District Council of Elliston
Policy

Finance
E015: External Grant

Signature	
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Person responsible for maintaining	Chief Executive Officer

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1. Purpose

This policy establishes a consistent, accountable and financially responsible framework for identifying, assessing, approving, managing, reporting and acquitting external grant funding opportunities involving the District Council of Elliston (**Council**).

The policy is intended to ensure that external grant funding opportunities support Council's strategic objectives, are assessed for whole-of-life financial and resourcing impacts, comply with relevant legislation and Council policies, and deliver clear community benefit.

2. Scope

This policy applies to all external grant funding opportunities where Council is the applicant, auspice body, project partner, financial contributor, owner or manager of an asset or land affected by the proposal, or the body responsible for delivery, reporting or acquittal. This policy relates to:

- Grant applications submitted directly by Council.
- Joint applications or partnership proposals where Council is a cash or in-kind contributor.
- Applications supported by Council on behalf of a community organisation, committee or other entity.
- Grant renewals, variations, extensions and scope changes.
- Grant funded projects involving Council-owned or Council-managed land, assets, services, programs or regional initiatives.

This policy does not apply to general purpose or recurrent operating grants for which Council has discretion over use, including Financial Assistance Grants, supplementary local roads grants or other recurrent grants of a similar nature, unless a specific funding agreement, acquittal, reporting obligation or project delivery commitment applies.

3. Policy Principles

- ***Strategic alignment***: grant opportunities must align with Council's Strategic Management Plans, Annual Business Plan and Budget, Infrastructure and Asset Management Plans and Long-Term Financial Plan.
- ***Responsible financial management***: Council will consider cash contributions, in-kind commitments, operating impacts, depreciation, renewal, insurance, maintenance, disposal and administrative costs before committing to a grant application of a capital nature.
- ***Risk-based assessment***: grant opportunities must be assessed for delivery, legal, financial, procurement, governance, reputational, environmental, work health and safety, and community risks where appropriate.
- ***Transparency and accountability***: decisions, approvals, funding agreements, variations, expenditure, reporting and acquittals must be documented and retained in Council's records management system.
- ***Value for money***: procurement and project delivery under grant funding must comply with Council's Procurement Policy and procedures.
- ***Community benefit***: grant opportunities should maximise measurable benefit to the Council community and avoid creating unsustainable future obligations.

4. Definitions

Acquittal	The process of reporting and verifying that grant funds have been spent and outcomes delivered in accordance with the funding agreement, including financial and performance reporting.

Council contribution	Any cash, in-kind, staffing, plant, materials, asset, land, operating, renewal or other resource commitment made by Council to support a grant application or funded project.
External grant funding	Financial or in-kind assistance provided by a government, non-government, philanthropic, corporate or other external funding body for a defined purpose, project or program subject to terms and conditions.
Funding agreement	A legally enforceable document or formal correspondence setting out grant terms, conditions, obligations, milestones, reporting, acquittal and repayment requirements.
Grant owner	The Council officer assigned responsibility for coordinating the application, delivery, monitoring, reporting and acquittal of a grant funded project.
Prudential review	A review or report required under section 48 of the Local Government Act 1999 or Council's Prudential Management Policy before Council undertakes certain projects or where Council considers such review appropriate.

5. Roles and Responsibilities

Term	Meaning
Elected Members	Provide strategic oversight, approve applications requiring Council resolution, consider prudential reports where required and approve unbudgeted financial commitments.
Audit and Risk Committee	Receive and review grant-related reporting where required by Council, the Committee's Terms of Reference, a prudential assessment, significant risk rating or Council resolution.
Chief Executive Officer	Ensure implementation of this policy, approve applications and agreements within delegation, approve time-sensitive lodgement where appropriate, allocate grant ownership, and ensure compliance with legislative, financial and governance obligations.
Directors/Senior Manager	Assess strategic alignment, operational feasibility, resourcing, risks and whole-of-life impacts; endorse applications within their area of responsibility; oversee delivery and compliance with funding agreements.
Finance	Review budget impacts, cashflow, financial indicators, GST treatment, accounting recognition, financial reporting, acquittals and audit requirements.
Grant Owner/Project Manager	Prepare and manage the grant application process, including application, project budget, risk assessment, reporting calendar, records, procurement documentation, milestone reports and acquittal evidence.
Employees and Contractors	Comply with grant conditions, Council policies, procurement requirements, WHS obligations and reporting requirements relevant to their role in the project.

