

## Administration of Grant Income 2020

<b>Department:</b> <i>Finance</i>	<b>First Implemented:</b> <i>1 January 2018</i> <b>Review Date:</b> <i>31 December 2020</i> <b>Version:</b> <i>2</i> <b>Trim Reference:</b> <i>E698</i>	<b>Origin:</b> Responsible Officer: <i>Finance Manager</i>  Authorising Officer: <i>For endorsement by Council</i>
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### PURPOSE / OBJECTIVE

The purpose of this Policy is to ensure effective management of grant funding received from Federal and State government and other external organisations.

### POLICY STATEMENT

The key aim of this policy and its procedures is to provide a framework and process for the identification, assessment, administration and reporting of grant funding received by Council.

Council rely on grant funding as an important source of income to enable the introduction or continuation of services and facilities which might otherwise be outside of the immediate financial capacity of the Council.

There are several types of grants generally available to Council:

- Conditional: Grant funds that are to be used for specific programs or purposes;
- Unrestricted: Grant funds that may be used for any purpose;
- Refundable: Grants funds that must be returned if the terms of the grant are not met;
- Non-Refundable: Grant funds that are retained regardless of the outcome of the intended project.

### Policy Principles

The Grant Management Framework seeks to address the following areas:

- appropriate internal controls and authorisation mechanisms
- efficient administration and operation of grant programs
- efficient financial management of grants
- affordability of matching contributions required by Council
- consistency with Council Plan and Strategic Resource Plan priorities
- the ability to meet various specialised reporting requirements
- completion of auditing requirements for grants



## DEFINITIONS

<b>Auspice</b>	In the context of grant applications, an auspice organisation (auspisor) is one that actually receives and manages the grant money on behalf of the applicant (auspicee), often a non-incorporated organisation or individual.
<b>CEO</b>	Chief Executive Officer
<b>Conditional grant</b>	any grant funding received on the condition that the assistance is used for a specified purpose.
<b>EMT</b>	Executive Management Team
<b>Funding agreement</b>	<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"> <li>• Deed;</li> <li>• Contract; and/or</li> <li>• Other written exchange (ie, letter, email).</li> </ul>
<b>Grant funding</b>	any assistance by way of a sum of money or other resource provided to Council by State, Federal or non-government agencies.
<b>LTFP</b>	Long Term Financial Plan – a 10 year financial forecast document prepared by the Finance Department
<b>Responsible officer</b>	Council officer responsible for managing the project to which the grant funding applies
<b>SRP</b>	Strategic Resource Plan - a 4 year financial forecast approved by Council annually and submitted to the Minister for Local Government

## SCOPE

This policy applies to all Mansfield Shire Council employees and Councillors.

This policy applies to all grant funding applications:

- where Council is the sole applicant in an external funding application;
- where Council is one of any number of partners in an external funding application;
- where Council **auspices** 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 approves a grant application with variations to the original proposal.



## RESPONSIBILITIES

All Mansfield Shire Council employees and Councillors are responsible for adhering to and implementing this policy.

Adherence to this policy will be overseen by the Finance Manager, with any associated procedures implemented by the Finance Manager and the responsible officer.

Management and employees are to be familiar with, and competent in, the application of this policy, and are accountable for the delivery of that policy within their areas of responsibility.

The Finance Department is the owner of this policy. Any reviews of this policy must be made in consultation with the Finance Manager.

## REFERENCES / RELATED POLICIES

Internal Audit Report: *Grant Management (RSD Chartered Accountants, April 2015)*  
Mansfield Shire Council Policy: *Records and Information Management*  
Mansfield Shire Council Policy: *Auspice Arrangements*  
Mansfield Shire Council Project Management Procedures

## IMPLEMENTATION

This policy is effective immediately once endorsed by Council.

## REVIEW DATE

This Policy is to be reviewed by 31 December 2023.

Council reserves the right to review, vary or revoke this policy at any time.

