

## Co-operatives Development Grants Program

# FUNDING GUIDELINES

Funding Period: 2009-2010

© State of New South Wales through NSW Fair Trading 2009. You may freely copy, distribute, display or download this information with some important restrictions. See NSW Fair Trading's copyright policy at [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) or email [publications@services.nsw.gov.au](mailto:publications@services.nsw.gov.au)

## 1. CO-OPERATIVES DEVELOPMENT GRANTS PROGRAM AIMS AND OBJECTIVES

The Co-operatives Development Grants Program is an initiative of the New South Wales Government funded through the Co-operatives Development Fund. The program is administered by the Registry of Co-operatives & Associations, NSW Fair Trading.

The overall objective of the Co-operatives Development Grants Program is to provide funding for feasibility studies and education and research projects that assist the New South Wales Co-operative sector to grow and remain a viable form of delivery for the government's economic and social justice policy objectives. The underlying principles of the *Co-operatives Act 1992* are recognised through projects that promote co-operation as an alternate vehicle for economic development, social empowerment, equity and social justice in a competitive environment.

Grants are available on a dollar for dollar basis up to 50% of the project cost to potential and existing co-operatives to assist in assessing feasibility and developing opportunities for enhancing viability. The grant restriction of 50% of the project cost may not apply to research and educational grants, where it can be demonstrated that the project would be of benefit to the co-operative sector.

## 2. ELIGIBILITY CRITERIA

### 1.1 Who can apply?

Applications can be made by:

- co-operatives incorporated under the *Co-operatives Act 1992*;
- enterprises or a group of people that are wishing to ascertain the feasibility of establishing a co-operative under the *Co-operatives Act 1992*;
- registered trade unions;
- universities, TAFE, other academic institutions and research bodies;
- Government Councils, agencies and instrumentalities, eg statutory marketing authorities; advisory councils

Applications should be submitted through the organisation's Board of Directors or similar delegated authority.

*It is recommended the applicant form a steering committee, of suitably qualified individuals, who will be responsible for submitting the application and managing the project during its lifetime.*

### 2.2 Selection Criteria

**Applications must demonstrate *all* of the following :**

- a) aims and outcomes of the project are clearly defined and there is sufficient evidence to indicate that these are achievable through sound planning, and are likely to be completed within budget and to deadline;
- b) if the project is receiving funding from another source, the application must demonstrate that the funding sought from NSW Fair Trading is for a discrete and identifiable component of the project;

- c) indicate the extent to which the project takes account of but does not duplicate relevant work completed or being done elsewhere;
- d) the project will be undertaken by an organisation/individual that is financially viable;
- e) the organisation/individual, in the Grant Committee's assessment, has shown that it is able to competently implement and manage the project;
- f) the project is cost effective and its potential benefits justify the amount being sought.

### **3.3 Program Objectives**

**In addition, the project must aim to achieve one or more of the following objects of the *Co-operatives Act 1992*:**

- a) enable the formation, registration and operation of co-operatives, associations of co-operatives and federations of co-operatives;
- b) promote co-operative philosophy, principles, practices and objectives;
- c) protect the interests of co-operatives, their members and the public in the operations and activities of co-operatives;
- d) encourage and facilitate self-management by co-operatives at all levels; and,
- e) encourage the development, integration and strengthening of the co-operative sector.

### **3. FUNDING PRIORITIES**

Applications which have met the Eligibility Criteria set out in section 2 of these Guidelines will be assessed competitively according to the Program's priority areas listed below:

- a) determine the feasibility of incorporation under the *Co-operatives Act 1992*;
- b) enhance the public profile of co-operatives through 'mainstreaming' the co-operative option within education, business and community development;
- c) maximise opportunities for rural and regional development through innovative co-operative solutions;
- d) empower consumers, through co-operatives, to respond to competitive changes in the marketplace;
- e) develop educational or information programs for directors of co-operatives on their role and responsibilities, based on sound business practices;
- f) research consumer needs and priorities to assess market opportunities;
- g) provide public information and/or training about new and existing legislation and changes resulting from legislative reviews;
- h) identify problems in the co-operative sector and research and/or promote solutions;
- i) encourage and facilitate applied and strategic co-operative research.

