



# COVID Recovery Programme for Sports Organisations Guidance Note

## Introduction

The Executive and the Minister for Communities, Deirdre Hargey MLA, have provided COVID recovery funding for sports organisations and a range of other not-for-profit organisations.

COVID continues to present challenge across society as many sectoral organisations look to emerge from its worst impacts. Even with the lifting of most restrictions, continuing social distancing and sanitising measures can make it harder and more costly to deliver services. In addition, the public's confidence levels may continue to be fragile in the short term, preventing the full and immediate return to pre-COVID conditions and continuing to have negative financial impacts.

The aim of the 'COVID Recovery Programme for Sports Organisations' is to **reduce or remove operating deficits in eligible organisations which have arisen in the 2021/22 financial year because of the COVID pandemic.**

To achieve this the 'COVID Recovery Programme for Sports Organisations' will support eligible organisations which have been negatively affected by the pandemic in the financial year 1 April 2021 to 31 March 2022; and which have a financial operating deficit during that period which is attributable in full or in part to COVID.

This Guidance Note provides information on funding priorities, those organisations eligible for the 'COVID Recovery Fund for Sports Organisations', eligible costs & the application process.



All applications must be made on-line through Sport NI's online grant application portal through the link at [www.sportni.net](http://www.sportni.net)

**The application portal will open for applications on Friday 7<sup>th</sup> January 2022**

**This fund will close for completed applications at 12 noon on Friday 28<sup>th</sup> January 2022.**

## **Available Funding**

The maximum amount of funding available to an eligible organisation under this Programme is **£50,000**.

In exceptional cases, a greater amount of funding may be available to eligible organisations which can demonstrate both that the **deficit attributable to COVID** in the financial year is greater than £50,000 and that the organisation requires funding in excess of £50,000 in order to recover from the impact on it of the pandemic.

Programme delivery partners will report their proposed awards to the Department for Communities to allow any need for prioritisation to be determined before awards are finalised. In the event that the proposed awards exceed the available budget, awards will be prioritised to those organisations with the largest operating deficits expressed as a percentage of their income in the financial year 2021/22.

## **Funding Priorities**

The 'COVID Recovery Programme for Sports Organisations' seeks to support a diverse range of sports organisations. As a means of maintaining appropriate cost control, it may be necessary to prioritise funding. Working with Sport NI, the Department for

Communities' ambition is to be in a position to meet all eligible claims for support under the policy framework.

However, where this is not possible, the following order of priority shall apply. Sport NI and the Department for Communities will ensure equality of treatment of applicants across all sectors in relation to prioritising the distribution of funding:

**Priority 1** - To meet the cost of operating deficits for the period 1 April 2021 - 31 March 2022

**Priority 2** –Prioritising organisations with the largest operating deficits, expressed as a percentage of income

All organisations will be reviewed subject to budget availability.

## Who and what we'll fund

### Who we can support

Organisations delivering sport and physical recreation opportunities can apply to our fund ONLY if they are able to **evidence an operating deficit generated in 2021-22**, which has arisen from the COVID pandemic; and do not qualify for financial help elsewhere.

You can only apply to **ONE** fund under the Department for Communities 'COVID Recovery Programme for Organisations'; and must select the programme that best fits your primary purpose.

For the 'COVID Recovery Fund for Sports Organisations'; these organisations include:

- Governing Body of Sport recognised by Sport NI<sup>1</sup> and their affiliated entities
- Constituted local sports clubs affiliated to a Governing Body of Sport recognised by Sport NI.
- Community & Voluntary sector organisations that deliver or enable sport and/or physical recreation as their primary activity. Sports and activities delivered by the organisation must be recognised by Sport NI<sup>2</sup>.
- NI charities that deliver or enable sport and/or physical recreation as their primary activity. Sports and activities delivered must be recognised by Sport NI.

## Who we can't support

We are not able to help the following organisations with this fund.

- Local authorities
- Schools, colleges and universities
- Commercial sport and physical recreation providers, e.g. private gyms
- Leisure operators
- Individuals who are either employed or self-employed within the sport and physical recreation sector.