## AUTHORISATION TO IMPLEMENT POLICY

Signed: \_\_\_\_\_  
Councillor

Witnessed: \_\_\_\_\_  
Chief Executive Officer

**Dated:**

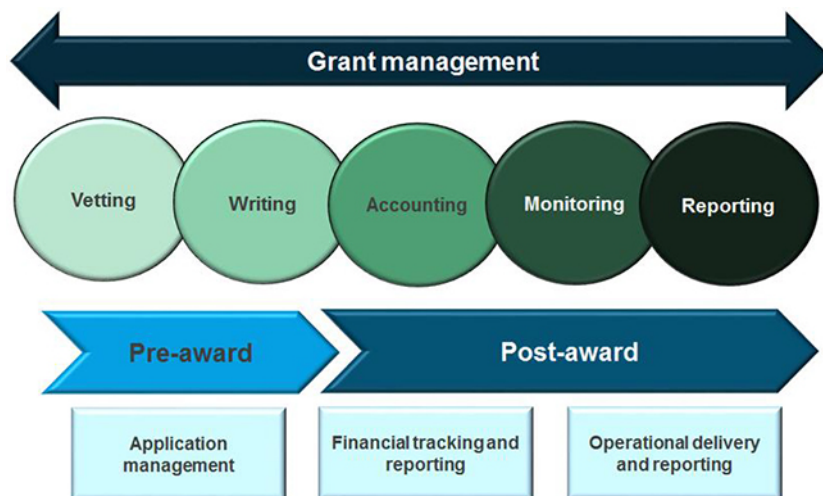


## PROCEDURES

### GRANT MANAGEMENT FRAMEWORK

The framework within which Council will manage grant funding applications is outlined below. It includes the following key areas:

- Identification: projects and available funding
- Assessment: grant authorisation and approval
- Administration: finance and records
- Project management: project delivery
- Reporting: monitoring and acquittal



#### Identification: projects and available funding

##### *Identification of projects*

Projects requiring funding should be identified and incorporated into the LTFP well in advance where possible. To this end, Council should have a “library” of project business cases prepared and ready to go if appropriate funding becomes available.

Where there is a reasonable expectation of successful grant applications, such projects should be incorporated into the adopted SRP and Annual Budget. If funding is not obtained, the budgeted project will not be undertaken, but may be parked back in the “library” for future funding possibilities.

It is recognised that, at times, funding announcements will drive the creation of a project that has not been budgeted for. This is most common for operational expenditure, rather than capital.

Recurrent grants shall be reviewed annually to assess their relevance and any implications to Council, prior to adoption of the Annual Budget.



### *Identification of funding*

Council officers will actively seek funding opportunities for projects that are consistent with the objectives identified in the Council Plan and other strategic planning documents of Council.

Most government grants are made known to officers through their everyday networks.

For these reasons Council Officers will not maintain a register of available grants.

### **Assessment: grant authorisation and approval**

Grant funding applications for operational amounts over \$50,000 or capital amounts over \$200,000, that are not included in the Annual Budget or SRP, require Council resolution.

Council report recommendations should include a business case justifying the need for the funding and detailing the full life cost impact of the project.

The business case must consider:

- Relevance of the project to the Council Plan and/or other documented strategies of Council.
- Council contribution to the implementation of the project (ie matching funding if required)
- Third party contributions (grant funding, community funding, in-kind support etc)
- If borrowings are required, the cost of borrowing over the life of the loan
- If cash reserves are required, the cashflow impacts of spending the reserves
- Potential for future income generation
- Ongoing operational costs (ie repairs, maintenance, utilities, human resources)
- Terms and conditions of the grant
- Inherent and support costs of funded services, including contingency arrangements if the grant was suspended or cancelled
- Likely outcome of the project or service and impact on Council's financial position in the event of application failure.

Applications for operational amounts of \$50,000 or less or capital amounts of \$200,000 or less, that are not included in the Annual Budget or SRP must be approved by the CEO. A report to the CEO should include a business case justifying the need for the funding and detailing the full life cost impact of the project.

It is recognised that at times there is a short lead time for submission of grant applications that may not allow sufficient time for Council authorisations. In such circumstances, the CEO will authorise the application.

Applications for amounts that relate to projects approved in the Annual Budget or SRP must be approved by the relevant department manager.

If the funding application is successful, a full report must be provided to Council for resolution before the funding agreement is signed.



Where a third party entity is involved in the project funding application, any contribution arrangements (financial or in-kind) or auspice agreements must be formally documented prior to accepting grant funding. A formal agreement signed by both parties ensures the commitment of the third party and assists in mitigating financial risk to Council. Agreements should require cash contributions by third parties to be received in full prior to commencement of the project (exceptions to be approved by the CEO).

