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DONATIONS POLICY

Policy Number: POL12/299 • **Adopted:** 26/03/2002 • **Reaffirmed:** 28/09/2004 • **Amended:** 27/04/2010, 28/06/2011, 21/06/2013 • **Minute Number:** MIN02.282, MIN04.1165, MIN10.450, MIN11.609, MIN13.589 • **File:** 4306E • **Produced By:** Finance & Corporate Services Group • **Review Date:** 1/12/2016

1. OBJECTIVES

The objectives of the policy are:

- To consider financial assistance by way of donation, sponsorship and subsidies to local service, cultural, sporting, charitable or non-profit organisations who operate within or provide benefit to the residents of Shoalhaven City or conduct quality cultural, sporting and community service programs and activities and who cannot attract sufficient funds from other sources;
- To address targets specified within the Community Strategic Plan or other Strategic Documents as well as objectives including access and usage of community resources, services and facilities, and equity of access for special needs groups;
- To consider funding to encourage and enable broad community participation in cultural, sporting and community service activities;
- Detail the principles whereby Council grants donations, sponsorships and subsidies to organisations;
- Establish an application process including guidelines and procedures for use by organisations in applying for donations, sponsorships or subsidies (including 'in kind' support).

2. STATEMENT

Subject to budget allocations each year, Council is committed to provide funding annually to meet the objectives of this policy.

2.1. Scope

This policy applies to applications for financial assistance and 'in kind' support by way of donations, sponsorships and subsidies granted by Council to organisations. It does not deal with Fee Waivers that are dealt with under the Fee Support Policy – Council Managed Public Reserves & Facilities Policy and the Fees – Waiving of Development Application and other Fees by Charitable Organisations and Community Groups.

2.2. Categories

Applications should be within one of the categories nominated below.

- community development projects – projects that meet an identified community need, have been developed in consultation with the community and encourage community participation in the development of the project.
- support for a locally based voluntary community service or program not funded from any other source – i.e. only source of income is fundraising.
- festivals and special activities which enhance community spirit.
- community, charity and not for profit activities on public open space/reserves (ie cost of ground hire only).
- community, charity and not for profit organisations' use of Council owned and controlled facilities including halls, School of Arts, meeting rooms, pavilions, change rooms and civic centres, etc.
- community development, training, education and awareness activities.

2.3. Guidelines and Procedures for Applicants

This policy must be read in conjunction with Council's adopted Guidelines and Procedures for Annual Donations, Sponsorships and Subsidies – Refer Annexure 1. The Guidelines set out the eligibility criteria

A written application form for applicants is appended to Council's adopted Guidelines and Procedures for Annual Donations, Sponsorships and Subsidies.

3. PROVISIONS

- The granting of all donations, sponsorships and subsidies are made pursuant to Section 356 of the Local Government Act, 1993 subject to the constraints outlined in Section 377 of the Act.
- The granting of all financial assistance from the Unallocated Donations Budget will be subject to a fresh written application being lodged with Council each year.
- Generally applications may be submitted for consideration by Council for inclusion in the ensuing financial year's operational plan and budget.
- Applications which do not meet the criteria in the attached guidelines shall be advised that the request is not eligible for consideration under this policy.
- Staff reserve the right to assess any application (not fitting the criteria for assessment) on its merits according to Council's Policies and Procedures and Community Service Outcomes.
- Applications for financial assistance will generally not be considered where the application also meets the criteria for grants/donations provided by the Shoalhaven Arts Board the Shoalhaven Tourism Board and/or the Shoalhaven Sports Board. In these cases, applications will be sent directly to the appropriate Board.

- It is a condition of funding that an acquittal of any prior funding allocated under this policy is provided to Council before any further request is considered.

4. SUSTAINABLE EVENTS POLICY

All community events funded under this policy will be required to comply with Councils Sustainable Events Policy (POL12/51) as part of the WASIP Program.

5. IMPLEMENTATION

Council's Finance and Corporate Services Group will receive, report to Council or Board (if appropriate) and respond to written requests for financial assistance.

6. REVIEW

This policy statement will be reviewed within one year of the election of every new Council.

7. APPLICATION OF ESD PRINCIPLES

None Applicable

Guidelines and Procedures for Financial Assistance – Donations Policy

Definition

These guidelines are designed to assist applicants in the preparation and Council in the assessment of requests for:

- General Donations which enhance the cultural, social, sporting or community services provision within the City.

Persons making applications which do not meet these guidelines shall be advised that the request is not eligible for consideration.

These guidelines should be read in conjunction with Council's adopted Donations Policy.

