Some crowdfunding platforms enable you to raise some of the other types of investment listed. If you are raising your investment using an online platform, and it is not a community share offer, please select this investment type.
Equity	An investment in exchange for shares in your organisation.
Guarantee/Overdraft	Arrangement under which a lender extends credit up to a maximum amount
Quasi-Equity	An investment that reflects some of the characteristics of shares but without your organisation offering up equity. Rather than paying back a set amount each month, your repayments are typically based on the performance of the organisation – such as profits or income.
Secured Loan	An investment that works like a mortgage on a house. Your lender provides your organisation with a loan against an asset (often a building or equipment) as 'collateral'.
Unsecured Loan	An investment that is not secured against an asset (a building or equipment). An investor provides your

	organisation with a loan and you repay it on an agreed basis, usually with an agreed amount of interest on top.
Working Capital	Finance for everyday to help with cashflow 'dips'.

4.   Detail the purpose of this investment

We need to understand what you will use the repayable finance you are hoping to raise from your Access Point for; i.e. purchasing a building or other assets, raising working capital or development capital. Please do this by selecting one of the available options. You need to highlight the right description and then click on the arrow pointing right to select.
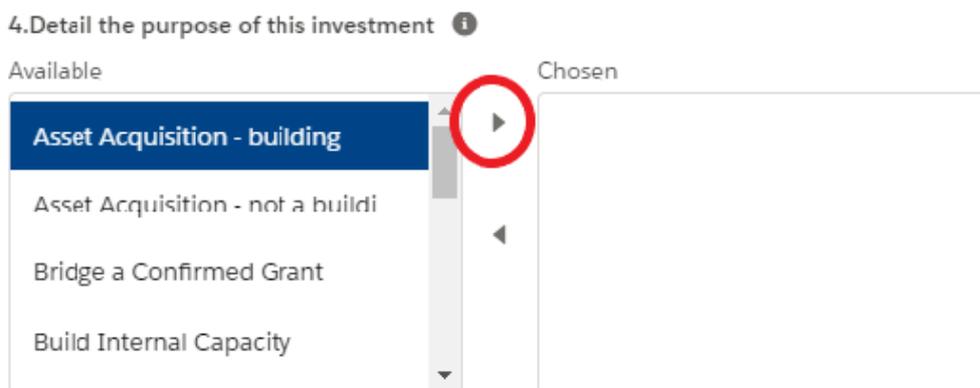
5.   How will this investment help your organisation

We need to understand what difference this investment you intend to raise will make to your organisation and why you need help to raise it. Will it strengthen you financially? Why you can't raise this finance without support from the Reach Fund? What barriers are preventing you from raising this investment now? What work does your Access Point say needs to be done before they can invest in you?

If you intend to use the investment to refurbish or purchase any property, equipment or other assets please detail this along with where/what these are, what stage you are at with the purchase, the value of the assets, and if appropriate, whether you have any necessary permissions (such as planning permission).

If the investment you are raising is one part of a larger amount that involves other funding sources, please detail this along with what stage you are at with raising other funds. If you have secured other funding, please tell us who these other funders are and any specific terms they have specified.

In essence, your response to this question should be quite factual.

Please use no more than 300 words when writing your answer.

6. How will this investment help social impact

We want to understand what additional social impact will the investment you intend to raise will create. How will it help your mission/purpose? Will it help you to reach more beneficiaries? Will be able to deliver more services?

Please use no more than 300 words when writing your answer.

7. Raised repayable finance before?

Please answer yes or no to tell us whether you have raised repayable finance before. If you have raised any repayable finance, whether or not it is different from the type of finance you are hoping to raise now, you should answer yes to this question.

8. If yes, why is more investment needed

If you answered yes to question 7, please tell us about the previous investment you raised. What type of finance was it? When did you raise it? Who did you raise it from? Have you repaid the investment or is it still outstanding? Why do you now need to borrow more funds?

If you have raised repayable finance previously, either from your Access Point or another investor, you can receive support from the Reach Fund, but we need to know why in particular you need help with raising this new finance. Is it a different type of finance you are now raising? Are different people involved with the investment raise and so there are additional skills requirements? Is your organisation operating differently now compared to when you last raised repayable finance? Whatever the reason may be, please make it very clear why you now need support to raise finance.

Please use no more than 300 words when writing your answer.