In-kind contributions should be explicitly described in the agreement (ie, number of hours of labour, delivery of a specific part of the project etc) so they can be accurately measured.

A checklist for information that should be included in an auspice agreement is included in Council's *Auspice Arrangements* policy.

If an application for a budgeted grant is unsuccessful, the financial impact will be recorded in the next quarterly finance report, at which time Council will re-assess the project or service to determine the treatment of any budgeted matching funding.

### **Administration: finance and records**

Council has a duty to administer the use of grant funding in an efficient, effective, transparent and accountable manner to ensure that:

- The community receives the maximum benefit from grant funding;
- The requirements of the grantor are satisfactorily met as outlined in the funding agreement;
- Council achieves the agreed outcomes identified in its Council Plan and SRP; and
- Council's opportunities for subsequent grant funding are not compromised.

#### *Finance and Accounting*

Council shall maintain detailed financial records of grant income due and received, and for the associated expenses of every conditional grant. Where appropriate, a separate Job Code will be created in the Synergy general ledger for each conditional grant project. To request a new Job Code, staff must complete a [request form](#) (Appendix 3) and submit it to the Senior Accountant for processing.

To initiate receipt of funds from the grantor and/or other contributing agencies and organisations an [invoice request form](#) (Appendix 4) must be completed by the responsible officer and forwarded to the Revenue Unit.

The Revenue team will create an invoice in the debtors system (Synergy), giving due consideration to the treatment of GST (as outlined in the funding agreement). The invoice will provide details for the grantor to make payment via BPAY (or other form of payment if required).

It is recognised that many grant providers will request Council's bank account details to allow a direct electronic funds transfer to deposit the funds granted. Where this is the only available method for funds transfer required by the grantor, the Finance team will provide the details. In this case, an invoice request form must still be completed to allow the Revenue team to record and match the receipt of funds in Synergy when they appear on the bank statement.



## *Records Management*

Records will be maintained in accordance with Council's *Records and Information Management* policy.

For each grant awarded to Council, the following information (as a minimum) must be recorded and retained in an electronic file in TRIM.

- Project business case approved by Council or CEO
- Approved grant application
- Signed grant agreement
- Signed co-contribution or **auspice** agreement (if applicable)
- Grant summary form (see template at appendix 1)
- Grant milestone checklist (see template at appendix 2)
- Submitted grant acquittal/s.

A new TRIM folder should be created for each new grant, under the "Grants and Subsidies – To Council" classification.

## *Active Grants Register*

Council staff shall maintain an Active Grants Register in an excel spreadsheet which will record for each grant:

- Project Scope and expected outcomes of the grant
- Officer and department responsible for the overall management of the grant (responsible officer)
- All terms and conditions of the grant including overheads to be allocated (if any)
- Key milestones & deliverables, due dates and assigned officers (these will then have progress reports made against them until completion of each milestone and deliverable is recorded by the responsible officer).
- Reporting requirements (including audit if required)
- Outcomes assessment report as a key deliverable (see Reporting: monitoring and acquittal)

The owner of the Active Grants Register is the Governance & Risk Coordinator. For each new grant awarded, the responsible officer should complete the Grant Summary Form (see appendix 2) and forward it to the Governance & Risk Coordinator for entry into the register.

## **Project management: project delivery**

Funded projects will be delivered in accordance with the funding agreement and Council's *Project Management* procedure.



## **Reporting: monitoring and acquittal**

### *Monitoring*

The Active Grants Register shall be monitored regularly to ensure that entries accurately reflect all grant applications, application outcomes, funding arrangements and any other relevant conditions, and that claims are made promptly in accordance with funding agreements, Annual Budget and this Policy.

The Governance & Risk Coordinator will report the contents of the Active Grants Register to the Senior Leadership Group (SLG) and the Audit and Risk Advisory Committee on a quarterly basis. The report will also highlight any new successful grant applications, and any changes in scope or timeframe for existing funded projects.

### *Completion and acquittal*

Many grants require formal acquittal reports on completion of the project. Acquittal requirements can vary from grant to grant and must be completed in the format required by the grantor, by the responsible officer. All financial data included in an acquittal report must be reviewed by the Finance Department (Senior Accountant or Finance Manager) for accuracy, prior to submission.

Acquittal reports that require independent audit must be submitted to a qualified auditor in accordance with the requirements of the grantor. The Finance Department can assist in procuring audit services.

