

GRANT AND PROGRAM ADMINISTRATION

POLICY

EPD has implemented this policy to ensure that all grants and programs administered by the Directorate are expended in line with the Government's desired outcomes.

RATIONALE FOR POLICY

The Directorate has responsibility for planning and managing grant programs, establishing and managing individual funding agreements and effectively reviewing or evaluating grant programs.

RESPONSIBILITIES AND ACCOUNTABILITIES

The primary responsibilities and accountabilities in relation to grant and program administration rest with the following:

Position	Responsibility
Director-General	<ul style="list-style-type: none">• provide advice to the Minister on what forms of grants the Directorate considers necessary to achieve the Government's desired outcomes;• assess each grantee's application and approve contracts or payment of grants; and / or program monies;• determine grant / program contractual terms and conditions, and payment arrangements;• monitor delivery of services and performance of grantees in giving value for money; and• ensure all grants are acquitted by grantees.
Executive	<ul style="list-style-type: none">• are accountable to the Director-General for ensuring that the Director-General's obligations, above, are adequately discharged;• should ensure that proposed grant / program payments are part of an approved grants program and that all payments are made in accordance with the requirements of the grants program;• must ensure that adequate and detailed documentation exists to support the grantee selection process, including full explanations and reasons why applications were unsuccessful; and• to ensure for grants received that progress reports are produced as specified in the contract or agreement.

NON-COMPLIANCE

Non-compliance with these procedures may result in the grants either received, or paid out, by the Directorate not being administered efficiently and effectively.

Staff are therefore accountable to the Director-General for the fulfilment of their responsibilities under these procedures. Non-compliance will be taken as a serious matter and may result in disciplinary action or be reflected in performance reviews.

TARGET USERS

These procedural rules are for recipients and administrators of grants / programs within the Directorate.

PROCEDURES

The following procedures are addressed by these guidelines:

- definition of a grant;
- grant programs run by the Directorate; and
- grants received by the Directorate.

Definition of a Grant

A grant is a sum of money given to organisations or individuals for a specified purpose directed at achieving goals and objectives consistent with government policy. However, the term is more generally used to also include any funding arrangements where the recipient is selected on merit against a set of criteria.

Grant Programs Run by the Directorate

The following are key elements in establishing and administering effective grants programs:

Planning an effective grant program

The fundamental aim of the planning process is to ensure that the program will achieve its operational objectives and that these are compatible with the Directorate's outcomes. Planning sets out the necessary steps and processes, and identifies what resources are needed and how they will be used. It also determines relevant milestones and targets and establishes a mechanism to enable the grant administrator to assess and report the extent to which individual projects and the program overall are meeting their objectives. Planning helps ensure a consistency between strategic and operational objectives, performance measures and appraisal criteria. This, in turn, maximises the likelihood that those applications that can most effectively contribute to government are selected and funded.

Establish the Need for the Program

- establish the need for the Program or where the greatest needs exist and map the relationship with other funding sources to avoid duplication.

Define Operational Program Objectives

- define, authorise and document the program objectives in terms of measurable outcomes; and
- seek authority for the program.

Risk Management

- identify, analyse, assess, prioritise and develop strategies for managing risk. For more information on risk management refer to DGFI - Risk Management.

Design Program for Value for Money

- establish rules of eligibility;
- estimate all grant and administrative costs, including monitoring and evaluation; and

- assign administrative responsibilities and allocate resources.

Design Program Accountability

- ensure compliance with administrative law and access and equity provisions; and
- develop accountability framework and reporting mechanisms.

Establish Performance Measures

- develop performance measurement and reporting mechanisms.

Select Funding Strategy

- consider the risks and benefits of alternate funding strategies.

Consider Taxation Issues

- liaise with EPD Finance and Shared Services Finance, to determine tax implications.

Produce Program Guidelines

- develop program guidelines and adequately train staff.

Handling Applications

- promote the scheme to potential applicants; and
- provide guidance and information on eligibility and appraisal criteria with application forms.

Appraising Applications

- ensure effective internal control mechanisms, including prevention and/or detection of fraud (refer to DGFI - Integrity and Reporting);
- ensure appraisal criteria target program priorities;
- identify other sources of funding support;
- investigate scope for alternative forms of support;
- appraise applications consistently and fairly;
- document reasons for decisions and maintain records of deliberation; and
- ensure separation of duties between appraisal of applications and approval of offers. Approval of grants must be made in line with current delegations.

