Partnership working

Partnership is an essential element to all of the work that Comic Relief funds. Where grant holders agree to work with organisations who will be responsible for managing a share of Comic Relief's funding, these organisations should be named as partners in the proposal.

This document gives guidance on how to develop partnerships and on the types of checks we would expect applicants to have completed on partners before submitting a proposal. Sections one to three explain why we think partnership assessment is important, how it should be conducted and what it should include. The final section provides guidance on drawing up a partnership agreement and what it should cover.

1. Partnership assessment

Why they're important

It is essential to know who you are working with when considering any form of partnership working. After identifying a potential partner to work with a good next step is to undertake an assessment of the partner which you helps you to understand more about what the organisation does and allows both parties get to know each other and begin to plan work together. The assessment should:

- Help you and your partner understand each other, build mutual confidence and understand how you can work together successfully
- Allow you to understand how your partner would manage grant funding and ensure it is properly accounted for and managed
- Develop your knowledge and understanding of how your partner would ultimately use any funding.

What the Charity Commission says

In its guidance on collaborative working – 'Choosing to Collaborate – Helping you succeed' – the Charity Commission for England and Wales gives the following tips on what an organisation should consider in order to allow for a successful partnership:

- Be clear that any collaboration is in the interest of your organisation's beneficiaries
- Make sure you are satisfied that the collaboration furthers your organisation's objects
- Ensure that your agreement clarifies objectives, processes, roles and responsibilities
- Pay attention to communications and make sure that all stakeholders understand how and why your organisations should collaborate
- Make sure that your organisation's independence is not compromised

Elsewhere the Charity Commission advises organisation's considering entering into partnerships to:

- Speak to others with the same interests to identify potential partners
- Take up references wherever practical
- Assess the viability of potential partners
- Get to know the type of people and organisation you are dealing with and the way I which they operate before entering into a written agreement
- Ask all potential partners to provide costs budgets and forward plans
- Identify clearly what results you are working towards and how to know when they have been achieved

- Establish local audit procedures, bearing in mind what is practical and possible
- Check local regulations on partnerships between local and foreign organisations (where applicable)

Considering both points of view

Assessments can be quite intrusive for local organisations, requiring a lot of management, time and attention. It is important to keep in mind the power dynamics that external funding can create, and to make sure that assessments are sensitive to your partner's priorities and as constructive as possible from their point of view.

A good rule of thumb is to consider the 'two faces of funding': how would you feel about being assessed in the same way by one of your donors? Many partnerships have the goal of 'building capacity'. This naturally involves helping managers and staff in partner organisations to build up their self-confidence, self-belief, and abilities. A one-sided or heavy handed assessment may actually push the other way, and undermine their self-confidence.

Ultimately partner assessment is about developing effective relationships and managing risk. Your organisations are likely to be working together closely over a period of time and therefore it is appropriate to find out more about each other so that you can both make a well informed choice. This includes asking some structured initial questions to make sure all the key areas have been considered.

2. An approach to partner assessment

There is no single approach to assessing potential partners. The anticipated partnership relationship, the nature of the project work and the amounts of money involved will determine the most appropriate approach. Whatever approach is taken, it is vital that the assessment is based on clear criteria, that conclusions are clearly documented and the partner is given an opportunity to respond. An example approach is given below.

Objectives of the assessment

- Understand the partner organisation's structure, management, resources and strategy
- Establish the partner organisation's level of technical capabilities
- Understand the partner organisation's financial position and processes

Methodology

- Review relevant documentation
- Discussions with the partner's board, senior management and staff team
- Discussions with field staff and beneficiaries

Criteria

Area	Questions
Vision	- Does the partner share your organisation's vision? - Does the partner have a mission statement or other statement of aims and objectives? - Does the partner have a constitution or governing document? - Are the partner's activities consistent with its mission or objectives?

Capacity	• Does your organisation have a successful track record of working with the partner? • Does the partner have a successful track record working with other organisations? • Does the partner have a strong track record in the relevant field?
General Management	• Is the partner's structure and how roles relate to each another clear? • Are there clear responsibilities for board members? • Are there clear reporting processes to the board and any committees? • Is there evidence of regularly minuted board and committee meetings? • Is there a functioning office with adequate telephone and e-mail facilities? • Does the partner have policies and procedures in place to protect children and vulnerable adults?

Financial Management	• Are regular financial reports provided to the board and any committees?
	• Does the organisation have current annual accounts?
	• Have these accounts been independently examined or audited?
	• Are there documented financial procedures clearly assigning responsibilities?
	• Do the procedures allow for an adequate level of internal control?
	• Does the organisation maintain adequate financial records? Including:
	  • A cash book detailing all cash transactions and cash in hand
	  • A bank book detailing all bank payments and receipts
	  • All purchase documentation including original receipts and invoices
	  • All bank statements and a record of bank reconciliations
	• Is there an up to date budget for the current financial year including an indication of costs already covered by other partners or donors?
	• Does the accounting system make a clear separation of funds received from different partners/ or donors and how these have been spent?