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<sup>1</sup> A list of recognised governing bodies is available at:

<http://www.sportni.net/performance/governing-bodies/recognition-of-governing-bodies/>

<sup>2</sup> A list of recognised sports and activities (last update December 2021) is available at:

<http://www.sportni.net/performance/governing-bodies/recognition-of-governing-bodies/>

## What we'll fund

**Sport NI will contribute to reducing or removing an operating deficit generated from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, which has arisen from the COVID pandemic.**

## Treatment of Reserves

The Charity Commission for Northern Ireland defines reserves as '*the unspent resources or income of an organisation*'. These may or may not be governed by an explicit reserves policy.

The Department for Communities recognises that it is prudent for organisations to build up and maintain a level of reserves appropriate to the circumstances of the organisation. The Department's policy is to recognise and encourage good governance such as the creation of appropriate reserves. For that reason, the cost of replenishing reserves run down to fund a Covid-related deficit will be eligible for support under this Programme **up to the level equivalent to six months turnover** for the organisation or the organisation's reserves held at 1 April 2021, **whichever is less.**

This means that the maximum grant available to your organisation will normally be limited to the amount which would restore six months of reserves. It also normally means that if your organisation has projected reserves at 31 March 2022 in excess of six months you should not expect to receive a payment under this Programme.

If you believe that your organisation has valid need for holding reserves greater than six months, you must include the reason for this need in your funding application.

## What our funding can't be used for

This funding programme aims to assist sports organisations emerge and build the foundation necessary to return to a pre-COVID position. This is a defensible and prudent use of public funding to ensure that organisations have a firm footing to look to the future with confidence.

It is important, however, that an organisation does not end up financially better off on 31 March 2022 than otherwise but for the pandemic.

Office Bearers within organisations must therefore exercise appropriate due diligence when providing the required financial information.

**Operating deficits which are unrelated to COVID, will not be eligible; and applicant organisations must confirm that deficits are as a result of COVID.**

## How much we'll fund

Sport NI will consider applications from eligible organisations that can evidence operating deficits for the period 1st April 2021-31st March 2022 for amounts **up to £50,000**.

A grant in excess of £50,000 can only be awarded in exceptional circumstances.

### Exceptional Circumstances

Only exceptionally should the value of an award under the programme exceed £50,000. In such circumstances, the onus is placed on the applicant to demonstrate how the organisation meets one or more of the criteria under which a higher award will be considered:

- (a) That it is in financial difficulty, with a risk of (a) closure (b) loss of jobs or (c) loss of services which would impact on community health, wellbeing and the sector;
- (b) That it is of significant strategic importance to the sector or locality and without financial support survival is threatened, and that the loss of the organisation could cause longer-term damage to sectoral growth and development.



Before large amounts of public funding may be committed, an application for more than £50,000 will be subject to a wider assessment to determine viability, financial resilience, and strategic importance within a balanced sector and explore whether other financial levers are available to the organisation.

### **Calculation of Grant Amount**

The amount of grant that can be requested will be determined as the projected deficit of the eligible organisation in the financial year 1 April 2021 to 31 March 2022, but only to the extent to which that deficit is attributable to the COVID pandemic.

The **Financial Overview Template** must be used to calculate this figure and be uploaded to the online submission.

Calculation of the projected deficit will require applicants to make projections of future income and expenditure in the period up to 31<sup>st</sup> March 2022. This can be a challenging process, particularly in times of uncertainty such as the present.

However, applicant organisations, their Directors, Trustees and Managers must use their best endeavours to make realistic projections over the rest of the financial year based on the financial history and performance of the organisation.

In making their projections of future income and expenditure, applicants must assume that the relevant Covid related restrictions in force on the day of application remain in force until 31 March 2022.



## Key things to note before applying

All applicants must complete and upload the **Financial Overview Template** which gathers the financial information that is necessary to underpin and inform sound decision-making.

Applicant organisations must therefore provide the financial information set out in the Financial Overview Template taking account of the following:

- Comparative financial data for the applicant's last full accounting year pre-COVID (finishing 31<sup>st</sup> March 2020 or before) is required as well as the current financial year 2021-22.
- Organisations shall record their operating deficit on 30 November 2021.
- Evaluating previous operating experience, along with the application of best endeavour, applicants shall make evidence-based financial projections for the four months from 1<sup>st</sup> December 2021 to 31 March 2022.
- Organisations will need to provide for comparison, financial data from their last full year of accounts pre COVID.
- Where an organisation did not exist for a full year pre-COVID, calculations will be based on the 2021-22 financial data supplied, taking account as appropriate of any partial year figures for 2019-20.
- Two Office Bearers (trustees, Board Members, Management Committee members, Governors or Directors as appropriate) must certify the information as complete and accurate.

