

## 1.0 Purpose

This policy sets out Grassroots Trust Central Limited's ("GTCL") grant decision-making criteria.

As a corporate society that operates to distribute net proceeds to the community, GTCL must, at least annually, review the criteria, methods, systems, and policies it uses for consideration of applications for the distribution of net proceeds (section 109, Gambling Act, 2003). The results of the review must be published on GTCL's website.

## 2.0 Revision History

Date	Revision No.	
September 2006	1.0	New Document
February 2009 – January 2017	1.1-1.6	Revised
August 2020	2.0	Revised and Rebranded
March 2021	2.1	Revised

## 3.0 People/Areas Affected

- Members of the Board of Directors
- All employees/contractors working for and on behalf of GTCL
- Grant Applicants/Recipients
- Department of Internal Affairs
- Venues

## 4.0 Policy

### 4.1 Compliance

GTCL will comply with all aspects of the Gambling Act 2003.

### 4.2 Authorised Purpose

The Authorised Purpose of GTCL is set out in the **Authorised Purpose Policy**.

### 4.3 Decisions by Net Proceeds Committee

- 4.3.1 The GTCL Board of Directors acts as the Net Proceeds Committee and is responsible for reviewing grant applications and recommending to the Board Meeting the distribution of net proceeds that meet its Authorised Purpose as defined in the **Authorised Purpose Policy**.
- 4.3.2 The GTCL Board of Directors meet at least monthly; in person or by other means, to consider compliant grant applications.
- 4.3.3 Complete funding applications received by 11.59pm on the monthly cut-off date will be tabled at the following Net Proceeds Committee meeting. Any applications received after that date will be carried forward to the next meeting unless the Net Proceeds Committee decides to accept a late application.

- 4.3.4 Applicants will be notified of the outcome of the grant application by email within one week of the monthly Board meeting. All funding results will be published on GTCL's website.
- 4.3.5 All final funding decisions are made by a quorum of at least three members of GTCL's Board of Directors.
- 4.3.6 Grant applications that are non-compliant will not be approved. In this context, "non-compliant" means grant applications that:
- a. do not contain all the relevant required information; or
  - b. are retrospective; or
  - c. do not comply with GTCL's Authorised Purpose; or have been fully funded from another source(s).
- 4.3.7 Non-compliance is assessed by GTCL's contractors, based on the information supplied and independent checks undertaken.
- 4.3.8 An application for funding is considered "retrospective" if the applicant has made payment for any or all of the goods and services that are subject to the grant application, prior to approval of the grant application by GTCL's Board of Directors.

#### **4.4 Grant Applications**

- 4.4.1 Grant applications will not be approved unless the application is completed in full on a GTCL grant application form and includes (but is not limited to):
- a. The applicant's name and contact details.
  - b. The type of organisation i.e. school, charity, incorporated trust, incorporated society or affiliated sports or community group.
  - c. The applicant's incorporation number (or affiliate's incorporation number if the applicant is not registered).
  - d. An affiliation letter dated within the last 12 months (affiliated sports or community groups only).
  - e. The specific purpose for the grant application.
  - f. The total amount of money sought.
  - g. For project/activity costs, at least two quotes to validate the total amount sought. This includes a preferred supplier quote and a competitive supplier quote or a market appraisal/valuation confirming that the total amount sought is reasonable.
  - h. For operational costs, the previous three months' worth of operational invoices (seasonal sports groups can provide invoices for the same timeframe the previous year).
  - i. For salary/wage contributions, a signed copy of the employee's employment agreement and job description.
  - j. Confirmation as to whether the applicant has applied for the same specific purpose from another source.
  - k. A Chair or Secretary signed resolution approving the application which includes the name of the Trust applied to (i.e. Grassroots Trust Central), the purpose and the amount being applied for. The resolution must also include the date of the meeting where the application was discussed, a list of those committee/executive members who were present and those that were noted as apologies, and if a key person conflict is noted, confirmation that this key person abstained from all discussion regarding this application.
  - l. Whether the applicant is registered for GST and, if so, its GST number.
  - m. The applicant's bank account details including a pre-printed deposit slip, or bank generated account details verified by the bank.

- n. A declaration by two authorised signatories\* confirming that:
  - The information provided in the application is true and correct to the best of their knowledge;
  - They have the authority to make the application on behalf of the applicant;
  - The application has not been completed by a person who has any management or ownership interest in a GTCL venue that hosts gaming machines (“a gaming machine venue key person”);
  - When any grant money is obtained, any person who decides how that money is spent will not be a GTCL gaming machine venue key person;
  - If for any reason funds granted are required to be refunded to GTCL, that the applicant will be liable for any debt collection costs incurred;
  - They have read, understood, and agree to adhere to the Conditions for Allocation of Funds, Audit and Inspection Requirements, Privacy Act Declaration and the Consent to Audit; and
  - That they agree to allow GTCL the use of their organisation’s name, logo, and images (with consent) associated with the activity or project the grant would be supporting.
- o. Current photo identification of both authorised signatories in the form of a New Zealand drivers licence (both sides) or a New Zealand passport.