Expressions of Interest for Funding

The attached application for financial assistance form should be submitted to Council at least three (3) months in advance of the date of the project or event to enable sufficient time for Council to consider the application.

If the form is not completed, or insufficient information is included in the application, an application form will be returned for completion and re-submission to Council.

Applicants may be required to provide additional information.

A financial statement for the organisation must accompany applications.

A project budget must accompany applications.

A copy of the applicant's constitution should accompany the application.

Upon receipt of the application, it will be either determined by staff or a report will be submitted to Council for consideration for inclusion in the current or ensuing financial year's budget, depending on the date of application.

Subject to funding available in the budget, Council will consider applications as they are received.

Funding Limitations

- Council resources are limited and not all applications will be funded.
- Council does not guarantee to fund any application and does not guarantee to fund any application to the full amount requested.
- Applicants are encouraged to seek further sources of funding.
- Where Council funding is approved, this is not to be taken as an on-going commitment to funding for any following years.

- Council will normally require consideration of any additional costs associated with the application including full or partial cost recovery of fixed costs such as lighting, wages, waste removal, cleaning costs and the like.

Projects/Events NOT Eligible for Funding

- where benefit is primarily to an individual
- duplication of service or project
- projects occurring outside the Shoalhaven Local Government Area
- projects that are retrospective
- projects which do not meet policy guidelines
- where applicants are in a position to self fund the project
- where a more applicable funding source is available
- where applicants are government departments or agencies
- where application is for capital funds (e.g. building and building maintenance costs)
- where a project will financially benefit a profit making organisation, individual or a government department
- projects and facilities or services controlled through Council appointed management committees (where these projects, facilities or services are not under Council's direct care and control)
- where the proceeds or entry fee from a project or event is being donated to another organization
- where there is no direct benefit to Shoalhaven City residents

Criteria for Assessment

- Does the application meet the eligibility criteria?
- What policy objectives does the project/event meet?
- Who and how many benefit from the project/event (target group)?
- To what degree is the group/or project self financing?
- Has the need for the project/event been demonstrated?
- Has the need for funding or subsidy been demonstrated?

- Is the organisation able to make a contribution either in monetary funds or in kind, eg labour, materials, etc?
- What efforts have been made to seek funds from other sources?
- Who and how many will benefit from the donation?
- Who and how many use the facility?
- For what purpose is the facility used?
- Does the application have a broad community focus?
- Is it a 'one-off' request or likely to be a recurring request?
- If the project/event has a regional focus what benefit will occur for Shoalhaven residents?
- What effect would a donation/subsidy only to the project/event make to the outcome?
- Are there any other facilities or venues available or more suitable for the project/event?

Procedure

- The attached form must be completed and submitted to Council in accordance with the directions of any advertising. Late applications will not be accepted.
- An application form will be forwarded upon request for completion and lodgement with Council.
- Applicants may be invited to attend an interview as part of the application process.
- A financial statement for the organisation must accompany applications.
- A project budget must accompany applications.
- A copy of the applicant's constitution should accompany the application.
- Upon receipt of applications outside of advertising referred to above, assessment and reports will be submitted to Council for consideration for inclusion in the current or ensuing financial year's budget, depending on the date of application.
- An allocation for contingencies will be submitted for Council's consideration each financial year.
- Council may refer the application to a Board or other Committee as considered appropriate.

Conditions

- Funds should be expended within the financial year of the grant, sponsorship, donation or subsidy. Should the applicant not be in a position to expend the funds, the applicant should prepare a written explanation, and proposed time frame for the grant expenditure. This may allow those funds to be reallocated to another group in that year.
- If an organisation wishes to modify its request or alter the proposed project, or event, the applicant should make this request in writing. It is at the discretion of the General Manager that the intention of the modified project meets Council's objectives of the original grant made by Council.
- Recipient groups will be required to give public recognition to the donations, sponsorships and subsidies received from Council and acknowledge Council's financial assistance on any related promotional or other material. Failure to do so may result in the disqualification of the group or its affiliates from further funding.
- The failure of any group to comply with these conditions may disqualify them from consideration for funding, for the following year.
- Evidence (i.e. Certificate of Currency) of public liability insurance to a minimum value of \$20 Million, noting the interests of Council with an Insurer approved by the Australian Prudential Regulatory Authority. This provision is applicable where the activity or event is being conducted on Council owned and controlled land or facility.
- Council may impose an additional condition on grant recipients, which encourages links to major festivals or events, displays or performances.
- Impact of GST (refer Appendix A)

Delegation

In accordance with Section 377 of the Local Government Act, 1993 the General Manager may authorise payment of a donation, sponsorship or subsidy voted by Council, other than where it is a decision under Section 356(2) to contribute money or otherwise grant financial assistance to an individual. Payment to an individual must be authorised by a Council resolution and following a 28 day public exhibition period, if applicable.

