

Council Grant Framework

Policy Number:	2022/1	Directorate:	Connected Communities
Approval by:	Council	Responsible Officer:	Manager Community Wellbeing
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1. Purpose

The purpose of this Policy is to provide a consistent guide for the allocation, management and review of all of Council's grant programs to the Knox community.

2. Context

Council provides an annual budget for a suite of grants which support and encourage community, business and individual activity and service delivery in Knox, for the benefit of the Knox community. Council will also, from time to time, allocate budget for special or specific purpose grants to respond to emerging community need.

All of Council's grant programs are underpinned by the following principles:

- Funded projects will provide benefit to the Knox community and help meet Council objectives;
- Responsiveness to current and changing needs;
- Encouragement of collaboration and partnerships;
- Consistency, equity and transparency; and
- Accountability for public funds.

Council is also committed to addressing the following:

Best-practice grant-making

Council is committed to best practices and continuous improvement in its grant programs. Council will monitor the grant-making environment, as well as respond to feedback about its grant making processes to improve programs and procedures on an ongoing basis.

Access and Equity

Council is committed to access and equity through all facets of its operations including through its grant programs. To identify people from diverse backgrounds, staff will ensure they collect all relevant data. Wherever possible, sex-disaggregated data will be collected to inform planning, monitoring and evaluation of projects, programs and services in order to support Council's gender and equity goals.

Climate and Sustainability

Council is committed to tackling climate change and to support the community to adapt to climate change impacts. Council adopted the Climate Response Plan in 2021, which identifies actions to achieve zero greenhouse emissions for Council by 2030 and for the community by 2040. Council grants programs will provide opportunities to increase

community impact and improve understanding of how climate change intersects with Council-funded program and service outcomes.

Electronic Gaming Machines

Council recognises that electronic gaming machines can pose a threat to public health and wellbeing due to the harm this activity can cause for individuals, families and the community. Council is committed to mitigating the negative impacts of electronic gaming in the municipality by adopting a harm minimisation approach in relation to the use of electronic gaming machines. As such, Council grant funds cannot be used to support applications from electronic gaming machine operators or for events that rely on venues with electronic gaming machines.

Alcohol

Council recognises that alcohol misuse can result in harmful impacts to our local community and as such, Council grant funds cannot be used for the purchase of alcohol in any circumstances.

3. Scope

This Policy applies to all grants allocated via the following ongoing Council grant programs including:

- Individual Excellence Grants;
- Biodiversity Buddies Grants;
- Minor Grants Program;
- Leisure Minor Capital Works Program;
- Community Development Fund Program; and
- Community Partnership Fund Program.

The Policy also applies to any one-off or ongoing grants that Council creates to respond to community need at the time.

This Policy will prevail over all other policies relevant to the above Council grant programs where inconsistencies are found.

4. References

4.1 Community Plan 2021-2031

4.2 Council Plan 2021-2025

- **Key Direction 1: Opportunity and innovation** - Knox strives to be a city of opportunity, embracing innovation and change, and providing local learning and employment opportunities for all. It's a place where people and business can thrive. We value our natural and built environment.
- **Key Direction 2: Neighbourhoods, housing and infrastructure** - Building on what's great about our city, Knox's housing and infrastructure will meet the changing needs of our community.
- **Key Direction 3: Natural environment and sustainability** - Knox's natural environment is protected and enhanced to ensure sustainability for future generations.
- **Key Direction 4: Connection, resilience and wellbeing** - Knox is a place to call home. Our community is strong, healthy and we support and respect each other.
- **Key Direction 5: Civic engagement and integrity** - Knox Council is a trusted and respected leader in our community, acting appropriately and ensuring all voices are heard.

4.3 Relevant Legislation

- Local Government Act 2020 (Vic)

4.4 Charter of Human Rights

- This policy has been assessed against and complies with the Charter of Human Rights.

4.5 Related Council Policies

- Election Period Policy.
- Electronic Gaming Machines Policy.
- Complaint Handling Policy and Procedure.
- Knox City Council Governance Rules (Chapter 5 – Conflicts of Interest).
- Fraud and Corruption Control Framework.