9. Grant Amount

Here you need to indicate how much grant you are asking for to help you become investment ready.

You will only be able to enter numbers in this field so please don't try to enter symbols.

10. Detail investment readiness plan

Here we want you to describe your investment support plan, and why you need to undertake this work in order to raise investment. Your Access Point may have already provided you with feedback as to why they cannot provide you with an investment, and if they have please detail this here. If you have multiple investment support needs, please detail each one individually.

If you are undertaking some of the work yourself, you need to indicate what the cost of doing this is. We cannot contribute to your costs just because you are undertaking the project, but we can consider backfill or additional staff time requests.

If your Access Point has indicated that they will do some of the work, we can consider this (although this is not how we expect the majority of support to be provided) but we need to understand why they are best placed to do the work.

For any third-party providers you are using please tell us how you selected them. Also, please indicate whether your Access Point made any recommendations about who should carry out the work.

We want to be sure that you are happy with whoever is doing the work supported by the Reach Fund.

For any applications to the Reach Fund the feasibility of a project must have been established. The purpose of the Reach Fund is to provide specific support to enable your Access Point to make an investment offer.

The table below provides some information about what the Reach Fund will and won't fund.

We will fund	We won't fund
• Support with updating business plans • Support with producing financial forecasts • Support with producing specific marketing plans • Additional staff time for part time staff to work increased hours in order to work on the project. • Costs for additional staff to backfill full time staff so as to provide them with time to complete the project. • Work to demonstrate the social impact of your organisation to meet the requirements of your investor • Specific legal work required by your investor in order for them to be able to invest in you • Any other specific work required by your investor to allow them to be able to make an offer to you.	• Items/costs that you have already paid for/incurred (retrospective costs) • Costs that you have to incur as part of the day to day running of your organisation, such as existing staff costs or other overheads or the auditing of your accounts • Early stage feasibility work to establish whether or not your project or raising finance is realistic • General support to increase revenue or generally make your organisation more profitable or able to afford repayable finance. • General marketing support or marketing materials such as leaflets or websites. • Purchase of IT systems • Ongoing general support to add capacity to your organisation • Grants to sit alongside an investment offer and reduce the

	risk to the investor of offering finance.

Please use no more than 300 words when writing your answer.

11.   What policies do you have in place?

Please tell us which policies and procedures you have in place. Simply highlight each one that you have and then click on the arrow pointing right to select those that you have;
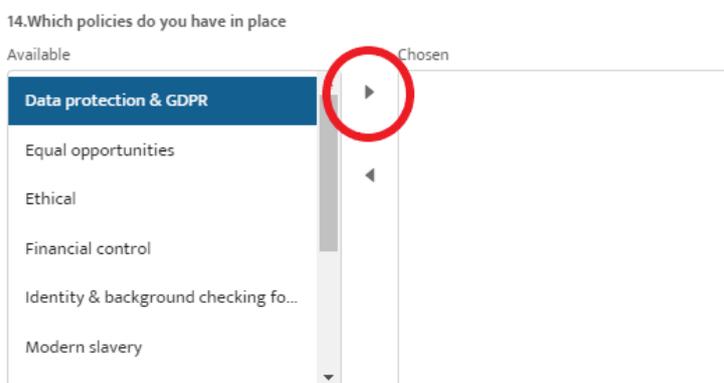
Explanation of work

This is where you list the individual items that you would like us to fund, and who will be doing the work.

You are able to list up to 6 tasks as part of your grant budget. For each task you need to detail;

- **Category of Work;** select an over-arching category that describes the task
- **By Who;** please state who will do the work
- **Internal/External;** select an option so that we know what category the person undertaking the work falls into.
- **No. of days;** Please indicate the number of days the task will take.
- **Day Rate;** please indicate the day rate for the work.

Explanation of Work	
Task 1 Category of Work	**Task 2 Category of Work**
--None-- ▼	--None-- ▼
Task 1 By Who	**Task 2 By Who**
Task 1 Who Type	**Task 2 Who Type**
--None-- ▼	--None-- ▼
Task 1 No. of days	**Task 2 No. of days**
Task 1 Day Rate	**Task 2 Day Rate**
Task 1 Total Cost	Task 2 Total Cost
£0.00	£0.00

The total cost for each task will be calculated for you when you save your application.

