

# Community Investment Funding Policy

(RGB 28/29/61)

Adopted by Council 8 September 2020



**MORNINGTON  
PENINSULA**  
*Shire*

## 1 INTRODUCTION

The Mornington Peninsula Shire (the Shire) is committed to investing funds into the community for activities and programs that align with Council's Vision; *'to value, protect and improve the unique characteristics and way of life on our peninsula'* as outlined in the Council Plan.

The Shire is committed to doing so in a way that is accessible, fair, transparent, inclusive and is shaped by the changing needs of our community over time.

Community Investment Funding is focused on the needs of our community and how Council can best meet those needs, whether through direct investment or by facilitating investment through partnerships or other arrangements.

## 2 PURPOSE OF COMMUNITY INVESTMENT FUNDING POLICY

The purpose of this Policy is to clearly communicate to the community the ways in which Council will create and review its Community Investment Funding Programs.

The Community Investment Funding Policy (Policy) provides the guiding vision and principles and outlines requirements for each Stage (Plan, Design, Delivery and Improvement) of Community Investment Funding within the Shire.

Whilst the Policy outlines robust mandatory processes aligned to each Funding Type at a high-level, it allows for flexible and proportionate implementation of these to best deliver the purpose and outcomes of each Funding Program.

## 3 VISION OF COMMUNITY INVESTMENT FUNDING POLICY

- To support our community to get involved, build capacity, reflect our community's aspirations and encourage community led initiatives or partnerships that deliver the Shire's strategic objectives and benefit the community in small and not so small ways.
- To optimise the appropriate use of public funds and resources through collaboration with our community to achieve the Shire's Council Plan for the benefit of our community.

## 4 SCOPE OF THE COMMUNITY INVESTMENT FUNDING POLICY

This Policy applies to the Shire's Community Investment Funding Types (Grant, Sponsorship, Subsidy and Trust) as outlined within the Community Investment Funding Design & Delivery Matrix.

## 5 DEFINITIONS

Approach to Community	The method used to focus funding to the community, depending upon the desired reach of the Funding Program; whether it be open to all, targeted or negotiated to a specific service or project.	
	Contested	Funding programs that have publicly available guidelines and application processes. Funding is awarded on a competitive basis where a funding application is selected on merit following assessment against a set of criteria.
	Negotiated	Non-competitive funding awarded to target recipients through discrete programs that are not advertised publicly. Funding may be awarded to one or multiple recipients.
	Targeted	Funding is awarded to a defined group of recipients. It can involve a two-stage process where a market needs to be tested or properly defined.
Assessment	The steps within a process which must be followed by individuals and organisations to be considered for funding and should include forms, written documentation and eligibility and assessment criteria to be satisfied.	
Assessment Criteria	The specified principles or standards against which applications are judged and used to assess the merits of proposals.	
Acquittal	Reporting requirements (may be financial or non-financial) for a funded project to demonstrate that the funds have been applied in accordance with the funding agreement.	
Conflict of Interest	A conflict of interest arises where a person makes a decision or exercises power in a way that may be, or may be perceived to be, influenced by either material to personal interests (financial or non-financial) or material personal associations.	
Community	<ul style="list-style-type: none"> <li>• People who live in the Mornington Peninsula Shire;</li> <li>• People, groups and organisations that pay rates to the Mornington Peninsula Shire;</li> <li>• Traditional owner groups that cover the Mornington Peninsula Shire; and/or</li> <li>• People, groups and organisations who conduct activities within the Mornington Peninsula Shire.</li> </ul>	
Eligibility Criteria	The mandatory principles or standards that must be met for an application for funding to be considered. Eligibility criteria may apply in addition to assessment criteria.	
Funding	A sum of money or form of subsidy that Council provides to an individual or organisation under a formalised agreement.	

