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Due Diligence and Contracting Process

Q. What is Due Diligence? Why do we have to provide this information?

A. “Due Diligence” is our process of reviewing your organisation’s finances, and internal policies and processes so that we can measure the likely level of risk to us in funding your organisation. It is our legal duty to carry out this process on all our grantees before we are allowed to disburse any funds.

Q. What is the process for Due Diligence and Contracting? How soon can I start my project?

A. The Due Diligence and Contracting processes are the later stages of our overall grant-making process. Once you have successfully obtained a funding decision in your favour, we need to complete the Due Diligence process and sign a Grant Agreement before the grant is fully confirmed. We work to agree a contract with you at the same time as we undertake our Due Diligence checks. Therefore, if you can send us the Due Diligence information we require promptly, we aim to complete both processes within 6 to 8 weeks. The process is complete as soon as the Grant Agreement is signed, at which point we will release the first part of the grant funding to you.

Q. I’ve been told I have funding already. Isn’t this just a formality?

A. No. The Due Diligence process is an integral part of our overall grant-making process. You may already have been approved funding by one of our Funding Committees; however, that funding is still dependent on you satisfactorily passing our Due Diligence process and agreeing a Grant Agreement with us.

Q. Can I start my project before Due Diligence and contracting is complete?

A. Our offer of funding is subject to successful completion of the Due Diligence and Contracting processes. Eligible costs can only be incurred during the grant period stated in the grant agreement,

if you choose to start incurring costs on your project before the Grant Agreement is signed but within the proposed grant period, you do so at your own risk.

Q. You have already carried out Due Diligence checks on our organisation. Do you need to do it again? How long is our Due Diligence approval valid for?

A. For organisations that fit within our Standard bracket (see [Due Diligence section](#) below), Due Diligence checks last for 3 years. For organisations outside of that bracket the Due Diligence checks are valid for 12 months. This means that if we contract with you again within that period, we won't have to run Due Diligence checks again.

Grant Agreement

Q. Where can I find a copy of the standard Grant Agreement?

A. A template Grant Agreement is provided on the Common Grant Application platform, where proposals are submitted to Elrha's Programmes. We will also email the standard template to you when we request Due Diligence information. Please ask us if you have not received this.

Q. Can I negotiate some of the terms in the Grant Agreement?

A. The grant agreement includes provisions from Elrha's donors which we have an obligation to pass down to our grantees. For this reason, we are unable to negotiate on terms in all but the most exceptional cases.

Confidentiality & Data Protection

Q. Do we need a Confidentiality Agreement?

A. No – the Grant Agreement includes appropriate confidentiality clauses to protect your research or innovation.

Q. What do you do with the information we provide?

A. We treat the information you provide with confidentiality and only use for the purposes of administering our grant making process, and to provide support for your granted project, should you be successful.

Due Diligence Documents

Q. What documents do I need to provide?

A. The Due Diligence process we use is related to size of funds requested and the profile of the organisation. There are 3 types of Due Diligence processes: Standard, Standard Plus and Enhanced.

Standard Due Diligence

Applies to:

- Academic Institutes registered in the UK, the European Economic Area (EEA), the USA, Canada, Australia or New Zealand, and licenced or accredited by a regulatory body,

- Charities registered and regulated in the UK, the European Economic Area (EEA), the USA, Australia, New Zealand or Canada that have a turnover of at least £10m per year or more,
- Private limited companies (except Limited Liability Partnerships or equivalent, or those with anonymous ownership) registered in the UK, the European Economic Area (EEA), the USA, Canada, Australia or New Zealand that have a turnover of at least £10m or more per year,
- UN agencies or Programmes,
- Entities belonging to the Red Cross or Red Crescent Movement.