Preparation of Application

Applicants are required to complete a written application form entitled "Application for Financial Assistance/Donation" (Refer Appendix C)

Checklist of Documents to be Forwarded with Application

- For first time applicants, a copy of their organisation's constitution and if that constitution changes then an updated copy of it is to be forwarded with any subsequent application
- A copy of the project's proposed budget, detailing anticipated costs, with quotes if applicable
- A copy of the most recent annual report (including financial statements of income and expenditure) preferably audited

- Copy of notification of ABN No. and GST registration (if applicable) from the Australian Tax Office. (see Appendix A)
- Evidence of Incorporation
- A copy of the applicant's current liability insurance policy (ie Certificate of Currency)
- Where the applicant is a registered public charity, a copy of the registration certificate.

Appendices

Appendix A: Impact of GST

Appendix B: Statement by Supplier

Appendix C: Application for Financial Assistance/Donation

Appendix A

IMPACT OF THE GST

Unless recipients of grants after 1st July 2000 have an Australian Business Number (ABN), the supplier of the grants (i.e. Council) must remit 48.5% of the grant total in withholding tax to the Australian Tax Office. The recipient **may** receive part of this back when they submit their tax claim at the end of the year, but it is our understanding that most community organisations would not find half a grant to be a viable proposition. Although Council is not stating that you must have an ABN number, Council strongly recommends that your organisation have one.

Under the new Tax System, there will generally be three options available to your organisation. They are listed as follows:

OPTION ONE (the preferred option)

Your organisation has an ABN number and is registered for the GST. This means that if you are successful in gaining a grant the funds you receive will be “grossed up” to include the GST component. You will then pay the GST to the Federal Government. As Council is in effect paying the GST on your grant, Council will then claim back the GST through its monthly Business Activity Statement and will receive an Input Tax Credit.

Successful applicants who are registered for the Goods and Services Tax must supply Council with a tax invoice. Council will gross up the grants by 10 per cent for successful applicants who are Goods and Services Tax registered.

OPTION TWO

Your organisation has an ABN number but is not registered for the GST. This means that if you are successful in gaining a grant the funds you receive will not have a GST component included.

OPTION THREE

You do not have an ABN number and therefore if you were successful in receiving a grant, donation or subsidy Council have to remit 48.5 cents in every dollar as withholding tax to the ATO.

To avoid Council having to withhold 48.5% as withholding tax and remitting this to the ATO an exemption statement may be completed by the applicant (refer to “statement of supplier” form attached) and submitted to Council.

Council will then assess the application form in terms of whether it complies with the GST legislation particularly in respect of withholding tax.

Appendix B



Australian Government
Australian Taxation Office

Statement by a supplier

Reason for not quoting an Australian business number (ABN) to an enterprise

| | | | | |
|---------------------|----------------------|----------------------|----------------------|----------------------|
| Name of supplier | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Address of supplier | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Under the pay as you go legislation and guidelines produced by the Tax Office I provide you with a written statement that explains why I have not quoted an ABN for the current and future supply of goods and services to you.

Tick the appropriate box

| | |
|---|--------------------------|
| The supply is made to you in my capacity as an individual, and the supply is made in the course of an activity that is a private recreational pursuit or hobby | <input type="checkbox"/> |
| The supply is made to you in my capacity as an individual, and the supply is wholly of a private or domestic nature for me | <input type="checkbox"/> |
| I (or the supplier that I represent) am/is a non-resident who is not carrying on an enterprise in Australia | <input type="checkbox"/> |
| The whole of the payment that I (or the supplier that I represent) will receive for the supply is exempt from Income tax | <input type="checkbox"/> |
| I (or the partnership that I represent) have no reasonable expectation of profit or gain from the activity undertaken and consider that I (or the partnership that I represent) do not meet the definition of enterprise for tax purposes | <input type="checkbox"/> |

For this reason I am not quoting you an ABN. You should not withhold an amount from the payment you make to me for the supply. I agree to advise you in writing if circumstances change to the extent that this statement becomes invalid.

| | | | | |
|---|----------------------|--|----------------------|----------------------|
| Name of authorised person (if not the supplier) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Signature of supplier or authorised person | <input type="text"/> | Date | <input type="text"/> | <input type="text"/> |
| Daytime contact phone number | <input type="text"/> | It is an offence to make a false or misleading statement | | |

The person or entity to whom this statement is made should retain the statement for 5 years

STAT3000-01/2018



Application for Financial Assistance/Donation

File 4771E

Financial Year ____/____

Please complete the following application form where assistance from Council is requested. This information is the minimum required for an application. Please attach additional information as requested within the Guidelines and Procedures for Annual Donations, Sponsorships and Subsidies document under "Checklist of documents to be forwarded with application".