Funding Agreement	<p>A formal, legally-binding contract established with a funding recipient, which is then used as the primary legal instrument to monitor implementation of the funded activity through to its completion.</p> <p>The funding agreement states the purpose of the funding, the financial amount, and the conditions of the funding including key deliverables. It also defines the rights and responsibilities of the parties. Once signed, parties are under a legal obligation to comply with the stated terms and conditions.</p>	
Funding Lifecycle	<p>The end to end process of identifying, developing, distributing and accounting for funding to organisations and individuals that meets best practice.</p>	
Funding Program	<p>Pool of funding designated to organisations or individuals to achieve stated objectives.</p>	
Grant	<p>A single instance of funding given to an organisation or individual for a specified purpose, directed at achieving goals and objectives consistent with organisational policy, where the recipient is selected on merit against a set of criteria.</p>	
Grants Administration	<p>The end-to-end grant management process which includes planning and design; assessment and decision-making; grant establishment; agreement and relationship management; monitoring; acquittal and review and evaluation.</p>	
Organisation Type	Community Organisation	<p>Not-for-profit organisations and groups that encompass a wide range of activities, programs and services aimed at improving people’s quality of life. The community sector varies significantly in size and can range from small volunteer run and locally based groups to large national organisations with many staff (also known as community sector, not for profit organisations, or community service providers).</p>
	Deductible Gift Recipient (DGR)	<p>A DGR is an entity or fund that can receive tax deductible gifts, of which there are two types of DGR endorsement: an entity that has DGR endorsement in its own right or an entity that is only a DGR in relation to a fund, authority or institution it operates.</p>
	For-Profit	<p>An organisation providing goods or services with the intention of making a profit.</p>
	Not-for-Profit	<p>An organisation that provides services to the community and does not operate to make a profit for its members (or shareholders, if applicable).</p>
	Professional Association	<p>A peak body for professionals working in the same or similar fields, seeking to further a particular profession, the interest of individuals engaged in that profession and the public interest.</p>
	Social Enterprise	<p>A business that trades for a social purpose, with an aim of addressing social problems in the community. Predominantly income comes from trade and the surpluses are reinvested in a social purpose to support a social mission.</p>



Proportionality	In the context of funding, proportionality involves ensuring a reasonable balance between the complexity of a funded activity, including the ongoing requirements for funded recipients, and managing the overall risks for beneficiaries and Council.	
Sponsorship	Funds aimed at public promotion of the Shire, its agencies or programs, or sponsorships associated solely with the purchase of advertising or brand promotion, as opposed to material contribution towards the staging of an event.	
Subsidy	A subsidy occurs when the price to the direct user does not cover full costs and there is recognised community benefit in covering a portion of the costs from the rate base. The degree of subsidy is proportionate to the level of community benefit.	
Trust	A three-party financial arrangement where one party (the trustor) gives a second party (the trustee i.e. the Shire) the ability to distribute the benefit to a third party (the beneficiary).	
	Trustor	the person who grants the trustee control over their assets, estate, or property, and who creates the agreement.
	Trustee	is responsible for managing the trust that the grantor (trustor) has appointed them over. They are the person who is in charge of managing the property or assets the trustor gives them to keep and are titled in the agreement.
	Beneficiary	Are the people who received the benefits of the trust agreement. They are given the property or assets by the trustee from the trustor according to the terms of the agreement.

## 6 PRINCIPLES OF COMMUNITY INVESTMENT FUNDING POLICY

The following guiding principles underpin best practice in funding and must be applied through all aspects of the Policy and its implementation.

**Fairness & Equity:** Our community investment is delivered in ways that aim at increasing equity, promoting inclusiveness and establishing environments that are supportive of our diverse community.

- Accessible, appropriate and fair allocation of resources in line with needs of the community
- Practices are inclusive and focus on equality of outcomes and social justice through active promotion of social, cultural, environmental and economic participation

**Maximum Impact:** Processes are in place to ensure that community investment funding delivers value for money.

- Focus on achieving Council Plan strategic objectives
- Evidenced-based decisions
- Building on assets and leveraging resources that are already in place
- Invest in activities that lead to sustainable outcomes
- Funding provides returns on the investment (i.e. social, cultural, environmental and/or economic)

**Collaboration & Partnership:** Dialogue between Council and community plays a key role in achieving optimal outcomes.

- Partnering approach
- Community participation
- Build trust through meaningful connections in the community
- Minimising the administrative burden on recipients

**Sound Administration:** Ensuring the delivery of an efficient and effective community investment.

- Robust governance framework that includes a measured approach to risk
- Robust planning and design
- Proportionality throughout to be based on the level of investment and risk
- Established policies, procedures and decision making that are clear and transparent

## 7 Policy Statement

Council supports community funding to ensure we are working in partnership with our community, that funding provides a benefit to our community and delivers on the Council Plan and its strategic objectives. Our Community Investment Funding Programs will be designed and reviewed at appropriate intervals (dependant on Program term and decisions of Council) against the Funding Lifecycle and Community Investment Funding Design & Delivery Matrix to ensure ongoing relevance and performance.

