8. FINANCE

Policy 8.9

EXTERNAL GRANT FUNDING POLICY

Version 1

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8.9 EXTERNAL GRANT FUNDING POLICY

OBJECTIVE:

To ensure effective management of grants funded from external organisations, including procurement decisions. The key aims are to:
- Establish a framework for managing, monitoring and evaluating grants and grant funded initiatives;
- To ensure consistent and objective analysis of external funding opportunities to ensure alignment with Council's integrated plans (i.e. Community Strategic Plan, Resourcing Strategy, Delivery Program, Operational Plan); and
- To ensure that ongoing expenses beyond the term of the funding are transparent, agreed upon and are not burdensome on Council.

LEGISLATIVE AND REGULATORY REQUIREMENTS:

- Local Government Act 1993 and Local Government (General) Regulation 2005
- Local Government Code of Accounting Practice and Financial Reporting
- Accounting Standards
- Local Government Asset Accounting Manual
- Local Government Revenue Raising Manual

RELATED POLICIES AND PROCEDURES:

- SWP xx Grant Accounting

SCOPE:

This policy applies to all grants that require applications to be made. The policy applies to all Council staff and Councillors:
- Where Council is submitting an external funding application;
- Where Council is one of a number of partners in a joint external funding application;
- Where funding provided approves a grant application with variations to the original proposal.

DEFINITIONS:

"External Grant" means any assistance by way of a sum of money or other resource provided to Council by State, Federal or non-government agencies on the condition that the assistance is used for a specified purpose.

"Funding agreement" means a legally enforceable agreement setting out the terms and conditions governing funding determined by the grant-giving organisation. The form of the agreement will depend on the intent of the grant and the degree of control required. The forms of enforceable funding agreements include:
- Deed;

- Contract; and/or
- Exchange of letters.

POLICY:

Grants are an important source of funding for Council projects but need to be considered in the context of Council's priorities, plans and other funding options. Before applying for a grant, it is important to ensure that Council considers whole of life costs (capital grants) and any requirement for matching funds. Council must ensure that it can comply with any conditions stated in the grant application form and/or grant application guidelines.

All grant funded projects should be managed in accordance with best practice project management techniques.

1. Authorisation / Approval

Formal Council resolution is required prior to grant funding being applied for amounts over $50,000 that are not included in the Delivery Program / Operational Plan.

Formal Council resolution is also required prior to grant funding being applied for where a Council contribution is required and that contribution has not been included in the Delivery Program / Operational Plan.

The General Manager may delegate authority to approve all other grant funding applications that are not included in the Delivery Program / Operational Plan, as part of the quarterly budget review process.

Any Grant funding applications that exceed the $50,000 limit need to have a business case prepared to justify Council's decision to proceed with the application.

It is recognised that at times there is a short lead time for external grant applications that does not allow sufficient time for the proper authorisations. Should this occur, the General Manager, with the concurrence of the Mayor, will authorise the application and then provide a report to the next Council meeting.

2. Expressions of Interest Process

In some cases, there is an initial Expressions of Interest process followed by an invitation to submit a grant application. An Expression of Interest in a grant does not require a Council resolution as Council is not committing to a grant application. Should an Expression of Interest in a grant lead to an invitation to apply for a grant, Section 1 applies for grant amounts that are not included in the Delivery Program / Operational Plan.

3. Assessment Process

Before applying for a grant, an assessment should be carried out on the likely impact of the grant on Council. Questions to consider include:

- Does the grant align with Councils Strategic Plans?
- Does Council have resources available or budget funding (for grant applications prepared by external consultants) to prepare an expression of interest and/or a grant application?
- How will Council fund any matching contribution?
- What are the future financial implications?
- What impacts will it have on Council business?
- Does Council have the capacity and expertise to carry out the task or project for which they are receiving the grant?

- Are the necessary processes and requirements in place i.e. legal, governance, supervision, record-keeping etc.?
- What are the risks and emerging issues that may affect council's obligations to fulfil the obligations under the grant?
- Will the grant create expectations in the community or with internal stakeholders that Council will continue to deliver the service beyond the funding period?
- Whole of Life cost impacts if relevant.

3. Conflict Of Interest
The Code of Conduct applies to any grant application and in particular the need to declare any conflict of interest in relation to the grant application.

4. Recognition Treatment
Grant revenue is generally recognised when the grant funds are received or receivable; for example, where the control of the future economic benefits have been obtained and agreement is enforceable.
Where conditional grant funds are received in:
- advance: a liability would be recognised until the conditions are met; or
- arrears: revenue would be recognised once the conditions are met.

5. Records
Appropriate records will be kept in accordance with Councils Records Management Policy.

RESPONSIBILITIES:

The General Manager is responsible for the implementation of this policy. Budget / project Managers will be required to provide background information and recommendations in relation to applications in their areas of work.

REVIEW:

The General Manager will review the policy every 4 years.

Maintained by Department:	Finance	Approved by:	Council	Exhibition Date:	
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