Procurement	• Are there documented procurement procedures specifying who is authorised to approve purchases at different cost levels? • Is there a requirement for obtaining quotations for large purchases? • Is there an inventory of all the equipment owned by the organisation?
Human Resources	• Does the organisation have skilled and experienced staff who will be able to successfully implement the project? • Does the organisation have sufficient staff to meet its responsibilities effectively?

	• Is there an open and participative working environment?
	• Does the organisation have adequate recruitment and HR procedures? Including:
	    • Transparent job advertising, short listing and interview procedures
	    • References for all new staff
	    • Employment contracts for all staff
	    • Regular staff appraisals
	    • Disciplinary and grievance procedures
	    • Annual leave entitlements

Project Management	• Does the organisation have up to date project files? Including:
	    • Background information including project design, baseline studies, stakeholder consultations
	    • Project plan and timetable
	    • Project budget
	    • Monitoring and evaluation reports
	    • Existing donor requirements
	• Is the organisation able to demonstrate how beneficiaries are involved in the whole process from design to evaluation?

3. An extended approach to due diligence assessment

The table below provides further guidance on conducting an assessment with a locally based partner organisation. It is designed primarily for use in non-UK due diligence processes.

Assessment question	Evidence
Evidence of proper local registration	• Inspect registration documents • Check registration is current
Verify address	• Match operational address to registration documents (or equivalent)
Verify listed trustees	• Match trustee names listed in proposal to audited accounts or other official document
Is there evidence of legal objects and is the proposal consistent with these?	• Check proposal against objects as stated in constitution document
Compliance and filing track record	• Check that the organisation has a good track record of filing reports to its regulatory body (as required)
Have accounts been audited (or equivalent)? Have they received any qualified audit reports?	• Review audit reports for last 3 years of signed accounts

Did auditors report any significant concerns in relation to financial management?	• Review management letters for last 3 years
Are auditors members of a recognised accounting body?	• Do a web search on auditors
Does the organisation they receive any other forms of large institutional funding?	• Review accounts and/or website
Do any existing donors require specific audited certificates? If so, did the auditors given reports?	• Review donor audit reports
Overall financial health of organisation	Review: • Latest signed accounts • Latest management accounts • Latest cash flow forecasts • Current year budget • Liquidity • Free reserves • Overall sustainability
Do they have a financial procedures manual? Do procedures represent good practice?	• Review financial procedures manual
Does the finance manager (or equivalent) possess formal accounting qualifications?	• Discuss and could request sight of certificates
Is there evidence of the stated procedures being followed?	• Limited spot check review

4. Partnership agreements

The second part of this document offers guidance on drawing up written partnership agreements.

Why they're important

Partnership agreements are important in setting out the expectations and responsibilities of the different organisations involved. Partnership agreements can help to reduce misunderstandings, increase trust and make it clear how both organisations expect the relationship to work.

Agreements generally take time to negotiate between organisations - and are no substitute for building up relationships of mutual confidence between the people involved. Often the process of developing the agreement is as important as the written document itself. Partnership agreements can be called many different things depending on the nature of the relationship between the partner organisations, including for example partnership protocols, contracts or memorandums of understanding (MoUs). A typical relationship is based on working towards a shared objective with one organisation providing the financial resources and the other organisation(s) implementing the project.

Depending on the nature of the relationship between the parties, some organisations may feel uneasy about entering into a formal agreement written in legal sounding language. Understandably, some see this as an indication of a lack of trust and not in the spirit of a true 'partnership'. However, a partnership agreement is about much more than setting out the legal position and protecting the organisation's own interests. It is about setting the whole tone of the relationship, including broader aspects of project management including mutual accountability, shared learning, communication and flexibility.

What to include

The following is a list of suggested points that could be included when drawing up a comprehensive partnership agreement:

- Shared overall aims and values and an overall statement of the nature of the relationship between partners
- Background to the project
- Responsibilities of 'funding' partner
- Responsibilities of the implementing partner
- Communication and feedback mechanisms
- Amount and currency of funding being provided
- Original source of funds (e.g. donor)
- Purpose of the funding including agreed project objective, outcomes or milestones, and budget
- Disbursement schedule
- Reporting requirements and timescales
- Monitoring and evaluation approaches which are linked to opportunities for learning and development
- Procedures for changing how funds will be used
- Funding partners' right to check use of funds
- Right to terminate or suspend funding and require the repayment of any funding used inappropriately
- Commitment to comply with local and international law.