

1.0 Purpose

This policy sets out Grassroots Trust Limited's grant decision-making criteria.

As a corporate society that operates to distribute net proceeds to the community, Grassroots Trust Limited 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 advertised via Grassroots Trust Limited's website.

2.0 Revision History

Date	Revision No.	
March 2012	1.0	New Document – Grants Policy
March 2014	1.1	Reviewed
March 2015	1.2	Reviewed
March 2016	1.3	Reviewed
October 2017	1.4	Reviewed

3.0 People/Areas Affected

- Members of the Board of Directors
- All employees/contractors working for or on behalf of Grassroots Trust Limited
- Grant Applicants/Recipients
- Department of Internal Affairs

4.0 Policy

4.1 Compliance

Grassroots Trust Limited will comply with all aspects of the Gambling Act 2003.

4.2 Authorised Purpose

4.2.1 Grants will only be made in accordance with Grassroots Trust Limited's authorised purpose.

Grassroots Trust Limited is authorised to operate gaming machines to raise money for the following authorised purposes:

- Any charitable purpose;
- Any non-commercial purpose that is beneficial to the whole or a section of the community.

The above authorised purposes includes (but are not limited to):

- The promotion and development of amateur rugby union football, within rugby provincial unions and clubs affiliated to the New Zealand Rugby Football Union

Incorporated that are deemed to have subscribed to and be bound by the constitution and rules of the New Zealand Rugby Football Union Incorporated.

- The promotion and development of any other amateur sport through direct support of amateur sporting bodies. Grants are only issued to sporting bodies that are formally established and/or legally constituted;
- Promotion and development of community organisations that are established for charitable or cultural purposes beneficial to the community or a section of it or any other purpose beneficial to the community or a section of it.

4.2.2 Grants will not be made for the purpose of stake money for any types of races.

4.3 Decision by Net Proceeds Committee

4.3.1 The Grassroots Trust Limited Board of Directors acts as the net proceeds committee responsible for distributing net proceeds for authorised purposes as specified in clause 4.2.

4.3.2 All final funding decisions are made by a quorum of at least three members of Grassroots Trust Limited's Board.

4.3.3 Grant applications found to be non-compliant will not be approved. In this context, "non-compliant" means, grant applications that:

- a. do not contain all the relevant information;
- b. are retrospective;
- c. do not comply with Grassroots Trust Limited's authorised purpose; or
- d. where the applicant has received full funding from other source(s).

4.3.4 Non-compliance is determined by Grassroots Trust Limited's contractors, based on the information supplied and independent checks undertaken.

4.3.5 An application for funding is considered "retrospective" if the applicant has made payment on the goods and services that are subject to the grant application, prior to approval of the grant application by Grassroots Trust Limited's Board.

4.4 Distribution and Timing of Distribution

4.4.1 Grassroots Trust Limited's Board meets monthly to assess grant applications.

4.4.2 Complete funding applications received by the last working day of the month will be tabled at the grants meeting held during the following month. Any applications received after that date will be carried forward to the next meeting. Applicants will be notified of the outcome of the grant application, by email by the end of the month in which it was tabled at a Board meeting. All funding results will be published on Grassroots Trust Limited's website.

4.5 Grant Applications

4.5.1 Grants will not be approved unless the application is completed in full through Grassroots Trust Limited's online 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 affiliates 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. At least two quotes as evidence of 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. Confirmation as to whether the applicant has applied for the same specific purpose from another source.
- i. A Chair or Secretary signed resolution approving the application which includes the name of the Trust (Grassroots Trust), 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, that this key person abstained from all discussion regarding this application.
- j. The latest audited financial statements. If the organisation does not have financial statements, then they must provide a copy of their past 3 months of bank statements and a statement of assets and liabilities.
- k. Whether the applicant is registered for GST and, if so, its GST number.
- l. The applicant's bank account details including a pre-printed deposit slip, or bank generated account details verified by the bank.
- m. A declaration by two representatives of the applicant confirming that:
 - The information provided in the application is true and correct to the best of their knowledge and belief.
 - 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 Grassroots Trust Limited venue that hosts gaming machines ("a gaming machine venue key person").
 - When any grant money is obtained the persons who decide how that money is spent will not be Grassroots Trust Limited gaming machine venue key persons.
 - When any grant application is submitted a check will be undertaken and no payment will be made from grant money to any Grassroots Trust Limited gaming machine venue key person for any goods or service.
- n. Current photo identification of both representatives in the form of a drivers license (both sides) or a passport.