4.4.2 All applications will be assessed using GTCL’s internal Grant Compliance Process.

4.4.3 GTCL or employees/contractors working on behalf of GTCL may at any time request further documentation to ensure an application is compliant.

4.4.4 GTCL or employees/contractors working on behalf of GTCL may at any stage during the application process, randomly select applications to verify supplier quotes. If it is found that supplier quotes have been unlawfully obtained or edited, the following process will be followed:

- a. All incidents will be considered on a case by case basis.
- b. Minor incidents are likely to result in both the applying person and/or Organisation being declined future funding.
- c. If the incident is of a serious nature, the incident will be referred to the Police and Department of Internal Affairs.

4.4.5 The grant application form is accessible on GTCL’s website – [www.grassrootstrustcentral.co.nz](http://www.grassrootstrustcentral.co.nz)

#### **4.5 Record Keeping**

4.5.1 The following records will be kept in a database format and published on GTCL’s website:

- The name of the grant applicant
- The amount of the grant
- Whether the grant has been accepted in full or declined in full
- Whether the grant has been accepted in part and declined in part
- If the grant has been declined in full or in part, the reason for that decision
- Any “interest” that a GTCL’s Net Proceeds Committee member has in relation to any successful grant application.

*\*An authorised signatory is a person elected or appointed by the Applicant in accordance with their Constitution to act and sign documentation on behalf of the entity. One of the signatories may be a Chief Executive Officer provided that person has no interest in the grant, e.g. by way of salary or contract services paid.*

- 4.5.2 The following additional records will be kept in various formats, but will not be published:
- The date the grant application was received;
  - The date the grant was made (the date of the meeting/decision)
  - The name and contact details of the person completing the grant application form
  - The contact details of the grant applicant
  - The specific purpose of the grant
  - The direct bank payment transaction details
  - Grant request ID number; and
  - The signatures of the persons approving the grant.

4.5.3 The grant application and all supporting information will be retained by GTCL if the application is successful. Where the application is declined, the application form and all supporting information will be archived for seven years.

#### 4.6 Conflicts of Interest

4.6.1 The Net Proceeds Committee must be fair and impartial and act with integrity at all times, and in accordance with the principles of natural justice.

4.6.2 The best way to deal with conflicts of interest is to avoid them. Disclosure or third-party evaluation is essential. Where informed waiver is not possible or desirable, stepping aside from the decision-making process is required.

4.6.3 When a Director has an interest in any grant application considered by GTCL, that conflict of interest must be raised by the Director and recorded in the meeting minutes. The Director will be excluded from all discussions of the Net Proceeds Committee in relation to the grant application and will not be entitled to vote on the funding request.

4.6.4 A Net Proceeds Committee member has an interest in a recipient of a grant if:

- The member may derive a financial benefit from the grant or may have a financial interest in the recipient; or
- The member is a part of the immediate family of the recipient; or
- Where the recipient is an organisation, club, society, or association, the member:
  - Is an officer or a member of the recipient; or
  - Is a part of the immediate family of an officer or a member of the recipient; or
  - Has, or has had a professional relationship with the recipient; or
  - Is, or has been:
    - a. employed by the recipient; or
    - b. indebted to the recipient; or
    - c. involved in business or financial dealings with the recipient; or
  - Is otherwise connected to or involved with the recipient in a way that can reasonably be perceived as having influenced the decision to make the grant to the recipient.

Part of the *immediate family* means a person who is:

- The member's spouse, civil union partner, or de facto partner; or
- The member's parent, child, sister, or brother; or
- The parent, child, sister, or brother of the member's spouse, civil union partner, or de facto partner.

#### **4.7 Payments**

4.7.1 Generally, grants will be paid directly to the grant recipient by direct credit within one month of the application being approved. In instances where the funds have been provided for activities/projects that will not occur within the ensuing six months, these funds may be held until written confirmation is received to show that the project/activity is nearly underway. If these funds are not requested within the financial year that they were approved, the grant approval may be withdrawn.

#### **4.8 GST**

4.8.1 When a grant recipient is GST registered, a grant will only be made for the GST exclusive amount.

4.8.2 When a grant recipient is not GST registered, a grant may be made for the full GST inclusive amount of the goods or services.

#### **4.9 Reasons**

4.9.1 Grant applicants will be provided with reasons for GTCL's decision if GTCL decides to decline the application in full or only approve part of the application.

#### **4.10 Complaints**

4.10.1 Complaints can be made to GTCL's Chairman in writing to PO Box 9380, Hamilton or by email [info@grassrootstrust.co.nz](mailto:info@grassrootstrust.co.nz).