The level of assistance available is limited by Council's budget allocation and its priorities. No applicant can be guaranteed funding, nor can any applicant be guaranteed to receive the full requested amount.

All aspects of this Policy and decision making must be undertaken in accordance with the Shire's Staff and Councillor Code of Conduct and requirements outlined within the Local Government Act and specifically the Conflict of Interest provisions.

## 8 Process

In order to guide the development of effective Community Investment Funding Programs, the Policy incorporates two models; the Community Investment Funding Lifecycle and the Community Investment Funding Design & Delivery Matrix.

- **The Community Investment Funding Lifecycle**

The Community Investment Funding Lifecycle is the overarching process for reviewing and creating the Shire's Community Investment Funding Programs, and comprises four stages; Plan, Design, Deliver and Improve.

- **Community Investment Funding Design & Delivery Matrix**

The Community Investment Funding Design & Delivery Matrix defines available Funding Types and outlines subsequent high-level process requirements for the Design and Delivery of the Shire's Funding Programs (Stages two and three of the Community Investment Funding Lifecycle).

### 8.1 Community Investment Funding Lifecycle

The Community Investment Funding Lifecycle (Funding Lifecycle) shows the cyclic representation of continually reviewed and improved Funding Programs to ensure ongoing relevance with community expectations and alignment with this Policy and the Shire's Council Plan and strategic objectives.

The Funding Lifecycle consists of four stages: Plan, Design, Deliver and Improve.

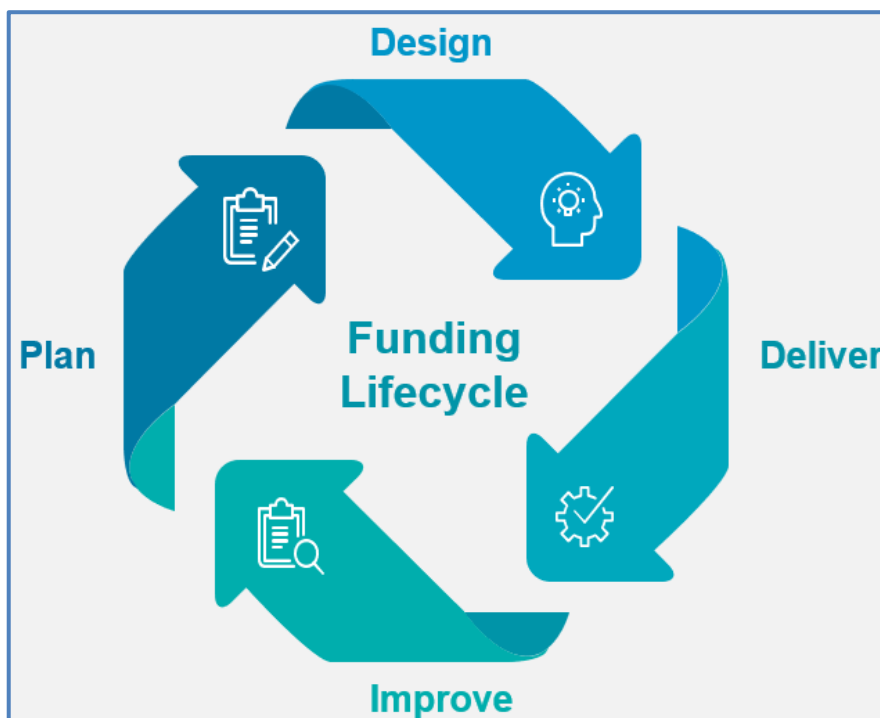


Figure 1. The Community Investment Funding Lifecycle

The Funding Lifecycle Stages each have mandatory requirements (as shown in Figure 2), with guidance for each Stage provided within the Appendix to the Policy.

- Planning Stage is a high-level proposal to impact an identified need, for Council consideration and input.
- Design Stage formalises via a Council decision, all details of a proposed Funding Program as outlined in the Community Investment Funding Design & Delivery Matrix.
- Deliver Stage is where the Funding Program is implemented; involving the program being launched, the application process, administration, assessment, Council decision (or delegated authority as approved by Council in the Design Stage), through to final project reporting and acquittal requirements.
- Improve Stage ensures the continual improvement of each Funding Program's ongoing relevance, alignment to Policy, Council's Plan and strategic objectives.

