



Contributing Third Party (CTP) - examples

Introduction

The requirements outlining what can be an eligible Contributing Third Party (CTP) payment are outlined in our [Guidance Manual](#) and further resources including a [decision tree](#) and a standalone [guidance note](#), all available on our website. However, as this area is a complex one we are also providing the following examples to illustrate whether a potential CTP is eligible under different scenarios. If you have any doubt at all please do not hesitate contact the Helpline on 01926 488 300 or helpline@entrust.org.uk prior to securing your CTP payment and going ahead with your project.

The general principles are that a CTP must:

- Be a person or organisation separate to the Environmental Body (EB) spending the Landfill Communities Fund (LCF) monies on the project and separate to the Landfill Operator (LO);
- Have the intention of making the payment to the LO to secure the making of a qualifying contribution to the EB;
- Not use LCF monies as the CTP payment;
- Make the payment directly to the LO; and
- Not receive a unique benefit from ANY expenditure made by the EB once the contribution has been made, not just expenditure funded by the LCF. This applies from that point on for all expenditure and is not limited to the duration of the LCF expenditure.

Please note that funders may have their own requirements regarding CTP eligibility that are more restrictive than these requirements – you will also need to check with your funders to be sure.

An EB must keep records of all its CTPs and be confident that no CTPs have received a unique benefit; unique benefit is any benefit or reward which the CTP gains that is greater than the benefit which would be gained by the CTP belonging to a general class of persons.

If you would like a more in-depth introduction to the basics of CTPs please see our [Guidance Manual](#), Section 3, for more information.

Example 1 – An organisation that isn't an EB carrying out a project registered by the funding EB

An organisation wishing to carry out a project using LCF monies has made a successful grant bid to a funding Environmental Body. The funding EB will register the project on the organisation's behalf and thus the body will not need to register as an EB. Note that some funding EBs require project applicants to enrol as an EB whilst others do not. The LO providing the contribution requires a CTP payment. As the organisation is not registered as an EB it can act as the CTP using its own monies to make the payment providing that there are no potential concerns regarding unique benefit.



Example 2 – An EB carrying out a project which it has registered itself

An organisation not registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a funding EB. The funding EB requires the organisation to register as an EB. Note that some funding EBs require project applicants to enrol as an EB whilst others do not. Once registered, the EB will register the project itself. The EB is required to provide a CTP payment. The EB cannot act as the CTP itself and must find an alternative. A CTP can be any person, organisation or group that is able to make the payment using their own funds and is separate to the EB and LO. For example, a local resident, business, council or grant making body.

Example 3 – An EB carrying out a project to be registered by another EB

An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a funding EB. The funding EB will register the project on the EB's behalf and the LO requires the EB to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP and must find an alternative. A CTP can be any person, organisation or group that is able to make the payment using their own funds and is separate to the EB and LO. For example, a local resident, business, council or grant making body.

Example 4 – An EB acting as a CTP for a project it is not involved in

An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a LO. The LO requires the EB to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP. The EB applies to another organisation to make the CTP payment direct to the LO. This organisation is also registered as an EB however as they will not be involved in project delivery nor will they receive any unique benefit from any expenditure of the other EB they can act as the CTP. This can affect future transactions, particularly if the CTP is also a potential supplier of goods and services to that EB as the CTP will not be able to make a profit from any future supply. If there is the potential that the CTP could act as supplier to the EB then it is advised to seek an alternative CTP. There are exceptional circumstances where a CTP can act as a supplier to the EB but these must be discussed with ENTRUST first and are best avoided if alternative third parties are available.

Example 5 – An organisation or person associated with an EB

- (a) An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a funding EB. The EB is required to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP. A relative of one of organisation's management committee would be happy to make the CTP payment using their own money. As the individual will make the CTP payment direct to the LO and receive no unique benefit as a result of their contribution the CTP payment is eligible.



- (b) An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a funding EB. The EB is required to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP. A relative of one of organisation's trustees runs a landscaping business which would be happy to make the CTP payment. As a result of their contribution the CTP will be awarded a contract to carry out works necessary for project completion at a price meaning they will make a profit. The CTP payment is not eligible as the CTP has derived unique benefit from their contribution. There are exceptional circumstances where a CTP can act as a supplier to the EB but these must be discussed with ENTRUST first and are best avoided if alternative third parties are available.
- (c) An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a LO and the LO requires the EB to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP. A trustee of the EB is happy to make the CTP payment from personal funds. As the trustee is using their own money, pays the LO direct and will not gain a unique benefit from providing the money this is acceptable. The trustee must not gain any unique benefit from any expenditure of the EB, not just that relating to the LCF project.

Example 6 – A local party not involved with the EB

An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a funding EB. The LO will require the EB to provide a CTP payment. As the EB will be delivering the project they cannot act as the CTP. Three local people plus one business not involved with the EB or project delivery offer to make the CTP payment. As the parties will use their own monies, not receive any benefit following their contribution and will make the payments direct to the LO, the CTP payment is compliant.

Example 7 – An EB fundraising for the CTP

An organisation registered as an EB wishing to carry out a project using LCF monies has made a successful grant bid to a local LO, the LO requires that the EB provides a CTP payment. As the EB will be delivering the project they cannot act as the CTP and decide to hold a fundraising event to raise the monies (with those contributing acting as CTPs). The EB contacts ENTRUST to get approval for the fundraising process and to act as an intermediary for the CTP payments. ENTRUST provide approval as the fundraising process and literature are acceptable and the CTP payments are to be numerous and small making direct payment to the LO not practical, in addition to this, once collected the movement of the monies collected will be auditable. The literature makes it clear that the funds will be provided to a LO in order to release the money for the project. The EB keeps records of the donors or the events at which money was raised, if keeping names and addresses of individuals is not practicable, for example fundraising from multiple individuals each giving a small amount.

Maintaining a list of CTPs and monitoring unique benefit

For more advice on how to ensure that no CTPs will gain any unique benefit please see our [Guidance Manual](#), Section 6, for more information.