Please remember that if you must pay VAT on any of the items you are asking us to fund, please make sure that the costs you list are inclusive of VAT.

Bank details

We ask for your bank account information so that if your application is successful, we can pay the grant to you. **The bank account we pay the grant to must be in the name of your organisation**; we cannot pay the grant into any other account.

If your application is successful you will need to provide us with a copy of a bank statement for this account.

Legally responsible contacts

We need the details for the two people that will be legally responsible for the funding from within your organisation. At least one of these must be a Trustee/Director as listed at Companies House/The Charity Commission.

These two contacts will be responsible for ensuring that the application is supported by the organisation applying and accepting any grant offer made. **If you are successful your grant offer will be sent to you electronically**, so please make sure that your legal contacts have a valid email address and are comfortable with electronic documents.

The legally responsible contacts must be different to the main contact for the grant application. The legally responsible contacts should also be unconnected to each other and the main contact. This means not related by blood, marriage, in a long-term relationship or living together at the same address.

We will need the full name, date of birth and home address for both contacts so that we can carry out some basic identity checks. We will also need their email address so that we can email them your grant offer letter if your application is successful. This is part of our standard fraud prevention process so please check that the information provided is correct.

By providing this information you are confirming that you have the permission of the individuals involved to do so.

Social Investment Business intend to store and process the application data, including the personal details, in order to successfully carry out the fund's management.

We will take steps to ensure that your personal information is used in a way that is compliant with the General Data Protection Regulation, kept safe and will only be shared with Access – the Foundation for Social Investment (who fund the Reach Fund) and the TI Group (who are Access' learning partner).

You will not be able to submit your application if you do not have the details of the legally responsible contacts so please make sure you have this information to hand.

Additional areas to consider when making your application

1) Refinancing

There will be times when you may refinance existing borrowings. The Reach programme does not typically support refinancing, particularly where this is relatively straightforward (e.g. a single new facility replacing a single existing facility).

We do however appreciate there will be circumstances where the refinancing is more complex e.g. consolidation of various facilities, or replacement with a different type of investment. In these circumstances we will consider providing support so long as You, and your Access Point, provide a very clear statement why support from the Reach programme is needed We need to understand the precise needs for support and the reasons for them when viewed against the benefits of the refinancing.

2) Follow on Investments by Access Points

If you have already borrowed from your Access Point, there can be many reasons why your Access Point may wish to provide you with further investment. Given they have established a relationship with you, and you are meeting the terms of the first investment, we need to make sure that both your application and Access Point supporting statement give very clear reasons why grant support is needed for them to provide further investment

The circumstances where we may consider an application for follow on investments are when

- it is a different type of finance you are raising from your Access Point

- You are borrowing for a different income stream from a new/different business model

Whatever the reason, it needs to be clearly detailed in your application, and particularly in the Access Point supporting statement.

3) Can an organisation receive more than one Reach grant?

There is nothing to prevent you from applying for another grant from the Reach fund. However, before doing so the following should be considered:

1. Is the first grant complete?

We will not accept a 2nd application from an organisation unless the first grant is complete. I.e. all work funded by the previous grant is finished, an end of grant monitoring form completed by the grantee and we have confirmed that the grant has made a difference in line with the original application.

If an organisation is mid-way through their Reach grant and needs to discuss the work they are doing, they should discuss this with their Relationship Manager, not by submitting a second application.

2. Did the first grant lead to an investment raise?

If you have not raised investment will need to provide clear details of what prevented, you from raising finance given the aim of the Reach grant was to put you in the best possible position to do so.

If you have raised finance, you will need to tell us when the investment was raised and why further investment and support to raise this is needed.

3. How is the new proposal significantly different to the previous application?

There needs to be a clear rationale as to why further support is required; we will not approve a second application to pay for the same work to be undertaken again. The reasons when we will consider a second Reach Fund grant include;

- the type of investment raise is different,

- the investor is different, and so has different requirements,

- the investment to be raised is for a new product or market innovation (i.e. for delivery of new services)

4. How does the new proposal build on previously funded activity?

We will not pay for the same range of activities previously supported (e.g. strengthen governance arrangements). You will need to tell us in your application how learning from the previous Reach grant has been embedded within the organisation, whether you are in a better position to be able to raise investment without support in the future and How this new proposal is supporting different areas of the organisation's needs.