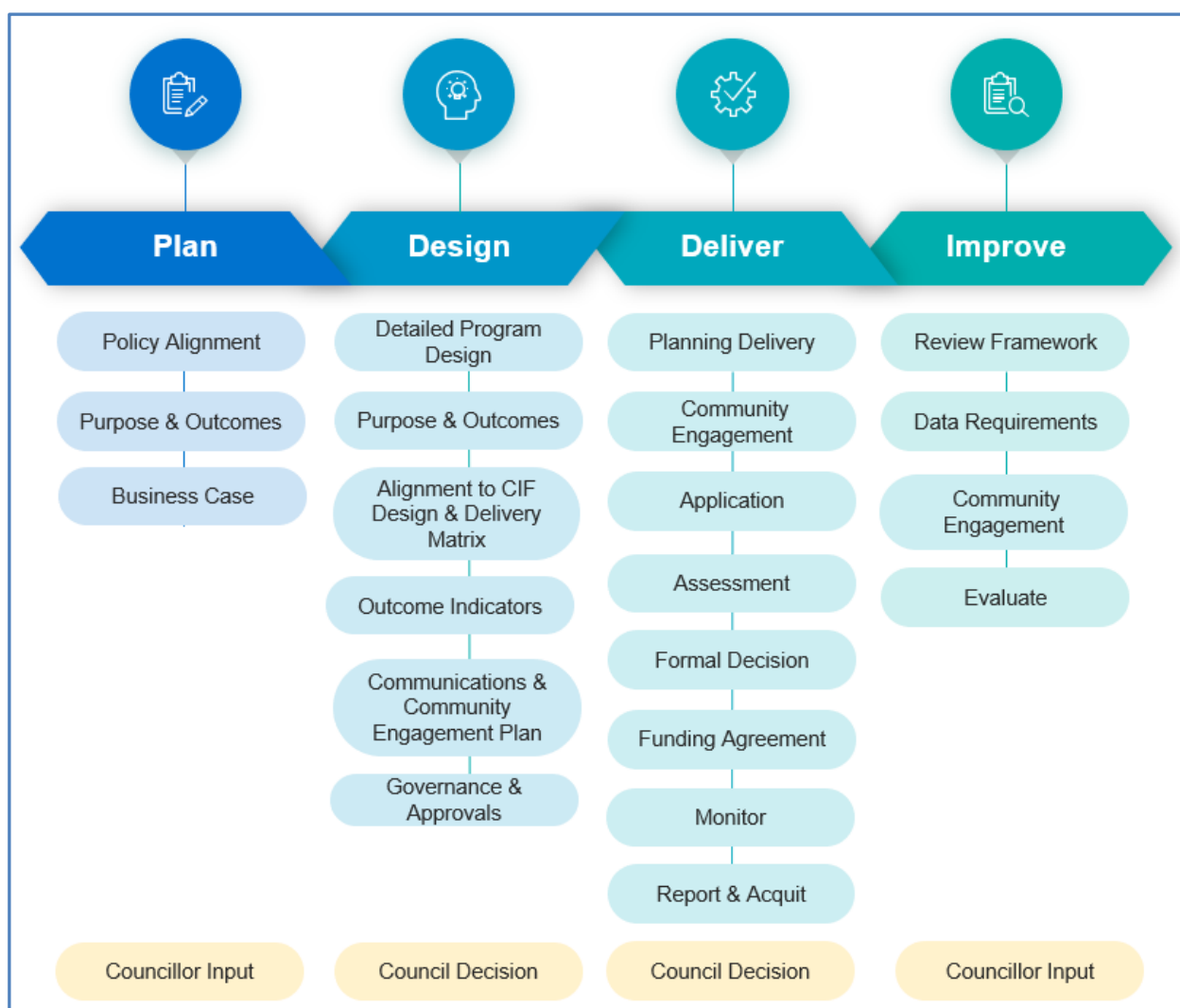


Figure 2. The four stages of the Community Investment Funding Lifecycle

Note: "Formal Decision" in the Deliver Stage may be a formal decision of Council, or a Council endorsed delegated authority (as determined by Council at the Design Stage of the Funding Program).