6. Grant Assessment Requirements

Before an external grant application is lodged, the Grant Owner must undertake an assessment proportionate to the value, risk and complexity of the opportunity. This may include:

- Alignment with Council's Strategic Management Plans, Annual Business Plan and Budget, Infrastructure and Asset Management Plans and Long-Term Financial Plan.
- Eligibility, program guidelines, assessment criteria, funding agreement conditions, milestone obligations, reporting requirements and acquittal requirements.
- Council cash contribution, in-kind contribution, staffing, plant and equipment, administrative support and project management requirements.
- Approved budget availability and whether a budget amendment, Council resolution or future budget allocation is required.
- Whole-of-life costs, including operating, renewal, depreciation, maintenance, management, insurance, compliance, disposal and decommissioning costs.
- Procurement requirements, probity, conflict of interest risks and capacity to obtain value for money.
- Prudential review requirements under section 48 of the Local Government Act 1999 and Council's Prudential Management Policy.
- Contractual, legal, planning, environmental, native title, Aboriginal heritage, work health and safety, licensing and permit requirements.
- Stakeholder impacts, consultation requirements, roles and responsibilities of partners, and community benefit.
- Council's capacity to deliver the project within funding body timeframes and within available resources.
- Risks, controls and escalation requirements, including risks arising from co-contributions, partnerships, cost escalation, delays or non-compliance.

7. Approval Requirements

Applications within approved budgets and delegations
A grant application may be approved by the Chief Executive Officer (**CEO**) or an authorised delegate where the application is consistent with Council's strategic plans, does not require Council expenditure or in-kind commitments beyond approved budgets and resources, does not create material ongoing obligations, and is within applicable delegations.

Applications requiring Council resolution
Council approval by resolution is required before lodgement, acceptance or execution of a funding agreement where:

- Council's cash or in-kind contribution is not included in the adopted Annual Business Plan and Budget, covered under Council's operational budget, or authorised by an existing Council resolution.
- The grant would create a material ongoing operating, renewal, maintenance, depreciation, insurance, asset ownership or service delivery obligation for Council.
- The project requires a prudential report or Council consideration under section 48 of the *Local Government Act 1999* or Council's Prudential Management Policy.
- The application is strategically significant, high risk, politically sensitive, involves a regional partnership with material obligations, or may materially alter a Council service level or asset portfolio.

Time-sensitive applications
Where funding body timeframes do not allow prior Council consideration, the CEO may approve lodgement of an application under delegated authority, provided the assessment required by this policy has been completed as far as practicable and the application is clearly identified as subject to subsequent Council approval where Council approval is required. The application, funding offer or agreement must then be reported to Council at the earliest practical opportunity. If Council does not approve the required contribution or commitment, Council may withdraw the application, decline the funding offer or seek a variation from the funding body.

8. Funding Agreements and Execution

No funding agreement may be signed, accepted or otherwise legally committed unless the required approval has been obtained, the agreement has been reviewed for Council obligations and risks, and the officer signing has the authority to do so under Council's delegations or a Council resolution.

The CEO may negotiate and approve minor administrative variations to grant terms where the variation does not materially change the approved scope, budget, timeframe, Council contribution, risk profile, asset ownership, ongoing obligations or community outcomes. Material variations must be approved in line with the original approval pathway.

9. Project Delivery and Financial Management

Successful grants must be delivered in accordance with the funding agreement, approved project scope, Council policies and all applicable legislation. The Grant Owner must maintain a delivery plan that identifies milestones, budget, procurement requirements, reporting dates, evidence requirements and responsible officers.

Grant income and expenditure must be accounted for in the correct financial year and in accordance with Australian Accounting Standards, grant agreement conditions and advice from the Finance team. GST treatment must be confirmed for each funding agreement.

Procurement funded wholly or partly by grant funding must comply with Council's Procurement Policy and procedures unless a more stringent funding body requirement applies, in which case the more stringent requirement must be followed.

10. Monitoring, Reporting and Acquittal

All lodged applications and outcomes must be recorded and reported internally. Successful and unsuccessful grant applications should be reported to Council in a manner proportionate to value, risk and strategic significance.

The Grant Owner must monitor project progress, expenditure, risks and deliverables, and must escalate any risk of non-compliance, overspend, delay or scope change to the CEO as soon as practicable.

Final reports and acquittals must be completed by the due date and supported by sufficient evidence, including financial reports, invoices, procurement records, photographs, project outputs, performance measures, correspondence and other documents required by the funding agreement.

Unspent grant funds, ineligible expenditure or funds subject to repayment must be managed in accordance with the funding agreement and reported to the CEO.

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1.0	New	Council		24/8/24
1.1	Minor formatting updates			