

<b>Policy Code:</b>	FIN22		
<b>Name:</b>	Grant Income Policy		
<b>Type:</b>	Council Policy		
<b>Owner:</b>	Chief Executive Officer		
<b>Responsible Officer:</b>	Manager Financial Services		
<b>Approval Date:</b>	8/09/2016	<b>Next Review Date:</b>	8/09/2018
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### 1 PURPOSE

This policy aims to establish a single, coordinated, transparent approach to the way City of Palmerston enters into any form of grant and contribution agreements with other organisations.

### 2 PRINCIPLES

In order to enhance, extend and/or offset costs associated with producing outcomes for the community, the Council will explore and if appropriate, enter into formal agreements and receive money and/or 'in-kind' benefits. All benefits will be used to support the Council's strategic objectives.

### 3 DEFINITIONS

*For the purposes of this Policy, the following definitions apply:*

Term	Definition
Grant	A grant is a sum of money given to City of Palmerston by a government or other organisation for a particular purpose. Grants are generally of a non-commercial nature. A funding agreement outlines purpose and other requirements of the grant.
Sponsorship	A contribution made by a group, individual or organisation to City of Palmerston for a Council project, event, service or facility in return for perceived tangible benefits from Council such as signage, advertising etc. The contribution may be either monetary and/or 'in kind'. Contributions can be sponsorships, donations or other agreements of similar nature.
In kind support	'In kind' support is a non-monetary contribution e.g. Goods and services, business expertise or advertising.
Agreement	Refers to any form of funding agreement for grants or/and contributions.

### 4 POLICY STATEMENT

#### 4.1 Grant Funding

##### 4.1.1 Application for Grants

4.1.1.1 All Council Officers can seek opportunities for grant funding or contributions to support Council projects.

4.1.1.2 Before the approval of applications the grant and contribution agreement needs to be evaluated under the following aspects:

- Budget implications
- Compliance with legislation
- Promotion of Council's goals and objectives as outlined in the Municipal Plan
- Impact on the long-term financial plan
- Benefit for the community

4.1.1.3 Approval of Applications is determined by the dollar value exclusive GST and the length of the agreement:

<i>Level of Approval</i>	<i>Dollar Value</i>	<i>Period</i>
Manager	Up to \$5,000	One financial year
Director	Up to \$100,000	One financial year
Chief Executive Officer	Over \$100,000	More than one financial year

##### 4.1.2 Acceptance of Grants

4.1.2.1 Approval of the acceptance is determined by the dollar value exclusive of GST and the length of the agreement:

<i>Level of Approval</i>	<i>Dollar Value</i>	<i>Period</i>
Manager	Up to \$5,000	One financial year
Director	Up to \$100,000	One financial year
Chief Executive Officer	Up to \$100,000	One financial year
Council	Over \$100,000	More than one financial year

4.1.2.2 The Chief Executive Officer is able to approve acceptance of funding above the mentioned dollar value if the grant has been part of the annual budget.

4.1.2.3 Agreement needs to be signed by a Council Officer with appropriate authority.

4.1.2.4 Finance needs to be provided with a signed copy of the Agreement.

##### 4.1.3 Financial Recognition and Taxation of Grants

4.1.3.1 Grants are recognised as revenues when City of Palmerston obtains control over assets comprising the contributions. Control over granted assets is normally obtained upon their receipt.

4.1.3.2 Where contributions recognised as revenues during a reporting period are obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions are undischarged as at financial year end, the nature of, and amounts pertaining to those undischarged conditions are disclosed in the June Financial Management Report and reported as committed funds in reserves in the annual financial statements.

4.1.3.3 Responsible officer must request a Tax Invoice from Finance for every funding agreement in line with GST legislation.

### 4.1.4 Acquittal of Grants

- 4.1.4.1 Where the funding agreement requires an acquittal of funds the officer responsible for the agreement will initiate the process.
- 4.1.4.2 Every financial acquittal will be approved by a Council Officer with appropriate authority and reported to finance to be recorded in the grants register.
- 4.1.4.3 Approval of acquittals is determined by the funding agreement.