## 8.2 Community Investment Funding Design & Delivery Matrix

When Designing a Funding Program (stage two of the Funding Lifecycle), identifying the most appropriate delivery method (the Funding Type), to achieve the purpose and desired outcomes of that Program is crucial.

The Community Investment Funding Design & Delivery Matrix outlines high-level processes that follow each Funding Type, though allows for the flexible and proportionate implementation of these mandatory requirements. In addition, all Funding Programs must be created and delivered in accordance with the Principles of the Policy.

### Funding Type

The Funding Type (i.e. Grant, Sponsorship, Subsidy or Trust, as defined within the Policy) is the method by which the funding is to be delivered.

### Approach to Community

There are various ways to focus applications for funding (the formal Approach to Community), depending upon the desired reach of the Funding Program. Whether a Funding Program is open to all, targeted or negotiated to a specific service or project, all will follow the Funding Lifecycle and be reported in a transparent way to our community.

*Contested Programs:* are open to all. They are responsive and flexible and are typically project or service based.

Contested Programs must provide clear and consistent community guidance, opening and closing dates, broad promotional accessibility, adequate preparation time for applications and protocols for equitable, clear assessment criteria and consistent support for applicants.

*Targeted Programs:* focus on a particular sector of the community. They are flexible and are typically project or service based.

Targeted Programs must provide clear and consistent community guidance, opening and closing dates, broad promotional accessibility (to the identified sector), adequate preparation time for applications, clear assessment criteria and protocols for equitable and consistent support for applicants.

*Negotiated Programs:* are normally focussed on single or a small number of identified organisations. These are often specifically targeted, where there is little or no other option for delivery and are also typically project- or service-orientated.

Negotiated Programs must provide clear and consistent community guidance and specified objectives or program guidelines. Negotiated programs must provide adequate preparation time for applications, clear assessment criteria and protocols for equitable and consistent support for applicants.

Figure 3. The Community Investment Funding Design & Delivery Matrix

		Community Investment Funding Types				Funding Lifecycle: Plan & Design
		Grant	Sponsorship	Subsidy	Trust	
Council Plan	Fairness & Equity	A single instance of funding given to an organisation or individuals for a specified purpose, directed at achieving goals and objectives consistent with organisational policy, where the recipient is selected on merit against a set of criteria.	Funds aimed at public promotion of the Shire, its agencies or programs, or sponsorships associated solely with the purchase of advertising or brand promotion, as opposed to material contribution.	A subsidy occurs when the price to the direct user does not cover full costs and there is recognised community benefit in covering a portion of the costs from the rate base. The degree of subsidy is proportionate to the level of community benefit.	A three-party financial arrangement where one party (the trustee) gives a second party (the trustee, i.e. the Shire) the ability to distribute the benefit to a third party (the beneficiary).	
	Maximum Impact	Approach to Community: Contested, Targeted or Negotiated Term: Various Scope: Specific purpose aligned to Council strategic goals for the benefit of the community	Approach to Community: Targeted or Negotiated Term: Short term Scope: Contribution to an event or activity with a negotiated mutual benefit	Approach to Community: Targeted or Negotiated Term: Short – medium term Scope: Discount, in kind contribution or waiver	Approach to Community: Contested, Targeted or Negotiated Term: determined by Trust Scope: determined by Trust	
	Collaboration & Partnership	<b>Community Investment Funding Program Process</b> Funding Programs are individual funding pools, allocated through a meritorious process to achieve stated objectives. Though there are mandatory processes for each Funding Type as shown below, the implementation of these must be flexible and proportionate to best deliver the purpose and desired outcomes of each Funding Program.				
	Sound Administration	<ul style="list-style-type: none"> <li>• Application – minor/major</li> <li>• Assessment – Panel or Officer</li> <li>• Decision – Council or delegated Panel or Officer</li> <li>• Agreement – minor/major</li> <li>• Payment</li> <li>• Monitor</li> <li>• Report &amp; Acquit – minor/major</li> </ul>	<ul style="list-style-type: none"> <li>• Application – minor/major</li> <li>• Assessment – Panel or Officer</li> <li>• Decision – Council or delegated Panel or Officer</li> <li>• Agreement – minor/major</li> <li>• Payment</li> <li>• Monitor</li> <li>• Report &amp; Acquit – minor/major</li> </ul>	Either: Application dependent on status. OR <ul style="list-style-type: none"> <li>• Application – minor/major</li> <li>• Assessment</li> <li>• Decision</li> <li>• Agreement</li> <li>• Payment</li> <li>• Monitor</li> <li>• Report</li> </ul>	<ul style="list-style-type: none"> <li>• Application</li> <li>• Assessment</li> <li>• Decision</li> <li>• Agreement</li> <li>• Payment</li> </ul> Where appropriate and in accordance with Trust requirements, may include: <ul style="list-style-type: none"> <li>• Monitor</li> <li>• Report &amp; Acquit</li> </ul>	Funding Lifecycle: Deliver