Documents needed:

1. Lead organisations legal registration, charity number and/or accreditation confirmation, (if relevant)
2. Research/ Project team list, (Full name, date of birth and nationality) for vetting.
3. Safeguarding & Child Protection policies (if project has direct or indirect contact with children or vulnerable people)
4. Anti-Fraud, Anti Bribery, and Anti-Terrorism policy
5. Procurement policy (if ECHO Donor and the organisation is not a FAFA or FPA)
6. Security Policy (if the project is to be undertaken in a High Risk or Very High Risk country; see below)

Standard Plus Due Diligence

Applies to:

- Grants of £50,000 and under for organisations that don't fit into the "Standard" bracket

Documents needed:

As above but including;

1. List of Trustees, Board Members or Directors from lead organisation (Full name, date of birth and nationality)
2. Audited accounts for the past two years

Enhanced Due Diligence

Applies to:

- Grants of over £50,000 for organisations that don't fit into the "Standard" bracket

Documents needed:

As above but also including;

3. Financial Management Procedures
4. Name of bank to which funds will be deposited
5. Procurement Policy
6. Organogram (Organisational Chart)
7. Organisational Code of Conduct

[Language / Translation of Due Diligence Information](#)

Q. Does Elrha need all Due Diligence information to be in English

A. Yes.

Q. Will Elrha translate any documents that are not in English?

A. Elrha does not have budget or in-house skills to undertake this work.

Legal Registration and accreditation confirmation

Q. Must we be a legally registered organisation?

A. Yes, we cannot grant funds to an organisation that is not a legally-recognised entity. We do not have restrictions on what country the organisation is registered in.

If you are implementing in a country that is not your organisation's home country you must be legally able to operate in that country, or using an implementing partner based in the country of implementation.

If the organisation is a research institute please provide proof of the accreditation as it will determine the level of due diligence needed.

Procurement policy

Q. What is a Procurement Policy; what should it cover?

A. Your procurement policy should guide how you go about buying goods or services. We are keen to see that your organisation complies with procurement best practice. This helps reduce the risk of fraud or bribery, and is also a good way to ensure that you get value for money when procuring goods or services. For more information on Procurement policy please review our supporting document on Policy guidance.

Financial Management Procedures

Q. What are financial management procedures and why do you need these?

A. We ask for these procedures in order to understand how robust your organisation is at managing its finances, and therefore the risk involved in funds being spent outside of the purposes of the project. We, and you, may be audited on the request of our donors and we are keen to minimise the risk of issues being raised or funds being disallowed. Having solid financial management processes is also a good way to reduce the risk of fraud.

Child Protection & Safeguarding vulnerable groups policy

Q. We don't work directly with children or vulnerable groups: why do we need Protection and Safeguarding policy?

A. If you work with vulnerable communities, you should have a Safeguarding & Child Protection Policy as standard to help ensure that your project does not expose children or other vulnerable populations to the risk of harm or abuse.

Q. What if we don't have a Safeguarding & Child Protection Policy but will be working in vulnerable communities

A. You may want to ask your project partners if you could adapt their policy, if they have a good policy. However, you should be prepared to adapt this for your own particular use. We provide more information on what we expect to see from Safeguarding policies in our Policy guidance supporting document.

Anti-Fraud, Anti-Bribery, and Anti-Terrorism policy

Q. What are you looking for from our Anti-Fraud, Anti-Bribery, and Anti-Terrorism policies?

A. We want to see that malpractice is taken seriously, staff are trained on the different types of fraud and what behaviours are and are not acceptable.

Q We don't have a single Anti-fraud, Anti-Bribery, and Anti-Terrorism policy. What should we provide?

A. The information that covers these areas could be found in multiple documents and are not necessarily in one document with this title. For example, process around fraud could be contained in your organisations Procurement policy; anti-bribery and fraud could be in the Code of Conduct or your organisations Ethical Guidelines. Provide the necessary documents that cover these areas.

For more information on what we expect to see in Anti-Fraud, Anti-Bribery and Anti-Terrorism policy please review our supporting document, Policy guidance.

Project Partners

Q Why do you need the names, date of birth and nationality of our research/project team members?

A. We are legally responsible to our donors for all downstream use of their funds, therefore we vet the key members of the research and project team.

Security Policy

Q Why do we need to provide a Security Policy?

A. We will request this document if the country you are working in is deemed Very High Risk to High Risk, we take these recommendations from Save the Children's internal country risk register. For the list of Very High risk and High risk countries please revert to our Policy guidance document.

Other Questions

Q. I have a question not answered here

A. If you have any questions around Due Diligence and Contracting please contact a member of staff at the Elrha Finance and Grants Unit at financeandgrants@elrha.org