

TREASURER'S INSTRUCTION
FINANCIAL MANAGEMENT ACT 2016
GRANT MANAGEMENT

EFFECTIVE DATE

1 July 2019

SCOPE

This Treasurer's Instruction applies to all agencies listed in Column I of Schedule I, Part I in the *Financial Management Act 2016* unless otherwise exempted or provided for under the provisions of the Act.

APPLICATION

At all times.

OBJECTIVE

To require an Accountable Authority to establish and maintain policies, procedures, controls and systems for the management of grants and grant programs.

INSTRUCTION**Interpretation**

12.1 **“Grant”** means any assistance by way of a sum of money or other resource provided to an organisation or individual by the Government, on the condition that the assistance is used for a specified purpose and where the grantor receives no direct economic benefits in return for the assistance provided.

Grant Programs

12.2 The Accountable Authority must ensure that grants are allocated by the Agency in accordance with the purpose for which the Government provided the grant funding.

12.3 The Accountable Authority must ensure that the National Standard Chart of Accounts is adopted and is implemented where a not-for-profit grantee chooses to use the National Standard Chart of Accounts for the purpose of record keeping and grant acquittals.

Funding Agreement

- 12.4 For grants of \$10 000 (GST exclusive) or less, the Accountable Authority must ensure that the Agency:
- 12.4.1 has written evidence of the grant details;
 - 12.4.2 maintains records of the payment and the purpose of the grant being made;
 - 12.4.3 requires the grantee to provide an acquittal for the grant received and expended at the end of the grant term; and
 - 12.4.4 requires the grantee to repay any unspent grant funds at the end of the grant term, unless specific approval is given by the Accountable Authority for those moneys to be retained by the grantee.
- 12.5 For grants exceeding \$10 000 (GST exclusive), the Accountable Authority must ensure that the terms and conditions of each grant provided by the Agency are set out in a legally enforceable written Funding Agreement.
- 12.6 The Accountable Authority must ensure that no grant funding to which paragraph 12.5 applies is provided until the Funding Agreement is finalised and signed by all parties to the Agreement.
- 12.7 The Accountable Authority must ensure that the Funding Agreement referred to in paragraph 12.5 specifies:
- 12.7.1 the purpose of the grant;
 - 12.7.2 the Agency's monitoring requirements, including the content and timing of information to be provided by the grantee;
 - 12.7.3 the terms and conditions as they relate to the achievement of the purpose of the grant;
 - 12.7.4 a Statement that the agreed purpose has been met at the conclusion of the grant;
 - 12.7.5 the repayment or withholding of grant money in cases where the grantee fails to meet the terms and conditions of the contract; and
 - 12.7.6 conditions for the repayment of any unspent grant funds.
- 12.8 Where the Accountable Authority considers that a grant, to which paragraph 12.5 applies, and which is of high risk, audited financial statements, or other financial information prepared for the grantee's Board or management body, are to be obtained where that information is available. If such information is not available, the Accountable Authority must require the grantee to certify that the organisation has in place adequate policies and procedures to appropriately manage and safeguard grant monies.

- 12.9 For grants of \$100 000 or more, where audited financial statements are not required, and unaudited financial statements are presented at the grantee's annual general meeting, the Accountable Authority must ensure that a copy of those unaudited financial statements is obtained.
- 12.10 For grant funding of \$500 000 or more, which contributes to a total project value of \$5 million or more, the Accountable Authority must ensure that the grantee prepares a Tasmanian Industry Participation Plan, in accordance with Treasurer's Instruction TI PF-2 *Policies Impacting on Procurement: All Procurement*.

Review

- 12.11 The Accountable Authority must ensure that each grant program is reviewed, at least annually, to ensure that intended outcomes are being realised and at the conclusion of the program.
- 12.12 The Accountable Authority must ensure that each grant program is examined as part of the Agency's internal audit arrangements at least once every three years.

Other issues

- 12.13 For grants to which paragraph 12.5 applies, the Accountable Authority must ensure that any breaches in grant terms and conditions are promptly dealt with in accordance with the Funding Agreement.

ADDITIONAL GUIDANCE

Further information in support of this Treasurer's Instruction can be found in the *Best Practice Guide for the Administration of Grants* available on the Department of Treasury and Finance website.