

Good Practice Guide to Grants Administration

Source: www.dpc.nsw.gov.au/publications/grants_administration

Principles for the Funding and Working Relationship Between Funding Body and Grants Recipients

The following broad principles articulate the basis for a strong funding and working relationship between the funding body and all organisations that receive grants funding.

Principles for the funding relationship

Value for money: Obtaining the best mix of services to meet the community's needs within available funding and selecting the mix of resources that delivers the best possible outcomes to clients.

Fairness, Integrity and Transparency: Ensuring that the Government grants system is and is seen to be accessible, appropriate and fair.

Cooperation: Government agencies and funded organisations will work to promote a funding relationship based on reciprocity.

Diversity: Embodying the recognition of diversity in the community in grants administration practice.

Consistency: Grants administration procedures should be consistent within programs, across individual government agencies, across government and as funding programs evolve.

Coordination: Outcomes for people and communities can be improved through better alignment of planning, program design and service delivery within and across both Government, non government organisations and local government.

Probity: Grants administration must be conducted in an environment of integrity, honesty and scrutiny.

Principles for the working relationship

Evidence-based approach: Policy and program development and service delivery should be based on reliable evidence.

Outcomes: Decisions should be informed by a focus on real outcomes for people and communities.

Accountability: Both Government agencies and funded organisations must be accountable and transparent in the way in which they spend public funds, in a manner appropriate to the level of expenditure.

Respect: Both Government and funded organisations must respect each other's roles and acknowledge that these roles may lead to differences of opinion around particular issues

Communication: Wherever possible, Government agencies and funded organisations should make open communication and consultation a priority, particularly where changes to policies, programs or services are being considered or advocated.

Independence: Funded organisations are independent agencies that are responsible and accountable for their own performance and management. They are accountable to their members in the operation of their organisation. Where NGO's receive government funding they are also accountable to Government for their performance in relation to the service or initiative being funded.

Inclusiveness: The Government is obliged to balance the interest of all New South Wales citizens and has a responsibility to allocate resources accordingly. This may involve changes to policies, administrative and funding arrangements. The Government is accountable to the electorate for such changes.

Good Practice: Plan and Design

- **Align the goals of each grants program with the core business** and goals of the agency.
- **Coordinate grants planning with the agency's Results and Services Plan.**
- **Use the cross-agency grants planning model** to identify need and remove overlap or duplication between grants programs.
- **Establish systems and procedures** to ensure proper management and accountability for grants programs.
- **Develop performance measures** to be used for monitoring during the life cycle of the grant and to evaluate the program.
- **Incorporate an appropriate risk assessment process.**
- **Identify the unit costs of processing a grant** to minimise administration costs.
- **Establish a NGO reference group** to support effective working and funding relationships.

Promote the Program

- **Develop guidelines** for the program.
- **Provide the same information package** to all prospective applicants.
- **Develop strategies to ensure high level awareness** of the grants program.
- **Lodge grants program details** on www.communitybuilders.nsw.gov.au or similar.

Receive/Process Applications

- **Enter into a formal agreement** with each approved grant recipient to ensure that both parties are clear about their roles and responsibilities.
- Both parties **sign the agreement prior to the commencement of the term of the grant.**

- **Enter into 3-4 year performance-based agreements for recurrently funded services** to support effective NGO planning and minimise administration costs.

Offer Grants and Enter into a Funding Agreement

- **Enter into a formal agreement** with each approved grant recipient to ensure that both parties are clear about their roles and responsibilities.
- Both parties **sign the agreement prior to the commencement of the term of the grant.**
- **Enter into 3-4 year performance-based agreements for recurrently funded services** to support effective NGO planning and minimise administration costs.

Monitor and Acquit Grants

- **Monitor against all requirements** set out in the funding agreement.
- **Establish a standard of quality and performance** that can be assessed objectively.
- **Establish performance measures and benchmarks** for each grants program and for individual grants, if appropriate.
- **Use the model reporting and acquittal templates** provided on this site to reduce the number of reporting regimes.
- **Establish a policy to remove inconsistency** between the level of accountability required and the level of funding being provided.
- **Regularly review the effectiveness of monitoring activities**, including data collection and information sharing within and between agencies.

Evaluate the Program

- **Review** grants programs every 3-5 years, or when priorities change.
- **Develop** performance measures at the planning phase for a grants program to provide a basis for reviewing the program's objectives and

outcomes.

- **Undertake** an objective evaluation process which is not led by those involved in the management or administration of the grants program.
- **Report** the outcomes of the evaluation in the agency's annual report.