5. Can the VCSE organisation able to contribute to the project where possible?

It is not a specific requirement for the Reach Fund for VCSEs to contribute towards the project. However, we do need to be sure we are providing grants for support that could not take place otherwise. Therefore, if someone has already had one grant, and has seen the benefits from the funded activities, we might expect them to contribute towards any subsequent application.

You will need to discuss these carefully with your Access Point.

How to submit your application

You can save your application while you are filling in the information and come back to it at any time. To login back into your application visit http://www.sibgroup.org.uk/ and click on the 'Community' option at the top of the page.

Once you are ready for us to review your application, just tick the box marked 'Submit Application' at the bottom of the application form.

Once you have ticked this and re-saved your application, it will be submitted.

Please note, once you have submitted the application you will not be able to make any further changes to it.

What happens after you have submitted your application?

Once we have received your application, the answers you provide will be combined with the information you provided in the Diagnostic stage and will be reviewed by Social Investment Business. Your Access Point will also be asked to provide a supporting statement which will detail why they think you are a good fit for the fund, why this work will enable them to make an investment offer and why they support your application.

If we have any questions about the information you have provided, we may get in touch with either you or your Access Point to ask for further information. Please provide as much information as possible as this will help us to review your application and give you a decision as quickly as possible.

Applications for £15,000 or less will be reviewed internally at Social Investment Business. Applications for more than £15,000 will also be reviewed staff from Access – the Foundation for Social Investment. Social Investment Business may refer other applications to Access – the Foundation for Social Investment if it is deemed appropriate.

You should expect to get a decision in around 4 weeks of submitting your application.

If you are successful, we will send you a Grant Offer Letter which details the terms and conditions of the grant.

Your grant offer letter will be sent electronically and will first be sent to the main contact for the grant before being emailed in turn to the legally responsible contacts. When returning it you will need to attach a bank statement. This can be either:

a) a scan of a physical bank statement or
b) an electronic statement downloaded from your online banking

The statement must show the sort code, account number and the name of the bank account and be no more than three months old.

Once you have uploaded your bank statement, and any other precondition information, your offer will be sent electronically to the two legally responsible contacts that were nominated.

More information about how to complete and return the grant offer is on the Reach Fund website here.

Once we have all the information, we have asked for in your offer letter, we will be able to release your first grant payment.

You will need to provide us with monitoring information on your grant. Details of this will be emailed to you and you will be able to send this back to us electronically.

State Aid

Grants from the Reach Fund have the potential to be State Aid. When reviewing your application, we will carry out a State Aid assessment as part of this.

If we require any further information from you to do this, we will let you know. If you would like more information on State Aid detailed guidance is available at www.gov.uk/state-aid.

Any Questions?

If you have any questions about your Reach Fund application, we are here to help.

You can visit the Reach Fund website at www.reachfund.org.uk, email us at reachfund@sibgroup.org.uk or give us a call on 020 3096 7900.

We're here Monday to Friday 9.00am – 5.00pm.

An overview of the process

Register on the Reach Fund website	• Make sure you use your organisation's legal name. • Tell us which of the Access Points referred you to the Fund.
Complete the Diagnostic	• You don't need to get a particular score, just be honest so we can learn more about you.
Submit your diagnostic	• Your Access Point will then review this and confirm whether or not they support you applying to the fund. If they do you will receive an email inviting you to apply for a grant.
Start your application	• As well as answering a few questions relating to your organisation and project, you will need to give us your organisation's bank account details, and the 2 details of 2 people who will electronically sign your grant offer (if you are successful).
Submit your application	• Once you are happy with your application, tick the 'submit your application box'.
Access Point Supporting Statement	• We will share a copy of your application with your Access Point, and ask them for a statement supporting your application.
Application Assessment	• A member of the SIB team will review your application. If we have any questions about it, we'll get in touch.
Application Decision	• Your application will be reviewed and a decision made. You should expect to receive a decision in around 4 weeks.
Grant offer	• If your application is successful you will be emailed an electronic offer letter. You and your 2 legal contacts will need to complete this electronically and then it will be sent back to us.
Receive grant	• Once we have your completed offer letter and we have confirmed everything is in order, we will release your grant payment.
Complete grant monitoring.	• 3 months after you have received the grant, we will ask you for some monitoring information. This will be emailed to you for you to complete electronically.