GRANTS POLICY AND PRACTICE

This Policy will be reviewed annually by the Ahu Community Trust ("the Trust"). That process will include the findings of any reviews of feedback received from grantee organisations and the results of any surveys that are conducted from time to time by the Trust.

This is a public document.

Trust Vision

Flourishing and sustainable communities, with opportunities created and barriers overcome.

Trust Purpose

We provide funding and support to not-for-profit organisations, while protecting the real value of our investments.

Trust Objects

"The Trustees hold and may distribute or apply the Trust Fund for any charitable, cultural, philanthropic, recreational or other purpose, provided that the purpose is directly or indirectly beneficial to the communities principally in the Specified Area."

Amended CTMSC Trust Deed – 20 September 2020, Section 2.1.

Grantmaking Principles

Our purpose in making grants is to:

- Focus on supporting an organisation by providing funding at a time best suited to their needs.
- Recognise the continuing and invaluable work of the voluntary sector in a way that will have the most impact.

Generally, we provide supplementary funding support rather than act as a principal funding source.

Trust grants staff will assess applications for grants against our vision, this policy, the relevant criteria, and any guidelines that may be developed by the Trust. On that basis they will make a considered recommendation to Trustees. The Trustees will accept, reject or amend this recommendation.

Who and what we fund

Applications will be considered from organisations with a clear not-for-profit purpose including:

- Incorporated societies;
- Charitable trusts;
- Registered Charities;
- Groups that have a set of rules, a governing committee that meets regularly and prepare annual financial accounts;
- Community-owned Fundholders/Trusts, or other similar incorporated entities, that act as 'umbrella' organisations on behalf of other community organisations or event organisers. (In such cases applications should be completed in the name of the community-owned Fundholder/Trust, and they will assume responsibility for meeting all the Community Trusts' reporting and accountability requirements).

We do not fund:

- Projects that do not specifically benefit the communities of the Mid and South Canterbury region;
- Projects which are completed or retrospective at the time of applications being considered;
- Projects that the trustees consider are primarily the responsibility of local or central government and that do not otherwise have significant additional community benefit;
- Projects that the trustees consider are primarily the responsibility of local commercial entities or organisations and groups operating for private profit;
- Costs relating to attendance at out-of-region activities or events;
- Individuals, or groups seeking to provide funding assistance to individuals;
- Primary schools and secondary schools that are eligible for annual formula funding from the Trust, unless there is significant additional community benefit arising from the project;
- Centennial or Jubilee events;
- Defibrillators and/or lockboxes;
- Projects solely concerned with earthquake strengthening;
- Fundraising organisations, when the individual organisations that they are fundraising for could apply directly to the Trust.

Funding Rounds and Closing dates for applications

The timelines and criteria for all funding applications will be agreed by the Trustees annually. They will be displayed prominently on the Trust's website and advertised across local digital and print media.

Generally, organisations will only be able to achieve one successful application for funding within the Trust's financial year (currently April to March). Exceptions to this may be made, currently:

- organisations that operate a food bank where one of the two applications relates to funding for the foodbank;
- 'umbrella' organisations applying for different groups operating separately under their name;
- recipients through our proactive funding stream; *and*
- at the Trustees discretion, organisations and projects deemed to contribute to the Trusts' strategic goals.

Applications will generally be considered within a two-month window following submission, subject to the Trust's meeting schedule.

Guidelines for applicants

While all applications received by the Trust will have merit, every funding decision is made on a case-by-case basis by the Trustees.

In making these decisions Trustees consistently aim to mitigate risk, to support the Trust's strategic goals, to maximise the community impact of the available funding, and to distribute the funding in an equitable manner.

Applications will only be considered out of the published funding round structure where Trustees accept that exceptional circumstances outside of the applicants' control require an urgent response.

Conditions of grants

The following conditions apply to all grants awarded by the Trust:

- A standard grant will be spent within 12 months from the date that it is paid to the applicant unless special arrangements are made with the Trust. Where a grant will not be spent within 12 months, an application for an extension must be made to the Trust prior to the end of the 12-month period, or the funds returned if no longer required for the original purpose.
- Successful applicants must complete an Accountability Report using the approved online template.
- When a grant subject to additional conditions to be satisfied by the applicant has not been paid to the applicant within 12 months of the conditional approval, a written update of the project may be requested detailing why the applicant has not yet satisfied the conditions. The Trust may review the terms of the grant.
- If required by the Trust, the applicant must agree to a project audit being carried out.

- Unless specifically authorised by the Trust, the grant must be used for the specific project applied for, with any conditions applied by the Trust to the grants being adhered to.
- It is the responsibility of the applicant to declare any income received from the Trust and to pay any taxes that may be incurred as a result of that grant income.
- The Trust has the right to publicise any grant made.
- The applicant organisation must acknowledge any grant made by the Trust in the Annual Report of the organisation and wherever possible in accordance with the Acknowledgement Guidelines, as listed on the Community Trust website.