4.5.2 All applications will be assessed using Grassroots Trust Limited's internal Grant Application Process.

4.5.3 Grassroots Trust Limited or employees/contractors working on behalf of the Trust may at any time request further documentation to ensure an application is compliant.

4.5.4 The grant application form is accessible via Grassroots Trust Limited's web site – www.grassrootstrust.co.nz

4.6 Record Keeping

4.6.1 The following records will be kept in a database format and published on Grassroots Trust Limited'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 Grassroots Trust Limited’s net proceeds committee member has in relation to any successful grant application

4.6.2 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
- The contact details of the grant applicant
- The specific purpose of the grant
- The direct bank payment transaction details
- Grant request ID number
- The signatures of the persons approving the grant

4.6.3 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
 - a part of the immediate family of an officer or a member of the recipient; or
 - the member is, or has a professional relationship with the recipient; or
 - the member 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
 - the member 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
- parent, child, sister, or brother; or
- who is the parent, child, sister, or brother of the member’s spouse, civil union partner, or de facto partner.

4.6.4 The grant application and all supporting information will be retained by Grassroots Trust Limited if the application is successful. Where the application is declined, the application and all supporting information will be archived for seven years.

4.7 Conflicts of Interest

4.7.1 The net proceeds committee must be fair and impartial and act in accordance with natural justice principles and integrity at all times.

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

4.7.3 When a director or senior staff member/contractor has an interest in any proposal considered by Grassroots Trust Limited, that conflict of interest must be raised by the director or senior staff member/contractor, and recorded in the Trust’s minutes. The director or senior staff member/contractor will be excluded from all discussions of the net

proceeds committee in relation to the proposal, and will not be entitled to vote on the proposal.

4.8 Payments

4.8.1 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 may be withdrawn.

4.9 GST

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

4.9.2 When a grant recipient is not GST registered, a grant may be made for the full GST inclusive cost of the good or service.

4.10 Reasons

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

4.11 Complaints

4.11.1 Complaints can be made to Grassroots Trust Limited's Chairman in writing to PO Box 9019, Hamilton.

4.11.2 Upon receipt of a complaint, Grassroots Trust Limited will advise complainants of their rights to complain to the Department of Internal Affairs if they are unsatisfied with the way their complaint has been handled.

4.11.3 Complaints about the conduct of Grassroots Trust Limited may also be made direct to the Secretary of the Department of Internal Affairs at: PO Box 10-095, Wellington

4.12 Accountability Requirements

4.12.1 Accountability reports will not be accepted unless the report is completed in full through Grassroots Trust Limited's online accountability process.

4.12.2 Recipients of grant funding must return paid invoices and bank statements to Grassroots Trust Limited as soon as reasonably possible, but no later than six months following grant money being received.

4.12.3 If the funds were not spent for the specific purpose approved, Grassroots Trust Limited will request a refund of the full amount of the grant.

4.12.4 If a funding surplus exists, the surplus must be returned to Grassroots Trust Limited by direct credit within 20 working days of the grant recipient becoming aware of the surplus.

