

## Grants and Donations Policy

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### 1. Scope

- 1.1 This policy applies to all grant-making activity made available by City of Parramatta Council (Council), as per Section 356 of the *Local Government Act* and independent of the regular procurement of goods, works and services.
- 1.2 Grants are designed to deliver social, economic, cultural, recreation and environmental benefits to local communities. This policy applies to all aspects of grant programs, including their design, application processes, decision making, agreement making, monitoring and support services.
- 1.3 However, detail on the specific processes to be followed in the making of grants by Council are contained within the separate Grants and Donations Procedures document (D08177167).
- 1.4 This policy and its associated procedures must be followed by all employees as well as all consultants and contractors engaged within any business units of Council. This includes those undertaking unpaid work on behalf of the Council.

### 2. Purpose

- 2.1 This policy establishes how the Council's grants administration practices should support the implementation of the Council's Community Strategic Plan and Operational Plan in an efficient, effective and ethical manner. The objective of this policy is to ensure that the administration of grant programs follows best practice principles of grant-making as defined in the policy principles. This policy should be read with reference to other Council policies related to community funding, as well as the Grants and Donations Procedures document.

### 3. Policy

- 3.1 Grant programs at the Council are administered under the following principles:
  - **Robust planning and design** which underpins efficient, effective and ethical grants administration, including through the establishment of effective risk management processes.

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- **Capacity building** which focuses on developing the skills, competence and confidence of local organisations and residents to achieve their aspirations and foster sustainability and independence from the City.
- **Diversity, Access and Equity** expressed through the support of programs, projects and activities that represent a broad spectrum of local needs, cultures and interests.
- **Outcomes orientation** in which grants administration focuses on maximizing the achievement of strategic directions and lasting outcomes rather than outputs.
- **Proportionality** in which key program design features and related administrative processes are commensurate with the scale, nature, complexity and risks involved in the granting activity.
- **Collaboration and partnership** in which effective consultation and a constructive and cooperative relationship between Council, grant recipients and other relevant stakeholders contributes to achieving more efficient, effective and equitable grants administration. This includes collaboration between different units of Council.
- **Governance and accountability** in which a robust governance framework clearly defines the roles and responsibilities of all parties in the process and supports public accountability for decision making, grants administration and performance monitoring.
- **Probity and transparency** in which grants administration reflects ethical behaviour, in line with Council's Statement of Business Ethics and Code of Conduct and complies with public reporting requirements.
- **Achieving value with public money** through careful consideration of costs, benefits, options and risks.

3.2 Council endorses the strategic objectives and priorities for grant programs. Each year, Council may define up to five major priorities to align its suite of grants, sponsorships and social investment. In undertaking this process, Council officers will:

- a. Conduct a regular review of the changes in community needs and/or demands from local communities across the City of Parramatta.
- b. Ensure regular community engagement about what priorities for assistance should be.
- c. Align and assess proposals against the vision and projected outcomes of the Community Strategic Plan.
- d. Assess the local impacts of, and opportunities arising from, the provision of other community funding in the City of Parramatta by the Commonwealth and NSW Governments, the private sector and local communities themselves.
- e. Build an evidence base through evaluating the effectiveness of services, projects and activities that have been funded or assisted by Council over time.

3.3 Council has decision making authority for approval of the granting of funds. This includes approval of grant making objectives, eligibility and assessment criteria, and methods for application, assessment pathway and decision making. Council can delegate this role to a designated senior manager in accordance with the delegations enabled by the *Local Government Act* (1993).

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- 3.4 Each program sets out an application process to best achieve its objectives. These application processes may take any of the following forms:
- Open
  - Invitation only, according to eligibility criteria
  - Expression of Interest.
- 3.5 The assessment of grants is conducted by Council Officers or invited external experts, ranking applications against the objectives and criteria of each grant programs. For the annual Community Grants Program, this assessment will include consideration of an organisation's financial capacity to implement the grant. Separation between the roles of assessor (i.e. those assessing the quality of the applications) and approver(i.e. those approving the allocation of funding) is to be maintained.
- 3.6 All individuals involved in assessment and decision making must meet the requirements of Council's Code of Conduct.
- 3.7 Consistent with Section 356 of the *Local Government Act*, all grant application rounds will be publicly advertised, thoroughly promoted and listed on Council's website and social media, detailing specific eligibility criteria. Council reserves the right to amend, suspend or alter a grant program at any time.
- 3.8 Council does not grant funds to applicants that fail to meet designated eligibility criteria. Grants must not be contributing to a fundraising objective of an applicant but must be made to program or project costs that can be assessed for on value for money and effectiveness against other applications. Unsolicited requests for financial support or donations will be directed to the quarterly Small Grants Fund and must meet requirements for that program to be considered for funding. All recipients must enter into a funding agreement and meet all requirements of reporting and acquittal.

## 4. Definitions

**Acquittal:** an acquittal report ensures that grant recipients have administered grant funds responsibly and in line with the terms and conditions of the Funding Agreement. An acquittal report usually consists of a written report that summarises how the project fared against the initial objectives of the grant. It also provides a financial statement detailing how the funds were spent.

