

 City of Mount Gambier	COUNCIL POLICY EXTERNAL GRANT FUNDING POLICY	Version No:	1.0
		Issued:	19 September 2023
		Next Review:	September 2027

1. INTRODUCTION:

There is a diverse range and level of funding that Council can apply for in relation to its own activities or any regional activities that Council is involved with. This policy outlines the factors that must be considered prior to applying for External Grant Funding.

2. PURPOSE:

2.1 **Secure Grant Funding** - Council recognises that opportunities to secure grants for specific projects or purposes arise periodically.

2.2 **Purpose** - The purpose of the External Grants Policy (the "Policy") is to enable Council to pursue such opportunities and provide efficient service delivery by:

- **Framework** - Establishing an effective, sustainable and risk-focused framework for managing, monitoring and evaluating grants provided by external organisations; and
- **Strategic Alignment** - Determining a consistent and objective analysis aligned to Corporate Strategy prior to application for external grant funding.

3. SCOPE:

3.1 This policy applies to all grants that require applications to be made that are not contemplated in Council's adopted budget or where there is a requirement to have a Council resolution. The policy applies to all Council staff as follows:

- **Partners** - Where Council is one of a number of partners in a joint external funding application;
- **On Behalf Of Others** - Where Council auspices an external grant on behalf of another organisation;
- **Grant Renewal** - Where an application is being made for renewal of a currently held grant;
- **Variations** - Where funding provided approves a grant application with variations to the original proposal.

4. DEFINITIONS:

Key Term - Acronym	Definition
Arrangement	Means the agreement that governs the award of funds upon successful application. This includes arrangements of both unconditional 'once-off' payments and arrangements which prescribe specific terms, conditions, and/or obligations in order to secure the funds.
Budgeted amount	Means the amount allocated for a particular project by a Council adopted budget.

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Key Term - Acronym	Definition
External Grant	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	<p>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.</p> <p>The forms of enforceable funding agreements include:</p> <ul style="list-style-type: none"> • Deed; • Contract; and/or • Exchange of letters.
Management	Includes the General Managers, Managers and Co-ordinators.
Short Lead Time	The deadline by which the application is to be submitted is such that Council approval at an upcoming meeting is not viable; or to achieve Council approval prior to submission of an application would result in a failure to meet the application deadline.

5. ROLES & RESPONSIBILITIES:

5.1 Council:

Council is responsible for the External Grant Funding Policy of Council and for the adoption of this policy.

5.2 Chief Executive Officer:

The Chief Executive Officer is responsible for the development and implementation of the External Grant Funding Policy to ensure that the objectives of Council are achieved in an effective and efficient manner.

5.3 Management (as defined above):

Management is responsible for the provision of background information and recommendations in relation to applications in their areas of work.

5.4 Relevant Staff:

- **Grant Register Administration** - It is the responsibility of the respective Finance Officer to ensure that data is maintained on a consistent basis and is complete.

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- **Grant Register Data Provision** - It is the responsibility of the staff member with responsibility for the grant application/management to ensure that all relevant information is provided for inclusion in the register.

6. POLICY CONTENT:

6.1 **Grant Terms Compliance** - Before applying for a grant, it is important to ensure that Council is able to comply with the terms of the grant.

6.2 **Type Of Grant Funds** - There are a number of grant funds that generally have one or more of the following attributes:

- **Restricted** - Grant funds to be used for specific programs or purposes;
- **Unrestricted** - Grant Funds may be used for any operating purpose;
- **Refundable** - Grant Funds to be returned if terms of the grant are not met' and
- **Non-Refundable** - Grant Funds are retained regardless of outcome.