Multi-year grants

The Trust can enter into multi-year funding commitments, depending on availability of funds for disbursement (i.e. the annual grants budget) and on the Trust's strategic goals.

The Trust will proactively identify, as part of the grant assessment process, organisations which it may consider for longer term funding commitments.

Multi-year grants will be accounted for by the Trust within the financial year/s in which each payment is made.

Multi-year grants will be approved in principle for a specified length, but for no more than a three-year period.

Following the first grant payment, subsequent instalments will be considered by the trustees annually, subject to completion of a satisfactory accountability report prior to each 12-month anniversary of the grant approval. The Trust reserves the right to ask for additional information prior to approval of any subsequent multi-year payments.

The Trust may identify the need for decreasing levels of funding and/or exiting multi-year grants through annual monitoring and reporting. The Trust reserves the right to decrease funding or exit funding agreements at its discretion. If a decision is made to decrease or exit, the Trust will formally notify the organisation to outline the reasons, the date when the funding arrangement will decrease or cease, and the details and conditions associated with any transition arrangement.

Information that can be requested for approval of subsequent multi-year payments will include, but not be limited to:

- completion of accountability requirements;
- staff discussing with the applicant the past years' activities and future planned activities;
- identification of any significant changes to the organisation, management, governance, staffing, activities or programmes;
- receipt of latest financial statement and annual report;
- budget for the forthcoming year.

Reasons to decrease or exit multiyear funding

Other situations in which decreasing funding or exiting may be appropriate include, but are not limited to:

- a change in the financial or grant strategy of the Trust in response to, for example, changing economic and/or social environment including a change in the level of grant funding available and/or grant making priorities;
- serious breach of funding conditions including misappropriation of funds;
- unforeseen events such as a recipient organisation receiving a large bequest/legacy or experiencing a significant positive shift in government or other funding;
- significant events that affect the ability of the organisation to achieve its mission/ service provision;
- poor financial or other management of the organisation.

By-invitation funds

Foodbank funding

The Community Trust has identified Foodbank funding as a special project to be considered annually.

Foodbank funding applications remain subject to the ordinary conditions of grants, including all reporting and acknowledgement requirements.

Primary and secondary school funding

The Community Trust has identified education funding as a special project to be considered annually.

The purpose of the grants is to provide funding that will enable disadvantaged students to take an active role in core education activities. Core activities are defined as those activities in which all students participate. The use of such funding is at the discretion of the head of education within the organisation.

Grants to primary and secondary schools will be made at rates agreed by the Trustees annually.

A school receiving a grant is expected to complete an on-line Accountability Report detailing how the grant was utilised within one year of receiving the grant.

Trustees may consider exceptional grant applications from schools to develop facilities for combined community use. Such applications must demonstrate a commitment to protecting the long-term benefit for the wider community from the development of the facility and align with the Trust’s strategic goals.

Community development funding

This funding category covers community-directed funding in communities across our region outside Ashburton and Timaru. The funding is intended to generate:

- Additional services – i.e. not paying for current service delivery, unless that would cease without funding.

- Value-added – there should be measurable gains in the community from the funding, whether that is through additional community assets (e.g. playground equipment) or in new service delivery relating to one or more elements of the CT vision - *Flourishing and sustainable communities, with opportunities created and barriers overcome.*
- Projects that make meaningful, measurable change – thus having some process for collecting data, anecdotes etc about the impact that the funding has had.

Collaborative funding

From time to time the Community Trust may wish to approach another funder, or funders (other than a Community Trust), towards the collaborative funding of a project.

Any such strategy shall first be presented to the Community Trust Board of Trustees in the form of a discussion document, and the proposal agreed to by the trustees, before any formal approach is made to other funders.

Should a funder (other than a Community Trust) approach our Trust regarding a collaborative funding project, Trust staff will meet with them to discuss the proposal, with the outcome of the discussion being reported to Trustees. Should Trustees decide to proceed on a collaborative funding basis with another funder or funders, this may be achieved either by special funding or through the application process.

