

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Adelaide Hills Council
Adelaide Plains Council
The Barossa Council
Town of Gawler
Light Regional Council
City of Playford

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P O L I C Y D O C U M E N T

Grants

Strategic Reference	Policy Documents
File reference	GRFMA ,Admin ,Policy
Responsibility	Executive Officer
Revision Number	3
Effective date	
Last revised date	12/12/2019
Minutes reference	
Next review date	December 2021
Applicable Legislation	Local Government Act 1999 s50
Related Policies	
Related Procedures	

Introduction

As part of the normal operations, the Authority may receive revenue in the form of grants from various organisations. The nature of the grant affects the accounting treatment and recognition of the amount received by the Authority. One issue for the Authority to consider is whether a grant is:

- Restricted – the grant money can only be used for specific programs or purposes
- Unrestricted – the grant money can be used for any operational purposes
- Refundable – if the Authority does not comply with the terms of the grant, then all monies are to be refunded by the Authority
- Non-refundable – the Authority is not liable for any refunds.

If the Authority does not comply with the terms of any “restricted” and/or “refundable” grant, then the monies might have to be refunded to the original provider. Accordingly, it is extremely important that the Authority complies with the terms of the grant when utilising the funds provided. Also, if the Authority is unable to secure recurrent grant funding, community expectations may be established for the related service, but not able to be met in future periods. For further guidance on the treatment of, recognition, and disclosure of grant income, please refer to the following:

- AASB 118: Revenue
- AASB 1049: Whole of Government and General Government Sector Financial Reporting
- AAG14: Recognition of Contributions of Local Governments.

These risks along with other suggested risks are addressed in the following Control Assessment Worksheets.

Key Issues/Risks

In relation to grants, the major risks faced by the Authority may be summarised as follows:

- The Authority loses recurrent grant funding to provide existing service
- Grant funding is not claimed by the Authority on a timely basis or not claimed at all
- Grants are either inaccurately recorded or not recorded at all.

These risks are addressed in the following Control Assessment Worksheets:

Grant Funding

1. *The Authority loses recurrent Grant funding to provide existing service:*

Formal resolution by the Authority is required prior to grant funding being applied for amounts over \$10,000. Any grant funding application that exceeds this limit, needs to have a business case prepared to justify the Authority’s decision to proceed with the application.

Any withdrawal of grant funding will require an assessment of services to determine whether the service is maintained.

2. *Grant funding is not claimed by the Authority on a timely basis or not claimed at all:*

A policy is required to be developed on grant funding to cover the following issues:

- Assessment process
- Recognition treatment
- Claim collection
- Community expectations
- Funding period
- Disclosure of any conflicts of interest

A register is to be held by the Authority to ensure that Grant funding is applied and acquitted in a timely manner. A spreadsheet is to be maintained to allow reporting to management on a regular basis.

3. *Grants are either inaccurately recorded or not recorded at all*

- Only the Executive Officer is permitted to apply for Grants
- Copy of application/grant agreement is to be provided prior to any invoices being issued
- Register to be maintained for all grant funding applications
- To assist with reporting requirements, all grants will have job code allocated which will cover income and expenses for each Grant project.