6.3 Authorisation/Approval:

- **Formal Council Resolution** - Is required in the following circumstances:
 - **Above \$50k** - prior to grant funding being applied for where Council's contribution is more than \$50,000.00 that are not included in the Annual Budget.
 - **Grant Term Compliance** - Where there is a requirement to have a Council resolution in support of the grant application.
- **Council Approval Not Required** - For the avoidance of doubt, Council approval will not be sought for an application that does not impact Council's budget, and any additional costs or resourcing is provided for by the funding amount.
- **Short Lead Time** - 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 Chief Executive Officer will authorise the application, if the funding application is successful, a report must be provided to Council before the funding agreement is signed.
- Grants must not be applied for unless approval is obtained from one of the following:
 - **Staff With Appropriate Delegations** - Employees delegated to commit expenditure that has been allocated in an existing budget line; or
 - **Council** - Supported by a Council resolution.

6.4 Assessment Process:

- **Considerations** - Before applying for a grant, an assessment should be carried out on the likely impact of the grant on Council. Questions to consider include:
 - **Strategic Alignment** - Does the grant align with Councils Strategic Management Plan?
 - **Partnerships** - What are the links and/or partnerships it will provide?
 - **Impact** - What impacts will it have on Council business?

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- **Capacity/Capability** - Does Council have the capacity and expertise to carry out the task for which they are receiving the grant?
- **Governance/Compliance** - Are the necessary processes and requirements in place i.e. legal, governance, supervision, record-keeping etc.?
- **Risks** - What are the risks and emerging issues that may affect council's obligations to fulfil the obligations under the grant?
- **Whole of Life** - Whole of Life cost impacts if relevant (in particular maintenance and renewal in the case of assets).
- **Council Contribution** - Councils required contribution (both cash and in-kind)

6.5 **Conflict of Interest** - Council members must be committed to making decisions without bias and in the best interests of the whole community and comply with the relevant conflict of interest provisions of the Local Government Act 1999.

6.6 **Grant Revenue Recognition** - Is aligned with *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Non-for-Profit Entities*:

- **Tied Grants** - i.e. the performance obligation(s) arising from the transaction are 'sufficiently specific' and 'enforceable' which means a specific project with agreed outcomes with grant money that would need to be paid back if performance obligations are not met. In terms of recognition this means:
 - **Grants received in advance** - Revenue is not recognised in the income statement and a liability is recognised until performance obligations are met; or
 - **Grants received in arrears** - Revenue is recognised when the performance obligations are met.
- **Untied Grants** - For grants where there is no specific performance obligation the revenue is recognised upon receipt of funds.

7. TRAINING / EDUCATION:

- 7.1 It is the responsibility of Council Administration to provide adequate training and support for staff.
- 7.2 Training will be provided to relevant staff as part of the induction process and be refreshed as and when required.

8. REPORTING:

- 8.1 **Executive Leadership Team (ELT Reporting)** - An information report will be provided to ELT that summarises the following
- **Application Outcome** - Where external Grant Funding applications are successful or unsuccessful;
 - **Scope Change** - Where the scope of a funded project is significantly changed to the extent that was originally agreed; and
 - **Project Completion** - Where external Grant Funding expenditure is completed.

9. RISK MANAGEMENT:

This policy incorporates principles of risk management while application of the policy will occur consistent with the council Risk Management Framework.

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10. REVIEW:

This Policy will be reviewed in four years; or

- The frequency dictated in legislation; or
- Earlier in the event of changes to legislation or related policies and procedures; or
- If deemed necessary by the General Manager, Corporate and Regulatory Services.

11. ACCESS TO THE POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

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File Reference:	AF18/53
Applicable Legislation:	Local Government Act 1999: Section 133 states that Council may obtain funds as permitted by or under this or another Act as may otherwise be appropriate in order to carry out its functions under this or another Act i.e. by obtaining grants and other allocations of money.
Reference: Strategic Plan – 2020-2024	Goal 3, Strategic Objective Our Diverse Economy
Related Policies:	A900 Asset Management Policy P420 Procurement and Disposal of Land and Assets Policy B300 Budget Framework Policy Risk Management Policy
Related Procedures:	To be developed further to the adoption of this policy.

DOCUMENT DETAILS

Responsibility:	General Manager Corporate and Regulatory Services
Version:	1.0
Last revised date:	
Effective date:	19 September 2023
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