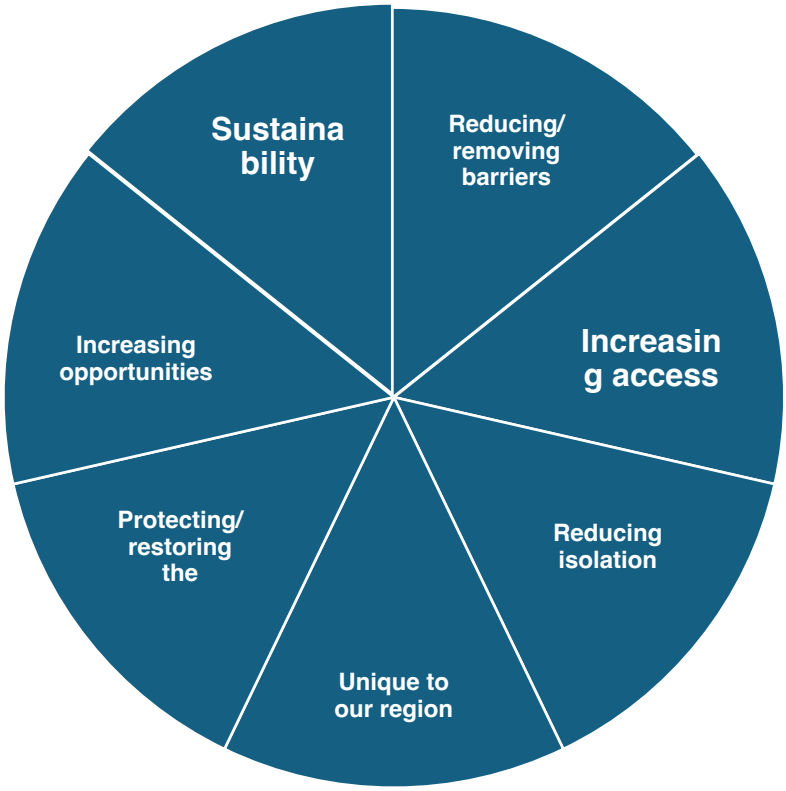
Kaupapa of National Significance

From time to time all Community Trusts (CT) receive applications that have national benefit. The following process implemented as the Kaupapa of National Significance was agreed to by all Trusts from 12 September 2023:

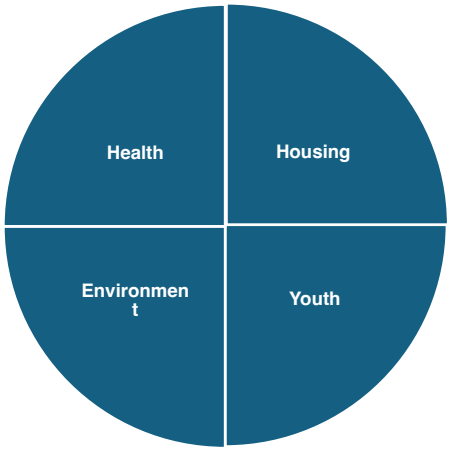
- For each annual round, a base fund of $500k will be set up with contribution from the largest CTs - Foundation North $220k, Trust Waikato $100k, Rātā Foundation $90k and Toi Foundation $90k.
- The CEOs of these trusts have delegated authority to commit the funds aligned to the national Kaupapa criteria for that year.
- The Kaupapa of Focus for each year will be determined by the entire CT Chair/ CEO group no later than March each year.
- Wellington Community Fund will fund-hold, administer and report.
- Each CT can bring an application forward if it meets the criteria via the closed application process.
- Decision will be made by the CEO group via a majority vote each year.
- The "no-funding Trusts" can contribute by promoting and endorsing project and being part of the decision making about the kaupapa focus each year.
- All CTs can contribute to the fund if they choose to and have the funds to do so.

Grant Practice

OUR STRATEGIC PRIORITIES FOR RESPONSIVE GRANTING



OUR STRATEGIC PRIORITIES FOR PROACTIVE GRANTING



OUR FACTORS FOR GRANTING

There are also several key factors which Trustees regularly consider, and which may weigh for or against any application. If applicants wish to present their best possible case, their application needs to include accurate explanation and clear evidence relating to their:

- governance and operational capability to deliver the proposed activities (the right people, policies and practices; compliance with Trust processes and accountability for previous donations);
- financial stability and sustainability (sufficient funds to deliver the proposed activities and for benefits to have longevity; ownership of any capital items to be purchased as part of the project);

- financial need (contracts held with central or local government; reserves, investments and committed funds; relationships with other funders; volunteer or member contributions and fundraising efforts);
- project purpose and sustainability (matched with local community needs and differentiated from similar programmes; collaboration with relevant agencies; realistic budgets; appropriate contractors/products; significant volunteer/ member/user input; opportunities for building volunteer/agency capacity and capability);
- community support (from relevant local user groups, target beneficiaries);
- community benefits (numbers and demographics of those affected; geographic reach/relevance; efforts to target identified vulnerable communities; accessibility and inclusion strategies to address physical, financial or cultural barriers; the relationship between those providing and those receiving the relevant services or opportunities);
- environmental impacts (positive and negative).

Where an application is made by a national or regional organisation applying on behalf of a local branch, for a specific local project or for the local aspects of a national project, the applicant must provide financial information, including budgets and financial statements, for the local branch or the local project. Details of the way in which the local community will benefit, including numbers of people, should also be provided.

The Board has the discretion to also consider any other factors which it deems relevant.

Applicants may seek advice from the Trust's Community Grants Manager at any point in the application process.