4.10.2 GTCL will acknowledge receipt of all complaints, advising complainants of their right to complain to the Department of Internal Affairs if they are unsatisfied with the way their complaint has been handled.

4.10.3 GTCL will investigate all complaints and will respond in writing within 15 working days of receipt.

4.10.4 All complaints and their investigation findings will be reported to the Board.

4.10.5 Complaints about the conduct of GTCL may also be made direct to the Secretary of the Department of Internal Affairs at: PO Box 10-095, Wellington or by email [gambling@dia.govt.nz](mailto:gambling@dia.govt.nz).

#### **4.11 Accountability and Audit Requirements**

4.11.1 The accountability and audit requirements for grants made by GTCL are set out in the [Accountability and Audit Policy](#).

#### **4.12 Grant Promises Prohibited**

4.12.1 Agreements promising to provide grants to potential grant recipients from proceeds that have not yet been generated will not be entered into (except as set out in paragraph 4.15 below).

4.12.2 GTCL Board members and all employees/contractors working on behalf of GTCL will not promise or imply the approval of particular grant applications prior to their proper consideration by the Net Proceeds Committee.

#### **4.13 Grant Influence – Section 113**

4.13.1 GTCL's venue key persons cannot have any input into or influence over GTCL's grant process. Venue key persons are as defined in the Gambling Act 2003.

4.13.2 Venue key persons cannot provide goods or services to third parties and be paid from grant money which is derived from GTCL. For example, a venue could not provide room hire to a hockey club if the hockey club plans to use grant proceeds to pay for the hire fee.

4.13.3 Venue key persons cannot be involved in decisions about who will provide goods or services to a third party, if payment is being made from grant money that is received from GTCL. For example, if a venue key person was also a committee member of a community organisation that received a grant from GTCL, the person could not have any input as to which painter the community organisation employs, if the painter is to be paid from grant money.

#### **4.14 Venue Key Persons Conflict of Interest Register**

4.14.1 GTCL will have an internal system to check that the venue key person requirements are adhered to. All grant applications and quotes will be checked by GTCL or employees/contractors working on behalf of GTCL against a key person register.

4.14.2 If any application is signed, supported by, or makes any reference to a venue key person the application will be declined.

4.14.3 If any application indicates that a venue key person has helped to obtain quotes or been involved in any decision as to how grant money will be spent, the grant will be declined.

4.14.4 If the application indicates that the venue key person will be providing goods or services to the grant recipient using the grant money, the grant will be declined.

4.14.5 GTCL's grant application will require the applicant to formally declare that they will check that no payment will be made to any venue key person as follows:

##### **Organisation Declaration**

*We (the undersigned) declare that:*

- 1. The information provided in this application form is true and correct to the best of our knowledge.*
- 2. We have authority to make this application on behalf of the applicant.*
- 3. This application has not been completed by a person who has any management or ownership interest in a Grassroots Trust Central Limited venue that hosts gaming machines ("a gaming machine venue key person").*
- 4. When any grant money is obtained, the persons who decide how that money is spent will not be a Grassroots Trust Central Limited gaming machine venue key person.*
- 5. When any grant money is obtained, a check will be undertaken, and no payment will be made from grant money to any Grassroots Trust Central Limited gaming machine venue key person for any goods or services.*
- 6. If for any reason funds granted are required to be refunded to Grassroots Trust Central Limited, we agree that the applicant will be liable for any debt collection costs incurred.*
- 7. We have read and understand the Conditions for Allocation of Funds, Audit and Inspection requirements, Privacy Act Declaration, and the Consent to Audit.*

8. *We agree to allow Grassroots Trust Central Limited to use our organisation's name, logo, and images (with consent); associated with the activity or project the grant would be supporting.*

#### **4.15 Grant Commitments – Multi Instalment Grants**

- 4.15.1 Grants shall only be made from available net proceeds. However, grants may be made by instalments in one or more years, if the following conditions are met:
- a. The grant commitment must not exceed 4 years; and
  - b. The grant applicant must be made aware, on or before the time that the first instalment of the grant is paid, that payment of any future instalments of the grant is conditional on –
    - i. GTCL continuing to hold a licence; and
    - ii. GTCL continuing to have available net proceeds; and
    - iii. The specific approved purpose for which the grant was made continuing to be lawful and any surplus funds refunded to GTCL; and
  - c. Each instalment of the grant must be re-confirmed by the Net Proceeds Committee before payment; and
  - d. The grant applicant must provide the Net Proceeds Committee with documentary evidence that previous instalments of the grant have been spent for their intended purpose; and
  - e. GTCL must disclose the existence of multi instalment grants it has entered into in its financial accounts and publish the details of its multi instalment grants with its other grant information on its website.
- 4.15.2 Subsequent instalments are made in principle, i.e. the existence of the future instalments is strictly conditional upon the criteria being met.

  
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Approved by Grassroots Trust Central Limited Board

18 / 05 / 2021