

External Grant Funding Policy

Reference Number:	Section 1 No. 19
Responsible Department:	Finance Department
Related Policy/Procedure:	N/A
Date of Adoption:	27 August 2019
Current Review Date:	23 August 2022
Resolution Number:	OCM-2022/166
Version Number:	Amendment No 1
Next Review Date:	August 2025
Review Frequency:	Triennially

1. Purpose

The purpose of this Policy is to outline the circumstances under which Council applications for external funding grants may be lodged under delegated authority, accepted, managed and acquitted.

2. Scope

There is a diverse range and level of funding that Council can apply for in relation to its own activities, its own land, or regional activities or land for which Council is a stakeholder. This Policy outlines the factors that must be considered prior to applying for External Grant Funding under delegated authority. This policy does not apply to the Commonwealth funded general purpose grants provided to all Councils, including the Financial Assistance Grant (FAG) and Local Roads Grant, where Council has discretion over its use.

This policy applies to all grants that require applications to be made. The policy applies to all Council staff and Elected Members:

- Where Council is submitting an external funding application;
- Where Council is one of a number of partners in a joint external funding application;
- Where Council supports an external grant on behalf of another organisation;
- Where an application is being made for renewal of a currently held grant;
- Where a funding provider negotiates and approves a grant application with variations to the original proposal.

3. Policy Aim

Establish a framework for managing, monitoring and evaluating grants and grant funded initiatives.

To ensure consistent and objective analysis of external funding opportunities and alignment with Council's Strategic Plans.

To encourage the submission of grant funding applications that maximise Council's return on investment/contribution outcomes.

To support Council's agility in lodging timely external grant funding applications as they arise opportunistically, to progress projects and/or programs.

4. Definitions

“External Grant Funding” 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, project or program, to provide a new service or to enhance an existing service.

“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 and desired outcomes of the grant and the degree of control required. The forms of enforceable funding agreements may include, but are not necessarily limited to:

- Deed;
- Agreement
- Contract; and/or
- Exchange of letters.

5. Policy Details:

This Policy addresses the merits of applying for External Grant Funding, the authorisation/approval process, preparing and submitting an application, managing a successful grant and acquitting/reporting on the outcomes.

5.1 Merit of an External Grant Funding Program

Projects, programs or services for which an application for an External Grant is being considered shall be aligned with the Council’s Strategic Plan, Infrastructure & Asset Management Plan and/or any other Council operational and strategic plans.

The following key considerations shall be regarded before a decision is made to apply for grant funding:

- Grant funding program guidelines, eligibility and merit criteria to assess that the project, program or service will likely meet or align well with the relevant criteria.
- The capacity and expertise of Council’s resources to complete the project, program or service.
- Council’s required contribution (both in-kind or financial), alignment to existing budget approvals and future budget requirements, and ability for value of grant funding to be sufficient to meet stakeholder expectations.
- Impact on internal and external stakeholders, including establishing clearly defined and agreed roles and responsibilities for managing External Grant Funding and meeting the required outcomes.
- Assessment of relevance and risks to the community and Council.
- Ability to comply with proposed contractual terms and conditions, other relevant legal requirements (e.g. licence requirements), and Council policies (e.g. Procurement Policy).
- Whole-of-life-cost impacts of the funding opportunity if relevant (which takes into account all aspects of cost over time including capital, maintenance, management, insurance, disposal and operating costs).

- Project management and administrative costs associated with the External Grant Funding (including but not limited to project management, risk management, procurement, promotion, communication, reporting, monitoring, evaluation, etc.)
- Ability for Council to deliver the agreed grant objectives within approved timelines.
- Opportunities for regional funding partnerships and the benefits and risks associated with entering into these partnerships.
- Clarity as to whether the grant amount is GST-inclusive or exclusive.
- Authority approvals required to implement the project, program or service and the likelihood of obtaining those approvals within reasonable timeframes.

5.2 Grant Funding Application/Submission Authorisation/Approval Process

With the exception of meeting criteria under 5.2.1, formal Council resolution is required to approve the submission of a grant funding application where Council's monetary contribution is NOT included in Council's Annual Business Plan & Budget, or Long-Term Financial Plan.

The Chief Executive Officer (CEO), who may delegate to the relevant Manager, is authorised to approve the submission of grant funding applications on behalf of Council, under delegated authority, where there is no monetary contribution required by the Council, and where in-kind contributions by Council do not significantly impact Council's operations.

5.2.1 The CEO is authorised to approve the submission of an application on behalf of Council, under delegated authority, provided all of the following criteria can be demonstrably satisfied, and are subsequently reported to Council at the earliest ordinary Council meeting (or relevant Council Committee Meeting) following lodgement of the grant application:

- a) There is a short lead time for External Grant Funding applications which does not enable a report to be considered by Council for resolution to submit an application prior to the funding program application/submission deadline, and
- b) The Council's key financial indicators are not forecast to extend outside of desirable levels, as reported in the Annual Business Plan & Budget, or Long-Term Financial Plan, if all live grant applications are successful, and

5.3 Notification of Grant Funding Applications Lodged/Submitted & Execution of Agreements

An information report will be provided to Council to notify the lodgement/submission of External Grant Funding applications when lodged/submitted under the provisions of 5.2.1.

The outcome of External Grant Funding applications shall be reported via a relevant Council Committee and/or to the Council. A report for decision on External Grant Funding applications submitted under the provisions of 5.2.1 will be provided to Council prior to any successful funding being accepted and any legally enforceable agreement being entered into.

For successful applications where the legally enforceable agreement to be executed between grant funding parties allows the CEO or CEO's delegate to execute the agreement, Council's delegations of authority to commit funds in accordance with its Procurement Policy shall be used to define which Council Officers have the appropriate delegation to execute such agreements.

In some circumstances the legally enforceable agreement requires the Common Seal of the Council to be affixed to the agreement, in which case a report to Council will be provided to formally approve the use of the Common Seal for that purpose.

Where the Funding Provider or the CEO notifies the other party of an intention to vary the scope, budget or terms of a successful or proposed grant funding agreement from that which was applied for, the CEO is authorised under delegated authority to negotiate varied terms on behalf of the Council provided that they do not significantly alter the outcomes of the project, program or service. The CEO is authorised under delegated authority to approve budget variations within the limitations of the Light Regional Procurement Procedures – Contractor Management.

5.4 Managing a Successful Grant

Projects, programs or services shall be implemented in accordance with grant funding agreement terms and conditions.

If a project, program or service is not proceeding in accordance with the approved plan or budget, it shall be reported in accordance with the grant funding agreement terms and conditions as soon as possible.

If budget or scope variations are proposed to complete the project, program or service, they shall be approved in accordance with the Variations clauses contained within Council's Procurement Procedures – Contractor Management.

6. Project Grant Accounting

Specific project grants are accounted for in the financial year the expenditure is incurred. If a grant is received in advance then it is accounted for as a 'liability' until such time as the expenditure is incurred. If a grant is received in 'arrears' (after the expenditure is incurred and the project acquitted) a debtor/receivable is created (usually by an invoice) when the expenditure has been incurred and the grant conditions have been met. GST shall be applied as stipulated in project grant funding agreements.

7. References

Local Government Act 1999

Light Regional Council Procurement Policy

Light Regional Procurement Procedures – Contractor Management

Treasury Management Policy

Prudential Management Policy

Risk Management Policy

History of Policy Amendment

Policy adopted by Council on date, 27 August 2019. Minute Reference EDP9.5.1/2019, Page 2019/265.

Amendment No 1 adopted by Council on date, 23 August 2022. Resolution Number OCM-2022/166.