## 4. GRANT APPLICATION AND APPROVAL PROCESS

### 1.1 Advertisement

The Co-operatives Development Grants Program is advertised on a regular basis through various mediums. Applications may be submitted at any time.

### 2.2 Handling Applications

To apply for funding assistance from the Program, applicants must:

- complete the application form provided by NSW Fair Trading; and
- provide any supplementary documentation requested.

NSW Fair Trading can be contacted to provide clarification on the guidelines and/or assistance with the application form. Contact details are set out in section 10 of this document.

It is important that all relevant sections of the application form are completed. It is the applicant's responsibility to provide sufficient details about the project to enable the Grants Committee to make an informed decision.

A Grants Committee will assess the application and make recommendations to the Minister, the Commissioner or an approved delegate. In the circumstances that there are competing applications, the final ranking and recommendations for grants will be made in accordance with the selection criteria in Section 3.

Applicants will be informed in writing of the decision regarding their application.

### 3.3 Nature of Grant Funding

Grants are available on a dollar-for-dollar basis, i.e., applicants are expected to meet at least half of the project's cost.

Grants will be provided for distinct and identifiable projects.

The types of projects that will be considered for funding include:

- strategic/business planning
- building/expanding membership
- financial planning
- feasibility studies
- market research
- general research

Grants **will not be available** to assist with an organisation's operational costs.

Grants **will not be available** to assist with funding for capital items.

There will be no automatic re-funding of projects. Any proposal for further funding will be subject to a new application.

## 4.4 Consultants

If a consultant is to be contracted it is recommended that the applicant prepare terms of reference for the project, send these to at least three suitably qualified consultants seeking expressions of interest, and arrange interviews to determine the most suitable consultant for the project. The applicant will then be in a position to include in the application:

- a copy of the terms of reference provided to the consultants;
- a copy of the quotation from the preferred consultant; \*
- quotations from at least two other consultants.

\* Where the preferred consultant does not have the most competitive quotation, details of the rationale for choosing the consultant should be provided.

**Unless applicants are able to meet consultant costs from sources that are independent of NSW Fair Trading, they are advised not to engage a consultant or enter into any contractual agreements prior to receiving written confirmation of approval of a grant from NSW Fair Trading.**

## 5. FUNDING

### 1.1 Funding Arrangements

If the funding of a project is approved, the applicant will be informed of the funding arrangements in writing and be provided with:

- the funding agreement, which must be signed and returned before the initial payment can be made;
- other documentation relating to reporting requirements.

Both parties must sign and retain copies of the contract, known as a Funding Agreement, with NSW Fair Trading dating the contracts upon signature.

These guidelines form part of the agreement between grant recipients and NSW Fair Trading.

The Funding Agreement provides:

- details of the parties to the contract;
- that the NSW Government will make available the stipulated level of funding assistance for the specified purpose and the method of providing this assistance;
- that the grant recipient will comply with any special conditions which pertain to the provision of funds;
- details of reporting requirements;
- that the funded project must be discrete and distinct from other projects.

## **2.2 Payments**

**5.2.1** For grants below \$20,000, payment is made in two instalments:

- Initial payment of 70% is paid when both parties have signed the Letter of Offer.
- Final payment of 30% is paid when a satisfactory final report is submitted by the steering committee for the department's consideration and where appropriate, the final product.

**5.2.2** For grants \$20,000 and above, payment is made in three instalments:

- Initial payment of 40% is paid when both parties have signed the Funding Agreement.
- Second payment of 40% is paid when project is approximately midway and satisfactory progress and financial reports have been submitted.
- Final payment of 20% is paid when a satisfactory final report, financial report, and where appropriate, a final product is submitted by the steering committee for the department's consideration.

Prior to the final instalment being paid, grant recipients must also submit both of the following:

- Final statement certifying that the conditions of the Letter of Offer/Funding Agreement have been met.
- Financial statement setting out details of all expenditure relating to the funding granted should also be provided.

Any unexpended funds are to be returned to NSW Fair Trading within two months of the agreed completion date of the project.

## **3.3 Variations**

All variations to project budgets, activities or timeframes must be approved by NSW Fair Trading. All such requests from grant recipients must be made in writing to NSW Fair Trading.