## 9 COMMUNICATION

The Funding Lifecycle provides guidance for timing of community engagement which must be considered in accordance with the Shire’s Community Engagement Policy. The Design, Deliver and Improve Stages of the Funding Lifecycle identifies the specific community engagement requirements to ensure Programs are relevant and responsive to our community and in accordance with the Policy principles.

## 10 APPROVED/ADOPTED

This Policy was adopted by Council on 8 September 2020.

## 11 REVIEW

The Policy will be reviewed within twelve months of date of adoption (8 September 2020).

## Funding Lifecycle Stages

### 1. PLAN STAGE

The Planning stage of the Funding Lifecycle is where a high-level program proposal is developed. Council's feedback and in-principle support is sought, prior to progressing to the Design Stage and any support must follow the Design Stage requirements within the Funding Lifecycle.

The following information must be incorporated within the proposal as a minimum, to ensure strategic alignment with Council and community expectations.

#### 1.1 Policy Alignment

The program proposal must adhere to the requirements and intent of the Policy.

#### 1.2 Purpose & Outcomes

- Outline the purpose of the Program.
- Identify the need the Program seeks to impact.
- Outline the desired outcome(s) the Program aims to deliver.
- Provide a proposed value per application and proposed the total annual value.
- Identify Budget; within the context of this planning stage budget must be identified and confirmed with finance.

#### 1.3 Business Case

The business case must outline how the Program will align to policy (1.1), its proposed purpose and desired outcomes (1.2) and alignment to the Community Investment Funding Design & Delivery Matrix:

- Identify the proposed Funding Type, how it aligns to the Policy definition and how it will align to the subsequent processes and procedures within the Community Investment Funding Design & Delivery Matrix.
- Identify the appropriate Approach to Community that best delivers the program purpose and desired outcomes.
- Outline proposed key eligibility and assessment criteria and propose the decision-making authority for Council's consideration, noting that if this is to be an authority outside of the Council that appropriate reporting mechanisms to Council are included in the proposal for Council's consideration.

The business case must finally provide a high-level overview of how the proposed Program is intended to be Designed, Delivered and Improved (as outlined in the Stages of the Funding Lifecycle) for Council input, prior to progressing beyond this Planning Stage.

## 2. DESIGN STAGE

Following Council's in-principle support of the program proposal outlined in the Plan stage, a more detailed program proposal must be formally considered by Council and incorporate the following information.

### 2.1 Detailed Program Design

- Clearly articulate the purpose of the Program.
- Identify the need the Program seeks to impact.
- Outline the desired outcome(s) the Program aims to deliver.
- Identify the proposed Funding Type to deliver the Program.
- Identify the appropriate Approach to Community that will best deliver the Program purpose and objectives.
- Identify the appropriate Funding Program Term: will the Program be a one-off or recurrent Program (and if so, how long will the agreement be in place for).
- Identify proposed eligibility of the Program (this may include by way of example only individuals, specific organisations or structures, organisations which deliver a service etc).
- Identify appropriate assessment criteria that will identify applications that will best deliver the Program purpose and desired outcomes.
- Identify how the Program will be assessed (i.e will there be a Panel assessment prior to progressing to Council and if so, what/who will form panel membership?).
- Develop appropriate Program guidelines which provide full visibility of the Program, requirements and obligations of applicants and Council.
- Identify compliance risks and subsequent mitigation controls, for example consequences for breaching agreements such as acquittal and reporting obligations.
- Identify any Program related risks and how these are to be managed.

### 2.2 Purpose & Outcomes:

- Clarify the purpose of the Program.
- Identify the need the Program seeks to impact.
- Clarify the desired outcome(s) the Program aims to deliver.
- Provide a proposed value per application and proposed the total annual value.