**Auspice:** an arrangement where one incorporated community organisation ('the Auspice Body') agrees to apply for funding on behalf of a second organisation or individual that is, most often, not incorporated ('the Auspiced Party'). If the funding application is successful, the Auspice Body then receives, holds and administers the funding to the Auspiced Party, so that the Auspiced Party can complete the funded project or activities. The Auspice Body works with the Auspiced Party to ensure all reporting requirements are met, assisting the Auspiced Party to further develop project management knowledge and skills with a view to the Auspice Party becoming independent (as appropriate) of the Auspice Body.

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**Community Organisation:** all voluntary community groups, service organisations, community services, sporting groups, arts organisations, heritage societies and other organisations that come under the definition of “not-for-profit”. Social enterprises that are auspiced by a not-for-profit organisation or that have a clear governance structure that precludes profits being disbursed to individuals are eligible under this sub-section.

**Funding Agreement:** an agreement that states the purpose of the funding, the dollar amount and the conditions attached to the grant. It also defines the rights and responsibilities of the agreement. Once signed, organisations are under a legal obligation to comply with the stated terms and conditions.

**Grants:** cash or value-in-kind support given to applicants for a specified purpose directed at achieving policy outcomes. Funds assist with the services or projects proposed by applicants and Council receives acknowledgement as the grant giver.

**Incorporated organisation:** a legal entity separate from its individual members that has been incorporated under Australian State or Territory law.

**In-kind Support or Value In-kind support:** includes volunteer labour, administrative support, rent-free accommodation or donations of materials or equipment. Applicants are asked to include in-kind contributions in their application budgets. Successful recipients will also be asked to report on the value of in-kind contributions in project acquittals so that Council can benchmark the contributions of the community sector to local projects.

**Insurance:** a framework under which the insurer indemnifies (accepts the risk) on behalf of the insured (person or group or people) for loss or damage caused. Insurance protects a community organisation against its legal liability to pay damages. The most commonly required insurance is Third Party Insurance which covers an organisation for the potential costs associated with:

- a. compensation to third parties (for example, members of the public) for bodily injury; and/or
- b. property damage that may occur as a result of the community organisation’s activities; and
- c. the legal costs that a community organisation may have if it needs to defend bodily injury and property damage claims made against it.

**Not-for-profit organisation:** an organisation which is not operating for the profit or gain of its individual members whether these gains would have been direct or indirect. A not-for-profit organisation can still make a profit, but this profit must be used to carry out the purposes of the organisation and must not be distributed to owners, members or other private individuals.

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**Social enterprise:** a 'social business' that has the following characteristics:

- a. Social, environmental or cultural mission/objectives core to its purpose and focus.
- b. Limited distribution of profits –profits are reinvested in the enterprise and/or an associated social entity and not disbursed to individual shareholders.
- c. Mixture of capital inputs – the enterprise is supported through a mixture of grant income/subsidised income and trading income, but must trade.
- d. Generation of social return in addition to a financial return, and a commitment to demonstrating this.
- e. Favours democratic decision-making structures and seeks high levels of accountability to their stakeholders, rather than just to shareholders.

## 5. History

First version: Commenced 12 December 2016

Amendment 1: Approved by Council 17 December 2018

Amendment 2: Approved \_\_ October 2021

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## REFERENCES

The NSW Local Government Act 1993 (Section 356) makes provision for councils to financially assist others by contributing money or otherwise granting financial assistance to persons for the purpose of exercising the council's functions.

As projects considered under this Policy may have instances where adults are working or volunteering with children, all successful applicants in this circumstance will also be required to adhere to the requirements of the Child Protection (Working With Children) Act 2012 and Child Protection (Working With Children) Regulation 2013.

Where successful projects are conducted on sites owned or managed by the City, the recipient will be required to comply with the requirements under the Work Health & Safety Act 2011. All recipients of grant funds are required to ensure the safety of the public, clients and workers in all activities.

The NSW Department of Premier and Cabinet produces a Good Practice Guide for grant administration using public funds in New South Wales and The Australian Institute of Grants Management produce a Grant-making Toolkit. Both these resources have been consulted in the development of this Policy.

Further legislative requirements that govern councils in providing services in an accessible and equitable manner include:

### **Commonwealth of Australia**

- Disability Discrimination Act 1992
- Human Rights and Equal Opportunity Commission Act 1986
- Privacy Act 1988
- Privacy and Personal Information Act 1998 Commonwealth of Australia
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984

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	<b>New South Wales</b> <ul style="list-style-type: none"> <li>▪ Anti Discrimination Act 1977 and Amendments</li> <li>▪ Disability Services Act 1993</li> <li>▪ Independent Commission Against Corruption Act 1988</li> <li>▪ Government Information (Public Access) Act (GIPA) 2009.</li> </ul>
<b>POLICIES</b>	<p>This Policy also has direct relationship to the following Council policies and documents and must be read in conjunction with these, where applicable:</p> <ul style="list-style-type: none"> <li>▪ Grants Procedures (D08177167)</li> <li>▪ Community Strategic Plan and Operational Plan</li> <li>▪ City of Parramatta Corporate Values</li> <li>▪ Statement of Business Ethics (Policy 313)</li> <li>▪ Code of Conduct (Policy 218 v10)</li> <li>▪ Sponsorship Policy (Policy 347)</li> <li>▪ Customer Service Charter (Policy 281 v3)</li> <li>▪ Customers Compliments and Complaints Policy</li> <li>▪ Procurement Policy (Policy 287)</li> <li>▪ Workplace Health and Safety Policy (Policy 014 v6)</li> </ul>
<b>ATTACHMENTS</b>	N/A

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