For all completed projects, a report should be prepared assessing the outcomes of the project against the expected outcomes. This report should be placed on file in TRIM.





## APPENDIX 1

## GRANT SUMMARY FORM

Identification	
Project Title	
Responsible Officer	[name/role]
TRIM file #	
Project scope	[project scope]
Expected outcomes	[expected outcomes]
Grant provider	
Other parties	

Assessment	Approved by	Date	TRIM ref
Budgeted project			
Unbudgeted \$50k op / \$200k cap			
Unbudgeted over \$50kop / \$200kcap			
Auspice agreement			
Co-funding / 3rd party agreement			
Funding agreement			

Administration	
Type of Grant	[conditional / unrestricted / refundable / non-refundable]
Conditions (if any)	
Milestones / deliverables attached	[Y/N]

Reporting	
Independent audit required?	[Y/N]
Acquittal report required?	[Y/N]
Outcomes assessment report completed	[Y/N]



APPENDIX 2

## GRANT MILESTONE CHECKLIST

Project Title

Responsible Officer

[name/role]

TRIM file #

GRANT MILESTONES	DATE DUE	REPORT	MILESTONE PAYMENT	INVOICE	SUBMITTED DATE	TRIM ref
Commencement						
Stage 1 - [name stage]						
Stage 2 - [name stage]						
Stage 3 - [name stage]						
Stage 4 - [name stage]						
Stage 5 - [name stage]						
Completion						
Acquittal Completed						
Outcomes assessment report (REQUIRED)						

Extensions	
Extension Required:	[Y/N]
Extension Date Submitted	
Extension Date approved by funding body	
Project Completion date	



APPENDIX 3



MANSFIELD

# New Account Request Form

Account Name:

.....  
.....

Type of Account:

- Operating Income      and / or       Operating Expenditure
- Capital Income         and / or       Capital Expenditure

GST:

- GST Free                                       Subject to GST

IE Codes required: (refer to back page of this form)

.....

Please provide a brief explanation of the program:

.....  
.....  
.....

Please complete budget table on next page.

Requested By:

.....	.....	.....
Name	Signature	Date

Approved By:

.....	.....	.....
Name	Signature	Date

<u>Finance Only</u>	
Account Codes:.....	
Entered By:.....	Date:.....



**Budget Financial Year .....**

IE Code	Full Yr Budget	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>TOTAL</b>													

List of Income & Expense Codes (IE Codes)