4.6 Related Council Procedures

- Individual Excellence Grants Procedure.
- Biodiversity Buddies Grants Procedure.
- Minor Grants Program Procedure.
- Community Development Fund Program Procedure.
- Community Partnership Fund Program Procedure.
- Community Development Fund Evaluation Panel Terms of Reference.
- Leisure Minor Capital Works Grant Scheme Procedure.
- Leisure Minor Capital Works Grant Scheme Assessment Panel Terms of Reference.
- Knox Council Integrated Risk Management Process.
- Knox City Council Fraud & Corruption Control Procedure.

5. Definitions

Auspice	An established not-for-profit legal entity that agrees to take responsibility for the grant obligations of an unincorporated or informal or newly established group with no legal status.
CEO	Means the Chief Executive Officer of Knox City Council.
Community Group(s)	A legal entity who provide services, support or activities to the Knox community.
Council	Knox City Council, whether constituted before or after the commencement of this Policy.
Delegate	Means a Council officer(s) designated by the CEO to administer a grant process.
Funding agreement	An agreement between the grant recipient and Council that documents the agreed objectives of the funded project/activity and the reporting and accountability requirements of the grant.
GST	Goods and Services Tax.
Individual(s)	Means a resident(s) of the Knox Municipality.
Legal Entity	Can include an incorporated association, a co-operative, a company limited by guarantee, share or a trust or other organisation established under an Act passed by the State or Commonwealth.
Not-for-profit	Means a group or organisation that is not operating for the profit or gain of its individual

members; and any profit or surplus is directed back into the operation of the organisation to carry out its purpose.

6. Council Policy

6.1 Grant Procedures

All Council grant programs will have accompanying procedures (with some to be developed or updated after the commencement of this Policy) that outline the eligibility and other specific information for each Council grant. Any amendments that materially change the intent of each procedure, must be considered and approved by the CEO.

From time to time, circumstances may change, leading to the need for minor administrative changes to grant procedures. Where an update does not materially alter procedures, such a change may be made administratively. Examples of minor administrative changes include changes to names of Council departments or positions, the grant management software that Council uses, changes to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact.

6.2 Promotion

All Council grant programs will be promoted widely within Knox to the targeted audience using the following approaches, where appropriate:

- Council's website and social media channels; and/or
- Media release; and/or
- Paid advertisement in community newspapers; and/or
- Opt-in email subscription lists via Smarty Grants; and/or
- Council newsletters and other Council publications; and/or
- Community information sessions; and/or
- Phone contact.

Additional assistance such as interpreters will be provided where required to ensure an equitable process for all applicants

6.3 Applications

- All applicants must be able to demonstrate a positive benefit to the Knox community.
- Each individual Council grant procedure will specify the application process.

6.4 Record keeping

All Council grant program records will be managed through Council's Smarty Grants portal. This system aims to track interactions between Council and each unique grant applicant.

Applications and funding agreements will also be stored in Council's central record keeping system, Knox Explorer.

6.5 Assessment Process

Assessment will be carried out in the following manner:

- Applications will first be assessed for eligibility (outlined in this Policy and the relevant grant procedure). Applications that are deemed ineligible at this first point will not be included in the following parts of the assessment process.

- All grant procedures will clearly articulate the assessment weighting criteria. These weighting criteria will be made available to all applicants and assessors. Applications will be assessed against the program's weighting criteria.
- Where practicable, an assessment report summarising all relevant assessor comments, will be developed for presentation to the Assessment Panel as a tool to assist with assessment. The Community Partnerships Team will develop an assessment report template for use by all officers responsible for grant administration.
- The assessment report will include details of the application and the assessors will be given access to Smarty Grants (where applicable) to view the full application and supporting documents where possible.
- Where possible, each assessor will undertake an individual assessment of each application prior to the Assessment Panel process.