Grant Announcements

- make grant offers and advise unsuccessful applicants as soon as possible.

Establish Funding Agreements

- establish clearly defined terms and conditions within legally enforceable funding agreements.

Establish Monitoring Arrangements

- design and use a suitable management information system with shared information as appropriate; and
- ensure monitoring arrangements are linked to a fraud control plan.

Monitor Progress and Payments

- review financial and progress reports regularly; and
- take appropriate action when necessary.

Acquit Funds

- ensure procedures to acquit grants are developed, understood and effectively implemented;
- ensure recovery or other procedures are adequate and applied when necessary in a timely and effective manner; and
- ensure staff are monitored and are adequately trained and have access to expert advice if required.

Grant Evaluation

- ensure performance information is adequate for evaluation purposes;
- review programs periodically for economy, efficiency and effectiveness;
- ensure program evaluators are independent of program managers;
- assess the relevance of objectives and performance measures;
- determine if the program is achieving intended outcomes;
- check whether grant benefits are in substitution for other benefits;
- assess the quality for benefits provided;
- review whether the same outcome, or better, could have been achieved more cost effectively;
- make necessary adjustments to the operation of the program; and
- ensure that evaluations are reported at the appropriate level.

Payment of Grants and Contract Management

All grants paid by the Directorate should be progressively moved, as far as is possible and as quickly as possible, onto a purchase contract basis. This means that managers will be responsible for purchasing services, rather than for “policing” the spending of grant monies. In other words, payment of instalments of the grant and grant acquittance, should be on the basis of services (outputs) demonstrably delivered, rather than on cash spent.

Managers responsible for administering purchase contract grants should manage these contracts to ensure that services purchased are delivered, in terms of quantity, quality, timeliness and value (price). Grant payments should be dependent on such demonstrated delivery. The relevant managers should keep records and report to the Director-General on the delivery and financial acquittance.

Contracts for externally funded grants should require that the recipient produce a statement of expenditure on that purpose. Such a statement may form part of the recipient’s audited financial statements, or may be provided as a separate statement that is supported by relevant records or accompanied by an audit certificate given by a qualified accountant who is not an officer of the organisation.

Contract Agreement

The ACT Government Solicitor should be consulted on the form and content of all proposed grant agreements / purchase contracts in order to protect the Territory's interests.

The terms and conditions governing the payment of a grant should be clearly specified to the grantee. Grantees must agree to these terms and conditions, before grant payments are made.

The terms and conditions of the grant should include a clear statement of the purpose of the grant, and a timetable for both the payment of the grant and its acquittance.

Grants which are to be applied to a particular purpose, as distinct from general assistance grants, are not to be made significantly in advance of a clearly demonstrated need for funds.

A claim for payment of a grant to an organisation shall be prepared and made in favour of the organisation and not in the personal name of an office holder.

Where a grant is to be made for the purpose of purchasing equipment or other assets, the question of ownership of the assets should be determined before the grant is made.

The Directorate should pursue as debtors any grantees who breach the terms and conditions of a grant agreement, where this results in an amount repayable to the Territory.

Grants Received by the Directorate

Before a grant agreement is signed, the documents are to be examined by the ACT Government Solicitor regarding legal implications for the Directorate, and by the Chief Finance Officer to determine whether financial reporting requirements can be met.

Agreements between funding bodies and the Directorate, must be signed by the Director-General.

The terms and conditions in the signed contract are to be adhered to. Any variation to the agreed contract must be approved by both parties.

Assets and equipment purchased from program funds are to remain the property of the Directorate unless otherwise specified in the agreement.

If grant funds are spent for purposes other than those of the approved program, the Grantor may terminate the contract and seek compensation from the Directorate. Directors are to ensure that progress reports are produced as specified in the contract or agreement.

Programs are to be completed within the agreed timeframe, or prior written approval for an extension must be obtained from the Grantor.

At the completion of the grant period, unspent grant funds remain the property of the Grantor and must be repaid. Grant agreements will often also require production of an audited Statement of Receipts and Expenditure and a certificate that all grant funds received were expended for the purpose of the project and in accordance with the agreement.

REFERENCES

Source	Description
FMA	n/a
FMA Regs/FMOs	n/a
Other legislation/regs	n/a
Related DGFIs	Risk Management Integrity and Reporting Engagement of Contractors Taxation
Related Guidelines	n/a