Type	Code	Description	Type	Code	Description	Type	Code	Description
Expenditure	00	DO NOT USE	Expenditure	33	SOFTWARE MAINTENANCE & SUPPORT	Income	68	ANIMAL FINES
Expenditure	01	SALARIES & ONCOSTS	Expenditure	34	SOFTWARE UPGRADES	Income	69	LITTER FINES
Expenditure	02	LONG SERVICE LEAVE	Expenditure	35	PLANT HIRE	Income	70	POLICE ISSUED LOCAL LAWS FINES
Expenditure	03	WORKCOVER PREMIUMS	Expenditure	36	TRAVEL EXPENSES	Income	71	LOCAL LAWS GENERAL FINES
Expenditure	04	CONTRACT STAFF	Expenditure	37	MEETINGS / CATERING EXPENSES	Income	72	ADMISSION CHARGES
Expenditure	05	SUPERANNUATION	Expenditure	38	STAFF TRAINING & PROF DEVEL	Income	73	FUNDRAISING INCOME
Expenditure	06	Design work expenditure	Expenditure	39	VEHICLE EXPENSES	Income	74	CERTIFICATE CHARGES
Expenditure	07	ENTERTAINMENT	Expenditure	40	WASTE DISPOSAL EXPENSES	Income	75	HEALTH REGISTRATIONS
Expenditure	08	CATERING & REFRESHMENTS	Expenditure	41	ELECTRICITY	Income	76	FOOD STALL REGISTRATIONS
Expenditure	09	MATERIALS/SERVICES	Expenditure	42	WATER CONSUMPTION	Income	77	PENALTY FEES
Expenditure	10	CONTRACT PAYMENTS	Expenditure	43	GAS	Income	78	Non Recurrent Grants
Expenditure	11	FUNCTIONS & RECEPTIONS	Expenditure	44	TELEPHONE	Income	79	INSPECTION & PERMIT FEES
Expenditure	12	STORES ISSUES	Expenditure	45	INTERNET SERVICES	Income	80	REGISTRATION FEES
Expenditure	13	REPAIRS & MAINTENANCE	Expenditure	46	HARDWARE PURCHASES	Income	81	REGISTRATION FEES -CARAVAN PK
Expenditure	14	CONTRACT SPRAYING	Expenditure	47	CONTRIBUTIONS/Sponsorship	Income	82	INCOME GENERAL FEES
Expenditure	15	BAD AND DOUBTFUL DEBTS	Expenditure	48	COMMUNITY CONTRIBUTIONS	Income	83	CONTRACT FEES SERVICE PROVISION
Expenditure	16	UNIFORMS	Expenditure	49	CONTRACT FEES FOR SERVICES	Income	84	INTEREST ON INVESTMENTS
Expenditure	17	LEASE EXPENSES	Expenditure	50	COUNCILLORS' ALLOWANCE	Income	85	AGENCY FEES
Expenditure	18	INTEREST ON LOANS	Expenditure	51	GREENWASTE MULCHING	Income	86	GENERAL RATES INCOME
Expenditure	19	BANK CHARGES	Expenditure	52	FUEL	Income	87	MUNICIPAL CHARGE
Expenditure	20	ADVERTISING & PROMOTION	Expenditure	53	FRINGE BENEFITS TAXATION	Income	88	LEGAL COSTS RECOVERED
Expenditure	21	AVOID FEES	Expenditure	54	EPA LEVY	Income	89	PENALTY INTEREST
Expenditure	22	INSURANCES	Expenditure	55	DOMESTIC ANIMALS LEVY	Income	90	SUPPLEMENTARY RATES INCOME
Expenditure	23	RECRUITMENT COSTS	Expenditure	56	RESOURCE SHARE COST FROM BEN	Income	91	INCOME FROM PLANT HIRE
Expenditure	24	LEGAL EXPENSES	Expenditure	57	CLEANING EXPENSES	Income	92	PUBLIC CONTRIBUTIONS
Expenditure	25	CONSULTANTS	Expenditure	58	TRANSFER TO RESERVES	Income	93	INCOME FROM SUBDIVIDERS
Expenditure	26	MEMBERSHIP & SUBSCRIPTIONS	Expenditure	59	ASSETS WRITTEN OFF	Income	94	SUNDRY SALES
Expenditure	27	SECURITY EXPENSES	Expenditure	60	DEPRECIATION	Income	95	OPERATIONAL GRANT - Recurrent
Expenditure	28	DEBT COLLECTION EXPENSES	Expenditure	63	WRITTEN DOWN VALUE OF ASSETS SOLD	Income	96	INDUSTRY CONTRIBUTION
Expenditure	29	POSTAGE & FREIGHT	Income	64	PROCEEDS FROM SALE OF ASSETS	Income	97	RENTALS -COUNCIL PROPERTY
Expenditure	30	PRINTING, COPYING & STATIONERY	Income	65	PERMIT FEES	Income	98	REIMBURSEMENT
Expenditure	31	RENT	Income	66	RELEASE FEES - DOGS & CATS	Income	99	CHANGE IN EQUITY IN HIGH COUNTRY
Expenditure	32	COMPUTER SUPPORT	Income	67	PARKING FINES			



APPENDIX 4



MANSFIELD SHIRE

# Invoice Request Form

To be forwarded to Accounts Receivable – [receivables@mansfield.vic.gov.au](mailto:receivables@mansfield.vic.gov.au)  
 Revenue Unit (Sandra, Kristine, Di, Bess)

*The following information must be accompanied with supporting documentation eg copy of invoice or statement to be adjusted etc*

**ALL SECTIONS MUST BE COMPLETED**

Debtor Number:			
Company Name:			
Contact Name:			
Contact Phone Number:			
Email Address:			
Postal Address:			
Debit Amount (Debtor Invoice)	Amount	GST	Total
Credit Amount (Credit Note)	Amount	GST	Total
Date of Transaction:			
Description for Invoice:			
Ledger Number			
Income/Expenditure Code			

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_ Unit: \_\_\_\_\_

Invoice to be mailed? Yes <input type="checkbox"/> No <input type="checkbox"/> Invoice to be Emailed? Yes <input type="checkbox"/> No <input type="checkbox"/> If not to be mailed return invoice to: _____
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