### 2.3 Alignment to Community Investment Funding Design & Delivery Matrix

- Identify the appropriate Funding Type and Approach to Community that will best deliver the purpose and desired outcomes of the Program.

### 2.4 Outcome Indicators

- How will the performance of the Program be measured, what will be determined as a successful Program.
- Identify if appropriate input and output measures.
- This information will help inform the post-Program evaluations (Improve Stage of the Funding Lifecycle).

## 2.5 Communications & Community Engagement Plan

- Create a Funding Program Plan that aligns to the Shire's Community Engagement Strategy, including but not limited to articulating:
  - Who are the Program stakeholders and/or partners.
  - How stakeholders will be engaged and/or partners.
  - How Programs will be promoted to meet the purpose and desired outcomes of the Program.
  - How funded Programs will be promoted and reported to the community and tailored to the specific needs of stakeholders and/or partners for each Funding Program.
  - If the community will have the ability to participate in Program post-Evaluation (Improvement Stage).

## 2.6 Governance & Formal Approval

- Program approvals – the proposed authorising roles and process
- Confirm identified budget (must be confirmed by finance)

## 3. DELIVER STAGE

The Deliver stage of the Community Investment Funding Lifecycle includes the community engagement and release of application through to final project reporting and acquittal requirements and should reflect the following information (including internal administration requirements and community program documentation and processes)

### 3.1 Planning Delivery

- Establish Management process and governance with key roles and responsibilities.
- Manage records in accordance with Council policy.
- Confirm Program purpose, outcomes and processes (from application through to report and acquit as outlined in the Community Investment Funding Design & Delivery Matrix).
- Formally approved guidelines.
- Launch Program to appropriate audience.

### 3.2 Community Engagement

- Program released in accordance with the identified Approach to Community.
- Align to the Shire's Community Engagement Policy.
- Work in conjunction with the Shire's Communications Team to ensure accessible, equitable and transparent promotion of Program.

### 3.3 Application

- Release Program Guidelines.
- Release Program Application form.
- Establish Project Approvals process (i.e. trigger Assessment Panel formation).
- Provide Applicant support.



### **3.4 Assessment**

- Implement Assessment model (i.e. Panel Assessment meeting):
  - Preliminary Assessment of Eligibility.
  - Assessment of Merit based criteria (where possible with weighting assigned to each criteria).
- Conflict of Interest reporting and management.
- Project Risk assessment included in the assessment prior to final decision-making stage.

### **3.5 Formal Decision**

- Council funding approval (by Council/Council endorsed delegate or process).
- Notify Unsuccessful applicants.
- Funding Program announcements (this requires funding agreement in place prior to announcements).

### **3.6 Funding Agreement**

- Project Funding agreement selection:
  - Shire issued agreements.
  - Terms and conditions.
  - Deliverables and milestones.
  - Payment schedule.
  - Variations.
  - Compliance breach implications.
- Project Funding agreement sign off.

### **3.7 Monitor**

- Partner with project recipients to manage funding recipient relationships to ensure positive delivery of the Project.
- Address Project issues.
- Project payments and progress reporting.
- Administer Project Change approvals as required.

### **3.8 Report & Acquit**

- Support the preparation of project and program acquittal, in accordance with Funding Program agreement requirements.
- Manage project abandonment.
- Finalise approvals.
- Close out completed projects.
- Report back to Community.

## 4. IMPROVE STAGE

The Improve Stage embodies the principles of continual improvement. Community Investment Funding programs will be subject to review at appropriate intervals (dependant on program duration and decision of Council) by Council in accordance with the Funding Lifecycle, to ensure ongoing relevance and that programs are meeting Council objectives.

### 4.1 Review Framework

- Establish aims, objectives and measures for the review of the Program.
- Seek community engagement and feedback on the Program.
- Plan and manage the review and evaluation process.
- Facilitate the review and evaluation process with Council.

### 4.2 Data Requirements

- Establish data collection points throughout planning, design and delivery of program.

### 4.3 Community Engagement

- At a program level engage with stakeholders to understand their experience regarding Program delivery and other relevant and important elements of the Program.

### 4.4 Evaluate

- Initiate formal evaluation process and cycle in accordance with the Program review period.
- Identify learnings, gaps, risks, benefits of Funding Program and future Program development.
- Councillor input into review and feedback of the Program.
- Feed into continuous improvement, following the Funding Lifecycle Stages.