
| CD006 | EXTERNAL GRANTS – PROCUREMENT AND GRANTS | | |
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| **POLICY OWNER:** | Council | | |
| **DEPARTMENT:** | Office of the CEO | | |
| **CREATION DATE:** | | **REVIEW SCHEDULE:** | Annually - December |
| **RELATED PROCEDURES:** | | | |
| **RELATED FORMS:** | | | |
| **RELATED DELEGATIONS:** | | | |
| **RELATED POLICIES:** | | | |
| **LEGISLATION:** | State Records Act 2000 | | |
| DOCUMENT CONTROL | | | |
| **DATE REVIEWED:** | **REVIEWED BY:** | **CHANGES (IF ANY):** | **ENDORSED BY COUNCIL:** |
| August 2022 | Council | Nil | FC 7/8/22 |
| 13/12/2022 | Council | Nil | FC 4/12/22 |
| 28/05/2024 | Council | Minor Changes: Refer to Council Minutes | OCM 12/05/24 |

**CD006 External grants – procurement and grants**

**OBJECTIVES**

To provide parameters around procurement, compliance, and management of external grant funding (funds coming into the Shire).

**POLICY STATEMENT/S**

This Policy applies to the application process, acceptance, and ongoing administration of an external grant.

<u>Introduction</u>

External grant funding can provide a means for the Shire to fund responsibilities that general rate revenue may not be able to fund. Grant funding is generally seen as an attractive form of funding but there can be negative consequences. There is risk involved in not meeting all the grant requirements along with potentially committing the Shire to ongoing operational/maintenance requirements.

A financial contribution from Council is often required. The source of the Council contribution should be identified before applying for funding. Projects and programs to be funded by grants must be consistent with the Shire's strategic priorities set out in the Strategic Community Plan.

The simple availability of funding is not a sufficient reason to pursue an external grant.

The Shire needs to have appropriate processes and procedures to maximise benefits and minimise risks.

This policy needs to be read in conjunction with Integrated Planning and Reporting (Planning) Policy, and Purchasing Policy.


Principles

- Grant funding produces an outcome that is aligned with the Shire's strategic objectives set out in the Strategic Community Plan, the Corporate Business Plan and Long-Term Financial Plan.
- The benefits of receiving the grant should outweigh the costs to the Shire, including whole of life costs.
- Effective administration of the grant must be able to be undertaken.

Provisions

Strategic Fit

The Shire of Carnarvon will actively scan the external grant funding environment to:

- identify grant sources which are consistent with identified strategic direction,
- identify grant sources which may in part be relevant to strategic direction but have some provisions which may be inconsistent or be in some tension with identified direction,
- identify assumptions which would be built into the long-term financial planning and strategic planning processes and the level of robustness; (d) identify trends or emerging changes to external grants funding parameters which may have an impact on proposed programs or projects.

Where a potential grant source under the above is identified, the CEO and ELT will review the risks and benefits of pursuing that funding path and decide on whether it wishes to seek the relevant funding, after consideration of strategic and long-term benefit.

The Council will be provided with information on the trends identified above as part of budget and review cycles. Where grant funds are identified, an item will be put to the Council to review the risks and benefits of accepting the grant funding and decide on whether it wishes to accept the relevant funding, after consideration of strategic and long-term benefit.

Where the commitment of Council funds is no more than $5,000 the acceptance of the grant funds can be at the discretion of the CEO.

Where changing trends in grants funding or cessation of a grant could have an impact on the Shire's financial position in the long term this must be reported as part of the Integrated Planning and Reporting review cycle.

Analysis of Potential Grants

Any analysis on whether to proceed with an application for funding will:

- consider whether there needs to be matching funding by the Shire and/or in-kind costs,
- assess current resource allocation and capacity (financial, human resources etc.) and the capacity to manage the program or project over time,
- assess ongoing maintenance and asset renewal impacts to the Shire,


- identify associated procurement requirements,

- identify whether feasibility and design stages for a significant capital project have been completed,

- consider audit and other associated close out costs.

Overall, a cost/benefit analysis must ensure the benefits to the Shire outweigh the costs.

The terms and conditions of the grant must be fully understood and must be achievable.

Decision to Proceed and Accept Grant Funds

Where a project has been identified in the Corporate Business Plan and the Long-Term Financial Plan as proceeding if external funding is available and that funding has come available, a report will be prepared for Council which:

- sets out the funding analysis as required by this Policy,

- identifies whether the timing of the project is now achievable and what, if any, other projects need to be modified or pushed out to accommodate the project if funding is granted,

- provides a recommendation as to whether funding should be accepted.

The Chief Executive Officer must approve all external grant application documentation.

Where possible external funding has been identified outside the Corporate Business Plan and the Long-Term Financial plan a formal Council resolution will be required to apply for the funding.

The report to council will need to specify all information as required under this Policy and a clear description of the long-term benefits for the Shire and/ or Community.

Grant Administration

A project plan and timeline will be established to ensure the grant is administered effectively and is compliant.

Where applicable, a new cost code should be established in the financial system to capture grant related income and expenditure. This should include a process to easily identify allowable and non-allowable costs.

The acquittal of the grant must be undertaken according to requirements to minimise risk of funds needing to be returned for non-compliance.

Records of all grant applications must be retained in compliance with the State Records Act 2000 (WA) and Shire procedures as they relate to record keeping.