The Department for Communities & Sport NI acknowledge the challenges in making accurate financial outturn projections covering the four months of the year. However, people who hold positions of responsibility—within sectoral organisations and their professional advisors must exercise best judgement based on previous operating experience, taking appropriate account of normal seasonal trends that could improve or deteriorate finances.





In the event of a decision to disregard historic trends in projecting the final financial outturn for the four month period, Office Bearers are accountable, and they must retain the documented rationale.

### **Right to Adjust the Policy Framework**

If it occurs that an application for funding is received which, although not explicitly stated, is clearly outside the intended scope of the policy framework, Sport NI reserve the right to seek an urgent review of the policy.

The exceptional circumstances that have led to this programme being developed (i.e. the COVID pandemic), means that Sport NI reserves the right to review and adjust the programme post-submission, on the basis of submitted information or other available data. This is to ensure that the programme effectively delivers against the stated aims.

### **Submission & Retention of Documentation**

You must include certain key financial and other documentation with your application. Any application, which does not include all of the mandatory enclosures, will not be considered.

The mandatory enclosures are:

#### **Requests of up to £10k:**

- Complete submission templates
- Most recent Bank Statement (not more than 3 months old)
- Whilst signed financial accounts do not need to be provided with submissions, they should be available and may be requested to validate submission information.



### **Requests between £10,001 and £50,000:**

- Complete submission templates
- Most recent Bank Statement (not more than 3 months old)
- Signed financial accounts showing Profit & Loss account information for the last two financial years pre- COVID. (i.e. if your financial year ends on the 31<sup>st</sup> December this will be for 1<sup>st</sup> January 2019 – 31<sup>st</sup> December 2019; and 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018.

### **Exceptional Circumstances - Requests over £50,000:**

- Complete submission templates
- Most recent Bank Statement (not more than 3 months old)
- Signed financial accounts showing Profit & Loss account information for the last two financial years pre- COVID. (i.e. if your financial year ends on the 31<sup>st</sup> December this will be for 1<sup>st</sup> January 2019 – 31<sup>st</sup> December 2019; and 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018.
- Reserves Policy
- Documentary evidence to support how the loss was incurred
- Detailed breakdown of operating deficit including;
  - Elements being identified for support
  - Rationale for support of each element
  - Documentary evidence to support how the deficit was incurred and steps taken to manage deficit.

All evidence used to support the eligibility of the organisation for the Programme and to evidence the amount of operating deficit in the financial year attributable to COVID must be retained until March 2025.

Sport Northern Ireland retains the right to carry out post payment audits to validate the accuracy of the information provided and, if appropriate, to claw back payments made in error or payments made in excess of the appropriate amount of funding.

Post award audit may also be carried out by Sport Northern Ireland auditors in which the applicant will be required to participate.

## Declaration

Applicants can apply only to one funding organisation under this Programme and are required to declare and certify that this is the case on the application form.

Applicants are required to confirm that the operating deficit they are showing is as a result of COVID.

Applicants are also required to declare that they do not know of other available sources of financial support, including external support or support from related organisations, which would enable them to manage recovery from COVID without recourse to public funds.

**This fund will close for completed applications at 12 noon on Friday 28<sup>th</sup> January 2022.**

## Payment

All payments will be made by BACs to the nominated bank account that is provided on the application form.

The nominated bank account is required to be in the name of the applicant organisation.

All applicants are required to upload the most recent bank statement to assist with payment process.

**Sport Northern Ireland may carry out a random check on a sample of grant recipients. Please ensure all relevant paperwork has been retained.**



## Standard Terms and Conditions of Funding

Please click **the link below** to read the Sport NI Standard Terms & Conditions of Funding. You will be required to confirm that you have read, understood and accept these Standard Terms & Conditions of Funding.

<http://www.sportni.net/funding/>

**When you submit the application on behalf of your organisation, you are confirming that your organisation accepts Standard Terms and Conditions of award.**

**You are also confirming that you accept any offer of award made by Sport NI to your organisation under the 'COVID Recovery Programme for Sports Organisations'.**

## Help and Advice

If you need help or if you have any questions please contact:

Email: [CRP@sportni.net](mailto:CRP@sportni.net)