Date:

Details of Organisation/Individual:

1. Name of Applicant/Organisation responsible for the event/activity:

Contact person..... Signature:.....

2. Mailing address:

3. Phone: (Home).....(Business)

4. Amount of assistance being sought: \$.....

5. Organisation composition Non Profit/Charity/Incorporated/other (please circle)
Commercial undertaking YES/NO
Do membership fees apply YES/NO
Amount charged for membership \$ ____
Number of people in organisation/members ____

6. Office bearers of organisation (President, Secretary, Treasurer or Project Manager):
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.....
.....

Title of Event/Project

1. Please give a brief description of the event/project for which assistance is sought:
.....
.....

2. Is this proposed to be an annual event/project? YES/NO

Shoalhaven City Council – Donations Policy – Application for Financial Assistance/Donation

- 3. Date/s of the proposed event/project.....
- 4. Where will the event/project take place?
- 5. Name of Public Liability Insurer
- 6. Amount of insurance cover \$.....
- 7. Will the event/project support charities YES/NO
If YES, value of support \$.....

Funding

- 1. Cost of the total event/project \$.....
- 2. Funds available at present to go towards event \$.....
- 3. How are funds to be raised?
- 4. Has Council previously assisted your organisation? YES/NO
- 5. What was the amount (per annum) of the assistance from Council? \$.....
- 6. What were the dates for the assistance?
- 7. Is funding from Council for this activity likely to be ongoing? YES/NO
- 8. Have you applied for funding from other Sections of Council or other organisations? YES/NO
- 9. Was your application successful? YES/NO
If YES, what was the amount allocated \$.....
Name of Council Section or organisation.....
- 10. Will this event/project be self-funding in the future? YES/NO
If NO, will the event/project be dependent of future funding from Council? YES/NO
- 11. If Council assisted your event previously, please provide a cash flow statement of income and expenditure for the event.
- 12. How do you intend to give public recognition to the financial assistance received from Council and acknowledge Council's financial assistance on any related promotional or other material.....

Please provide details of how this event/project will meet Council’s objectives of the financial assistance/donations program:

Objective 1: To consider financial assistance by way of donations, sponsorships and subsidies to local service, cultural, sporting, charitable or non-profit organisations who operate within or provide benefit to the residents of Shoalhaven City.

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Objective 2: To consider assistance to organisations to conduct quality cultural, sporting and community service programs or events who cannot attract sufficient funds from other sources.

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Objective 3: To address targets specified within the Council’s Community Strategic Plan or Shoalhaven City Council’s Operational Plan objectives including access and usage of community resources, services and facilities, and equity of access for special needs groups.

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Objective 4: To consider funding to encourage and enable broad community participation in cultural, sporting and community service programs.

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Event/Project Budget Information

| Expenditure | Amount |
|---|---------------|
| 1. Wages/Salaries/Contractors (give details) | |
| 2. (a) Other staff related costs: | |
| On Costs | |
| Travel | |
| Other | |
| (b) Value of voluntary labour | |
| 3. Administration | |
| Accountant/Audit fees | |
| Other | |
| 4. Hire of Hall/Venue | |
| 5. Equipment/Materials | |
| Purchase | |
| Hire | |
| 6. Advertising/Promotion | |
| 7. Other Project/Operating Costs (give details) | |
| | |
| TOTAL | |

| Income | Amount |
|-----------------------------------|---------------|
| 1. Sponsorship (nominate sponsor) | |
| 2. Donations | |
| 3. Sales | |
| 4. Admission Fees/Ticket Sales | |
| 5. Other Income (give details) | |
| | |
| TOTAL | |

In making this application I confirm that this event will comply with Councils Sustainable Events policy. I also confirm that no other financial assistance is being sought from Council for this event and undertake to provide an acquittal of the funding within 60 days of the event.

Signed byon behalf of(name of organisation)

Signature.....

Date.....

Checklist of documents to be forwarded with application:

1. For first time applicants, a copy of their organisation's constitution and if that constitution changes then an updated copy of it is to be forwarded with any subsequent application.
2. A copy of the most recent annual report (including financial statements of income and expenditure) – preferably audited.
3. Copy of notification of ABN No. and GST registration (if applicable) from the Australian Tax Office.
4. Evidence of incorporation.
5. A copy of the applicant's current public liability insurance policy (ie Certificate of Currency).
6. Where the applicant is a registered public charity, a copy of the registration certificate.