6.6 Assessment Panels

- Where practicable and subject to the individual grant program procedure, an Assessment Panel will be appointed and may comprise:
 - a mix of community representatives and council officers,
 - council officers only,
 - community representatives only.
- Assessment Panels that comprise council officers only should include officers who are subject matter experts as well as at least one officer representative from an unrelated department.
- Council officers that assist applicants with information or support to complete their applications, or with the administration of a particular grant program, will not become members of relevant grant assessment panel they help to administer or support as part of their role.
- Community representatives can only be appointed to one grant Assessment Panel at any time.
- The Assessment Panel will be led by a Chair (a Council officer) and the Chair will be supported by an officer responsible for administrative oversight of the particular program. This officer will provide the Chair with the following support:
 - Confirmation that the grant application and evaluation process were completed in accordance with the Grant Framework Policy and individual grant procedure.
 - Confirmation that all queries were resolved, to the extent possible, before initial assessments were made.
 - That no conflicts of interest were identified among assessment panel members or applicants (or if identified, were managed in accordance with Council's Governance Rules).
 - A panel assessment report that outlines all matters relevant to the application and the assessor's initial assessment.
 - Any other issues of relevance to the individual grant.
 - The Chair will then lead the Assessment Panel through a consensus decision making process.
 - Where the collective Assessment Panel decision differs from any prior individual assessment, a collective agreement will be reached. These recommendations will be noted in the Minutes.

- Written assessment will be recorded for each application including the reason for approval or decline and where relevant, the reason why an application did not receive the full allocation.
- Panel assessment meetings will be minuted and saved in Council's central record system, Knox Explorer.
- A report containing the Assessment Panel's recommendations will be prepared by the Council officer responsible for administrative oversight of the particular grant program. All recommendations of Grant Assessment Panels will go to Council for approval, except those made under delegation of the CEO.

6.7 Decision-making

The final decision regarding successful applications will be made by Council or by CEO delegation. The decision will be recorded in Smarty Grants and reasons for the decision will be given to applicants.

6.8 Conflicts of Interest

- All members of assessment panels and council officers must identify any conflicts of interest they may have in relation to grant programs they are involved in as assessors or administrators, declare all conflicts of interest and exclude themselves from any decision making processes in relation to a matter in which they have a conflict of interest; this includes any discussions that occur as a precursor to the decision being made.
- Council officers who are involved in the administration or support of a particular grant program will not become a member of a related grant assessment panel. This does not preclude council officers from participating in other grant assessment panels for other grant programs. They must still declare any conflicts of interest.
- Council's Governance Rules (Chapter 5) will be followed in relation to conflict of interest procedures and a Conflict of Interest Disclosure form must be completed for members of grant assessment panels (including community / industry / business representatives; Council officers; and by the officers involved in grant administration of that particular program).
- Grant applicants must disclose conflicts of interest at the time of application, particularly where they work or volunteer for Knox City Council. Disclosures will be managed in accordance with Council's Governance Rules (Chapter 5).
- All members of grant assessment panels and Council officers, including those involved in the administration of grants, must not make improper use of information acquired because of their position, or release information that they know of, or should reasonably know, is confidential information.

6.9 Notification process

Notification of successful and unsuccessful applications will take place as soon as practicable after the decision is made.

Successful applicants will be informed by:

- Email; and
- An announcement on Council's website.

Unsuccessful applicant will be informed via email with an offer of feedback and contact details of the officer to provide feedback.

Council's decision in relation to funding applications is final.

6.10 Funding Agreement

All successful grant recipients will be required to enter into a funding agreement with Council. The funding agreement will set out the terms of the grant based on the applicant's application. Council will use a standard funding agreement relevant to each grant program. Any contract negotiations, within the ambit of the approved grant, will be carried out between the relevant Council representative and the successful recipient's appointed representative.

The funding agreement must be signed and returned to Council prior to the grant payment being released.

Funded organisations have three months from the date of the Council meeting to complete and return their signed funding agreement. Every effort will be made to secure a signed funding agreement before the money is returned to the grants pool. For community groups and not-for-profit organisations, a copy of the signed funding agreement will also be forwarded to the Committee of Management to ensure transparency and to provide more information on acquittal requirements and outcome reporting.