- 4.12.5 Grant recipients must use the grant funds for the specific purpose for which they were granted, and in accordance with the conditions specified in the grant application and grant approval letter.
- 4.12.6 If the funds have not been spent on the specific purpose approved (and have not been returned), and/or the grant conditions have not been adhered to, the grant recipient commits a breach of section 115A of the Gambling Act 2003.
- 4.12.7 If evidence is not provided that the grant funds have been spent in accordance with the specific purpose approved, the funds must be returned to Grassroots Trust Limited.
- 4.12.8 Grassroots Trust Limited are unlikely to make a grant to any organisation that has previously received a grant, but has not spent these funds, or has outstanding grant accountability documentation.
- 4.12.9 Grassroots Trust Limited or employees/contractors working on behalf of Grassroots Trust Limited may at any time request further accountability documentation to ensure funds have been spent appropriately.
- 4.12.10 Where information is received indicating that a grant recipient has received funding from other source(s) for part of or the full amount needed for the same specific purpose, Grassroots Trust Limited will take reasonable steps to obtain a return of the money from the grant recipient.
- 4.12.11 If a refund is requested, the grant recipient must return this money to Grassroots Trust Limited by direct credit within 5 working days of the request or any longer period agreed by Grassroots Trust Limited.
- 4.12.12 If the grant recipient has breached section 115A of the Gambling Act 2003 (failed to spend the funds on the specific purpose granted and/or breached a grant condition) and the money has not been returned, Grassroots Trust Limited will consider referring the matter to an external agent for recovery action, and/or to the Police or the Department of Internal Affairs for prosecution of fraud or potential criminal offending.
- 4.12.13 The timeframes set out in this policy may be reduced or extended at Grassroots Trust Limited's discretion.

4.13 Auditing Requirements

- 4.13.1 Grassroots Trust Limited will review 100% of all approved grants for accountability and will audit and investigate 10% of approved grants annually.
- 4.13.2 The audit may include visiting the grant recipient, verifying invoices provided by suppliers, and independently verifying that the stated goods and services have been provided to the organisation.

4.14 Grant Promises Prohibited

- 4.14.1 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 4.17 below).

4.14.2 Board members and all employees/contractors working on behalf of the Trust will not promise or imply the approval of particular grant applications prior to their proper consideration.

4.15 Grant Influence – Section 113

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

4.15.2 Venue key persons cannot provide goods or services to third parties and be paid from grant money which is derived from Grassroots Trust Limited. 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.

4.15.3 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 Grassroots Trust Limited. For example, if a venue key person was also a committee member of a community organisation that received a grant from Grassroots Trust Limited, 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.

4.16 Venue Key Persons Conflict of Interest Register

4.16.1 Grassroots Trust Limited 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 Grassroots Trust Limited or employees/contractors working on behalf of the Trust against a key person register.

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

4.16.3 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.

4.16.4 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.

4.16.5 Grassroots Trust Limited'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 declare that:

- 1. The information provided in this application form is true and correct to the best of our knowledge and belief.*
- 2. We have authority to make this application on behalf of the applicant (if the applicant is not a natural person).*
- 3. This application has not been completed by a person who has any management or ownership interest in a Grassroots Trust 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 Grassroots Trust Limited gaming machine venue key persons.*
- 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 Limited gaming machine venue key person for any goods or services.*

All of the information presented in this application – relating to the organisation I represent and to the specific proposal/project for which grant funds are requested is true.

This application includes complete information relating to other sources of funding that my organisation has received, been pledged, applied for, or intends for future application, for this and other organisational projects. All prices and quotes included in this application represent the actual costs that will be incurred by my organisation. I have read and understand the Conditions for Allocation of Funds and Audit and Inspection requirements. My organisation hereby agrees to participate in an inspection, to provide further information if requested, and/or undergo an audit by the Department of Internal Affairs or Grassroots Trust Limited if so requested.

4.17 Grant Commitments – Multi Instalment Grants

4.17.1 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. Grassroots Trust Limited continuing to hold a licence; and
 - ii. Grassroots Trust Limited continuing to have available net proceeds; and
 - iii. The specific authorised purpose for which the grant was made continuing to be lawful and any surplus funds refunded to Grassroots Trust Limited; 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. Grassroots Trust Limited 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.

4.17.2 Subsequent instalments are made in principle, i.e. the existence of the future instalments is strictly conditional upon the criteria being met.



Approved by Grassroots Trust Limited Board

2 / 11 / 17