

## Reallocations Policy

### 1. Introduction

Acts 435 accepts that sometimes donors give to a particular request but once the request is fulfilled the funds are no longer required. This is usually because:

- (i) the advocate cannot get hold of the applicant – sometimes people in poverty can lead chaotic lives and quickly disappear
- (ii) the applicant receives the needed item from another source whilst the request is live on the website
- (iii) in the case of debt relief orders, once the process has been completed the applicant does not qualify and therefore the debt relief order cannot be completed.

Sometimes an item is purchased for less than the amount given. **In recognition of the fact that donations were given to that specific beneficiary, the advocate will use the remainder of the funds to purchase something else that the applicant needs or give them the balance in cash** (eg. bike lights if request for a bike, food if request for a fridge, etc.)

### 2. Our Commitment to Donors

Acts 435 requires its advocates to sign a commitment to do their best to make sure funds raised go to the specific item and person the request was posted for.

Where the applicant has received the item from another source, the advocate is encouraged to see if there are any other needs this applicant has. Acts 435 recognises that donors tend to connect with the story, not the item, so where possible, if further assistance can be offered to the original applicant, this would be advised. This can be explained to the donor in the thank you message.

Where the circumstances of the applicant changes and the request was given in full to that request by one donor, Acts 435 will go back to that donor and ask if they would like a refund or whether they have a preference where their donation is reallocated (except debt relief order fees, see section 4). This will be done by email and if the donor has not responded within 2 weeks, the local advocate or Acts 435 Support Office will instead take the decision of where to reallocate it.

### 3. Reallocations Process

If an advocate has funds to reallocate the process is as follows:

3.1 Email Acts 435 Administrator with the reference number so that she can check whether it was met by a single donor. If this is the case, she will get more details from the advocate and contact the donor to ask what he/she wants to do with their donation.

3.2 If the request was met by more than one donor the advocate will complete a 'Reallocations Form'. This sets out the original reference number, the reasons the funds are no longer required by the original applicant and what they will do with the funds.

3.3 Advocates can choose from 2 options:

(i) reallocate to another person in need known to them, where possible with similar circumstances or in similar need. **To streamline the process, this must be for the same amount as the original request.**

(ii) return the funds to Acts 435 Head Office (by direct bank transfer or cheque) who will then reallocate the funds.

Whilst option (ii) is acceptable (especially where there are no other applicants in need of the funds at that church), option (i) is preferable because this still allows the advocate to write a thank you to the donor, explaining what has happened to their donation and how the new applicant has benefited.

3.4 The advocate should send a copy of the Reallocations Form, scanned in an email or by post, signed by the new beneficiary, so that Acts 435 can keep track of the level of reallocations occurring.

#### **4. Debt Relief Orders**

Requests for Debt Relief Order (DRO) fees often need to be reallocated because the fee is needed to start the process but once submitted to the Insolvency Service the applicant may not fulfil the condition of a DRO and therefore be ineligible. If this happens the Insolvency Service refunds the full fee.

Donors are advised that this is an unavoidable situation but their donation will always be reallocated to another DRO, thus offering someone else the opportunity of a fresh start from debt. Donors are also advised that thank you messages for DROs from advocates will either be done early in faith that the applicant will be successful or await full completion and therefore appear to be a very late thank you. This is simply because the process takes time.

Advocates are advised in the case of an early acknowledgement of a DRO to include the following wording:

“The DRO process is long-winded and we hope and trust that X will successfully get to the end of this process. He/she will be supported through it. Please be assured that if for any reason X is unable to complete the process, your donation will be reallocated to someone else who needs to go through this process and cannot fund the fee.”

#### **5. Partially Expired Requests**

Where a request has expired without the full amount given it may not be enough to purchase the required item. The advocate will see if there is another item that the applicant needs and purchase this instead, or give them the cash for the item. They can then explain this situation in the thank you message to the donor(s).

We would also encourage the advocate to ask locally for the balance or see if their church or charity could top up the request. Where there is no other item required the advocate would need to follow the Reallocations Process set out in Section 3.