6.11 Payment arrangements

Payment will be made by Knox City Council to the nominated bank account by electronic funds transfer. The bank account must be in the name of the successful applicant entity or nominated auspice (except in the case of the Individual Excellence Grants). The individual grant procedures will provide more information about grant payment arrangements.

6.12 GST Treatment

- Where an applicant is registered for GST, GST will not be paid for any part of a grant for salary or project management costs.
- Where an applicant is registered for GST, GST will be paid for grants for equipment and other items that attract GST.
- GST will not be included as part of a grant to entities not registered for GST (though non-GST registered entities may still apply for Council grants depending on the individual grant guidelines).

6.13 Reporting and Monitoring

The reporting arrangements for each individual grant program are specified in each individual grant procedure and within the standard funding agreement. Any project specific items or conditions to be reported on will be identified in the contract.

All reporting is to be completed via Council's Smarty Grants portal. Monitoring may be undertaken via telephone, meeting or network meeting.

6.14 Performance

Whilst every effort is made to ensure that projects go smoothly, grant recipients may fail to deliver on aspects of their contract for a range of reasons. For applicants with the following:

- 6.14.1 **Variation requests** – any requests for variation to the approved project must be made in writing. A written response to such requests will be provided by Council. Variations to project details are expected to deliver similar outcomes as initially approved by Council.
- 6.14.2 **Extension requests** - any requests for an extension of a funding agreement must be made in writing. A written response to such requests will be provided by Council. Extensions will not be

accepted beyond a twelve month period from the original acquittal date in the Funding Agreement, unless extenuating circumstances can be demonstrated.

- 6.14.3 In the event that an applicant can no longer complete any or all of the approved project, unspent grant funds will be returned to Council and any partial expenditure must be acquitted on the relevant forms.

6.15 Financial acquittal

Financial acquittal is required for all Council grants. A financial acquittal report must be submitted:

- Via Council's Smarty Grants portal on the form provided by Council;
- By the date agreed in the funding agreement;
- With supporting documents include receipts or other supporting documentation that shows expenditure of Council grant funds. Further information about the types of supporting documentation will be outlined in the individual grant procedures.

Any unspent Council grant money in excess of \$150 or 5% of the grant value (whichever is lesser) must be returned to Council.

Failure to meet the above criteria may result in an applicant being:

- Required to return allocated funding to Council ; and/or
- Becoming ineligible for future Council grants.

Applicants who have not provided adequate grant acquittal documentation within two (2) years of the original grant approval date will be referred to Council's Finance Department for debt retrieval.

6.16 Project Outcomes

The success of the funded activity will be assessed through a final report via Council's Smarty Grants portal (along with the financial acquittal). The specific grant procedures and/or funding agreement will outline Council's expectations around outcome reporting.

As with the financial acquittal, failure to meet the requirement to report on project outcomes may result in an applicant being:

- Required to return allocated funding to Council ; and/or
- Becoming ineligible for future Council grants.

6.17 Complaints and dispute resolution

Council is committed to sound decision-making processes to ensure fair and reasonable outcomes for the Knox community. Council values complaints and encourages people to contact us when they have a problem with our services, actions, decisions, and policies. If a complaint or dispute arises through Council's grant making processes, Council's Complaint Handling Policy and Procedure will be followed.

Where there is a complaint or dispute between assessment panel members, the Terms of Reference for that Panel will provide guidance.

6.18 Fraud and corruption control

Council recognises that there are specific fraud and corruption risks related to the administration of public funds through grant making. Council maintains a Fraud and Corruption Control Framework and Risk Register which provides guidance to all parties around fraud or corruption risk in the grant making process.

7. Administrative Updates

From time to time, circumstances may change leading to the need for minor administrative changes to this policy. Where an update does not materially alter this policy, such a change may be made administratively. Examples of minor administrative changes include changes to names of Council departments or positions, change to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this policy, it must be considered by Council.