Generally, variations may be considered for events which were unforeseen at the time of the project application and where costs cannot be met from within existing funding assistance. Variations with increases to funding levels will only be approved subject to availability of funds and will not exceed 5% of the original amount granted unless special circumstances arise.

## **6. CONTRACTUAL ARRANGEMENTS**

### **1.1 General Conditions and Accountability**

NSW Fair Trading is responsible for ensuring that government funds are appropriately accounted for, both in terms of effectiveness of outcome and financial management. Therefore any individual or organisation receiving a grant will be required to accept certain conditions generally related to how the money should be spent and how the grant recipient will report.

Generally when a grant is made by NSW Fair Trading there are three “accountable” documents which establish how the recipient is expected to use the grant. These are:

1. funding guidelines;
2. funding agreement;
3. any letters which are sent to the recipient providing advice about the grant.

The major requirements within the funding agreement are summarised below. The organisation receiving the grant will be expected to:

- ensure that the grant is used only for the purpose approved and is not transferred from one organisation to another or one project to another;
- accept that if the grant amount falls short of actual financial commitments there is no obligation on the part of NSW Fair Trading to provide further grants;
- apply any interest earned from investments of the grant allocation, to the project for which the funds were initially approved;
- indemnify the Minister, State of NSW, Commissioner and Fair Trading staff against all suits, claims and expenses arising out of the conduct of the grant recipient’s business;
- be aware of and comply with all relevant Commonwealth, State and Local Government legislation and requirements;
- keep accurate and complete accounts in accordance with the applicable legislation and accounting standards
- provide work progress reports and a financial statements as stipulated in the funding agreement;
- if requested, make available records, books of accounts and documents relating to the grant to a representative of NSW Fair Trading;
- consult with NSW Fair Trading prior to finalising educational materials;
- acknowledge the support of NSW Fair Trading in publications/reports and seminars;
- copyright on all printed, computer based or audiovisual material associated with the project will be the property of NSW Fair Trading unless otherwise expressly agreed.

## **7. SPECIAL CIRCUMSTANCES**

There will be occasions when special circumstances may arise that warrant the variation of aspects of the formal assessment process. These are likely to include but are not limited to, projects initiated by or on behalf of the Minister for Fair Trading, Co-operatives Council, Fair Trading Advisory Council and NSW Fair Trading where a project meets the overall objectives of the Co-operatives Development Grants Program.

## 8. FAILURE TO MEET CONDITIONS

Failure to meet the general program requirements and conditions of grant could result in the suspension of the project and/or termination of the grant. In such cases, the grant recipient will be advised and consulted prior to any action being taken. Repayment of unexpended grant funds, in part or in whole, may be required. No further funding will be provided.

## 9. OTHER FUNDING SOURCES

Newspapers advertise many funding programs, as do community sector newsletters and journals.

Many government departments now have information available on the internet. The web address for entry to all NSW State Government departments is <http://www.nsw.gov.au>. The entry point for all Federal Government departments is <http://www.gov.au>.

The following websites may provide useful information regarding grants or links to other sites of interest:

- Community Builders provides information about community development and services and has links to NSW State Government department funding opportunities (<http://www.communitybuilders.nsw.gov.au>).
- WESTIR (Western Sydney Information and Research service) is a not for profit community organisation, partly funded by the NSW Department of Community Services and provides information and data for the community, public and private sectors (<http://www.westir.org.au>).
- GrantsLINK provides a searchable database of information about grants for community agencies and local communities available from the Commonwealth Government (<http://www.grantslink.gov.au>).
- Business Entry Point (BEP) is a Federal Government initiative providing free online services and information for Australian businesses (<http://www.bep.gov.au>).

In addition, there are a number of private sector agencies which provide information on funding and grants for a fee.

## 10. SUBMITTING YOUR APPLICATION

Forward applications by post to:

**The Manager, Community & Industry Grants  
NSW Fair Trading  
PO Box 972  
PARRAMATTA NSW 2124**

Fax: (02) 9777 8810

E-mail to: [Grants@services.nsw.gov.au](mailto:Grants@services.nsw.gov.au)

For further information or assistance contact The Manager, Community & Industry Grants on (02) 9619 8798