### 4.1.5 Reporting of Grants

- 4.1.5.1 As part of the final financial management report for the financial year, finance will report to Council about the following items:
  - Number of grants to be received
  - Number of grants to be acquitted

## 4.2 Sponsorship

### 4.2.1 Proposal for Sponsorship

- 4.2.1.1 City of Palmerston will only enter into sponsorship agreements that provide monetary and/or in-kind benefits for Council run community events, projects, services or facilities.
- 4.2.1.2 A sponsorship proposal will be developed for each event or project requiring sponsorship. The proposal will include an overview of the event/project, details on the value/items being sought, benefits being provided to the sponsor and sponsorship selection criteria.
- 4.2.1.3 The benefits provided by City of Palmerston to the sponsor may include one or more of the following:
  - Branding exposure (e.g. logo inclusion on signage, promotional material, etc.)
  - Inclusion in newspaper, radio, social media and/or television advertising
  - The provision of a site/stall to promote or sell goods and services
  - PA announcements during the event
  - Networking opportunities
  - Naming rights
  - Distribution of brochures or product samples

### 4.2.2 Acceptance of Sponsorship

- 4.2.2.1 Where sponsorship takes the form of the provision of a sponsor's product, the product should still be evaluated for its fitness for purpose against objective operational criteria. Council may decline to accept or distribute product that does not meet objective operational criteria.
- 4.2.2.2 Council will assess sponsorship offers against pre-determined criteria which will be either published in advance or distributed to organisations which submit an expression of interest.
- 4.2.2.3 Approval of the acceptance is determined by the dollar value exclusive of GST:

<b>Level of Approval</b>	<b>Dollar Value</b>
Manager	Up to \$5,000
Director	Up to \$10,000
Chief Executive Officer	Up to \$100,000
Council	Over \$100,000

- 4.2.2.4 In circumstances where sponsorship over the value of \$100,000 requires an immediate response, the Chief Executive Officer may agree to the sponsorship. This agreement must be presented to the next Council meeting for ratification.
- 4.2.3 Agreement for Sponsorship
  - 4.2.3.1 An agreement under this policy will only be entered into with organisations whose image supports the values and strategic objectives of City of Palmerston.
  - 4.2.3.2 Sponsorships must include a deed of agreement between Council and the sponsor. The terms and conditions of the agreement must be clearly and transparently documented.
  - 4.2.3.3 A single sponsorship agreement may cover single or multiple events or projects for one or more years.
- 4.2.4 Financial Recognition and Taxation of Sponsorships
  - 4.2.4.1 Contributions are recognised as revenues when City of Palmerston obtains control over assets comprising the contributions. Control over granted assets is normally obtained upon their receipt.
  - 4.2.4.2 Finance will create a Tax Invoice for every sponsorship agreement in line with GST legislation.
- 4.2.5 Reporting of Sponsorships
  - 4.2.5.1 The officer responsible for the sponsorship will provide details of the agreement including details of the sponsored event, project, service or facility, sponsors details, sponsorship amount and term to finance.
  - 4.2.5.2 The relevant Unit Manager is responsible for reporting, budgeting and making recommendations associated with the sponsorship.
  - 4.2.5.3 Councillors will be advised, via report, of the details of all sponsorship arrangements approved by staff under delegated authority.

### 4.3 Staff Responsibilities

City of Palmerston is committed to high standards of ethics, responsibility and fair dealing. Staff must be extremely vigilant in ensuring that a conflict of interest does not arise in dealing with such agreements.

## 5 ASSOCIATED DOCUMENTS

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- 5.1 City of Palmerston Policies

## 6 REFERENCES AND RELATED LEGISLATION

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- 6.1 Northern Territory Local Government Act
- 6.2 Northern Territory Local Government (Administration) Regulations
- 6.3 Northern Territory Local Government (Accounting) Regulations
- 6.4 Australian Accounting Standards
- 6.5 Ministerial Guidelines