

# TEMORA SHIRE COUNCIL



TEMORA

*The Friendly Shire*

## EXTERNAL GRANT FUNDING POLICY

**ACTIVE**

**Review Details**

**ABOUT THIS RELEASE**

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**REVIEW**

Revision Date	Revision Description		Date approved by Council	General Managers Endorsement
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**PLANNED REVIEW**

Planned Review	Revision Description		Review by
October 2024	Review		

## **PART A Outline**

### **Objectives**

This policy is aimed at fulfilling the following objectives:

- (a) To ensure effective management of grants funded from external organisations, including procurement decisions.
- (b) Establish a framework for managing, monitoring and evaluating grants and grant funded initiatives;
- (c) To ensure consistent and objective analysis of external funding opportunities;
- (d) to ensure alignment with Council's integrated plans (i.e. Community Strategic Plan, Resourcing Strategy, Delivery Program, Operational Plan); and
- (e) 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

### **Background**

One of the roles of Council is to seek, secure and receive funding from external sources, most often State and Federal Government. This funding is a major source of income for Council, as well as how many projects that benefit the Temora Shire community are delivered.

The selection of particular projects to seek funding, requirements for co-contributions toward projects, other conditions and the ongoing maintenance of new and upgraded assets must be considered prior to application. The identification of projects within Council's Community Strategic Plan, Delivery Plan and Asset Management Plan are the most appropriate means to indicate Council's support and commitment to a particular project.

However, there will be some circumstances where Council may wish to consider opportunistic funding, if the situation arises based on emerging priorities of State and Federal Government and there is an identified benefit to Temora Shire.

This policy is intended to guide Councillors and Council officers in relation to decision making surrounding grant funding.

### **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 provider 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.

## **PART B Procedures**

### **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**

##### **Council planned projects**

Council may include projects intended to be fully or partially funded through grants using the regular annual budgeting processes and identify these projects in the Operational

Plan, Delivery Plan or Long Term Financial Plan. The Community Strategic Plan and other plans assist Council to identify suitable projects. This process requires a formal Council resolution in support of the project. Inclusion of a project in Council's forward plans indicates that this project is a priority of Council.

Where there is a grant opportunity to seek funding for a project that is identified within Council's forward plans, the General Manager and the relevant Director, in consultation with delivery staff, can approve that an application be made.

#### Unbudgeted higher value projects

Where there is sufficient lead time to consider making an application, a formal Council resolution is required prior to the submission of a grant application where:

- The project is not included in the Delivery Program / Operational Plan AND the total project value is greater than \$50,000
- The project is included in the Delivery Program / Operation Plan BUT an unbudgeted Council contribution is required

Council will consider and determine if the application should be made.

#### Short time frame grant programs

It is recognised that on occasion funding programs over \$50,000, offering significant benefit to Temora Shire, do not allow sufficient time for the proper authorisations. This is generally in situations whereby the program provides a short lead timeframe between the announcement of the opportunity and the closing date for applications. Should this occur, the General Manager, with the concurrence of the Mayor, Deputy Mayor and the relevant Head of Department, may consider a submission in lieu of a report to the next Council meeting, justifying the reasons for the application. The General Manager will request comment from all Councillors regarding the proposed application, via email and mobile phone, with a majority response required. The General Manager will consider the responses received before submitting any application. If no response is received within 24 hours, it will be considered that the Councillor supports the application.

#### Low value grant programs

For all other projects that are valued at less than \$50,000 and may or may not be included in the Delivery Program / Operational Plan, the General Manager may delegate authority to the relevant Head of Department to approve a grant funding application. If possible, these projects will be considered as part of the quarterly budget review process. If deemed necessary, the General Manager may seek the concurrence of the Mayor and the Deputy Mayor for any grant application below \$50,000.

#### Community Organisations

Community organisations that are seeking funding for Council owned infrastructure or facilities are required to adhere to the conditions of this policy and seek Council endorsement of their application.

## **2. Expressions of Interest Process**

In some cases, funding programs call for an initial Expressions of Interest, 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 project or an allocation of funds.

Should an Expression of Interest lead to an invitation to apply for a grant, the approval

process outlined in Section 1 applies.

Where an Expression of Interest has been made, this shall be reported as General Business to the next relevant Council Committee Meeting.

### **3. Assessment Process**

Before applying for a grant, the applicant should undertake an assessment of the likely impact of the project on Council.

Questions to consider include:

- Does the project 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.

#### Business case

All grant funding applications valued at greater than \$50,000 require a business case to be prepared using the Project Plan Template (included as Appendix 1 to this policy) for the consideration of Council by means of a formal report. The business case assists with justifying Council's decision to proceed with the application.

### **4. 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.

### **5. Notification**

The Project Manager will advise Council when a grant application has been submitted, regardless of the value of the grant. Notification shall occur through the relevant Committee, via reporting or general business, or as a separate report to Council if required.

The Project Manager will notify Council of the outcome of a grant application as soon as possible, whilst complying with any confidentiality/media embargo requirements, using email and Council intranet. Formal notification of the outcome of grant applications will be provided by the Project Manager at the next appropriate Committee Meeting.

### **6. 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.

The Project Manager will arrange for a work order for the project, where this is required.

## **7. Records**

Appropriate records will be kept in accordance with Councils Records Management Policy. This includes grant agreements, financial records, construction contracts and photographs of works or events. A copy of the signed construction contract shall be provided to Council's Finance Officer. A copy of the grant agreement shall be provided to Council's Accountant.

## **8. Project Management, Delivery and Reporting**

It is the responsibility of the Project Manager, as determined by the relevant Director/Manager with responsibility for the asset/future asset/program, to manage delivery of the project, including any tendering or procurement procedures, contract management, all reporting requirements and compliance with conditions of funding. Project Managers shall liaise with relevant finance staff to ensure funding and invoicing is allocated to applicable work orders.

The Project Manager will adhere to Council purchasing, procurement and reporting controls to manage grant expenditure received from external providers.

## **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. The General Manager is required to provide a report to Council indicating the financial impact of the acquisition of a new asset/upgrade of existing asset/delivery of program or event as part of the Annual Operating budget and Long Term Financial Plan.

## **Review**

The General Manager will review the policy every 4 years.