



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES SUPPLEMENTARY REPORT

13th November 2007

DCCS11	DONATIONS POLICY AND PROCEDURES
	FILE: 126 KEO

SUMMARY:

Reporting on the response from community based organisations for Council donations for 2008/09 financial year.

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BACKGROUND

Council resolved at the 27th February ordinary meeting:

"That a review of donation funding in the draft budget be undertaken including recoupment of development application fees."

A report was presented to the Extraordinary Budget meeting of the 10th April 2007 where Council resolved:

- "1 That Council conduct a review of its donations to local organisations.*
- 2 That Council not refund development application fees and this be included in an amended policy on donations."*

At the Ordinary Council meeting of 14th August 2007 Council further resolved:

- "1. That Council's regular annual donations for the 2007 - 2008 year be made in accordance with its policy C21:7 to the recipient organisations listed in the existing policy.*
- 2. That any other one-off donation requests received during the 2007 - 2008 year be processed in accordance with the requirements of section 356 of the Local Government Act.*
- 3. That Council conduct a full review of its donations policy with a view to a new policy and recipient organisation list being developed and to be the basis for donations in the 2008 - 2009 year and organisations be invited to lodge*

Greenhills Public School of \$30.00 for a book / award, to all schools in the Macleay Valley. There are twenty two (22) schools within the Macleay a total contribution by Council of \$660.00 is required if this recommendation is adopted. This action would support Council's commitment to education and development of our youth.

Some organisations currently receiving a financial benefit have not responded to Council's invitation to apply for funding in 2008/2009. These organisations are listed in [\(Appendix F – Page 21\)](#).

It is recommended that Council undertakes a further review of the Donations Policy to provide greater direction to the community groups on potential projects / programs that can be financially supported to ensure that the community is realising a benefit from Council's support of various community activities. It is anticipated that applications for Donations, Grants and Subsidies will be provided on a bi annual basis for 2009/2010 to offer community groups two opportunities per year to apply for funding. It will be documented that only one (1) financial contribution can be applied for in any given year.

As a result of the revision of the current donations policy an interim Policy [\(Appendix G - Page 22\)](#) is provided for Council adoption, it is anticipated that this Policy be reviewed prior to call for submissions for the 2009/2010 financial year.

REPORT IMPLICATIONS:

- ***Environmental***

Nil

- ***Social***

Council has a Donations Program to recognise contributions of community development and service provision made by locally based non profit organisations. It is important that the Council support projects and programs that align with the Community Strategic Plan, that are sustainable and realise a demonstrated community benefit.

- ***Economic (Financial)***

Financial contributions (donations) are made to suitable non profit local entities and a Budget is allocation of approximately \$73,000 is made.

The applications submitted far exceed the allocation made in Councils Budget. Community capacity building and development are a primary focus of Council. In order to provide support to projects that derive a community benefit additional funding needs to be allocated. The support of such projects underpins Council's role in community development.

- ***Policy or Statutory***

Department of Local Governments Ruling on Donations

Under Section 356 of the Local Government Act, Council may "in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

The intent of that section is to ensure that prior to making a decision to use community resources and/or expend public money in a form of financial and other assistance to persons, councils should comply with the requirements that are designed to promote better accountability and transparency in relation to council decision making processes."

- *Director's Review*

This report covers those donations / subsidies provided from the general "Donations and Subsidies" Budget allocation. Council's Budget does provide for other specifically nominated donations, and of course Council does work with and actively supports many other sporting/cultural/ welfare organisations carry out their activities.

The proposed system of Bi annual applications for grants /subsidies will ensure greater accountability from organisations and provide Council with the opportunity to be flexible and targeted in its allocation of limited funds.

However, this system imposes requirements on the organisations and undoubtedly will require greater resources from Council (staff time).

RECOMMENDATION:

1. That the recommended proposed donations as recommended in Appendix D to the Directors Report be adopted by Council.
2. That Council extends the book / award donation to all schools within the Macleay Valley as part of the 2008/2009 donations program.
3. That Council adopts the amended Donations and Grants and Subsidies Policy No. C21:7 and that a further review of the Policy be undertaken prior to March 2009.
4. That Council notify the successful and unsuccessful applicants for donations and subsidies in the 2008/09 year.
5. That Council writes to the organisations that currently receive financial assistance who did not apply for 2008/2009 financial support to advise that Council will not be in a position to provide financial assistance in the 2008/09 year.

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G B Snape
DIRECTOR CORPORATE & COMMUNITY SERVICES