

GRANTS ACCOUNTABILITY POLICY

POLICY REVISED: 25 September 2008

This policy is applicable to all SUCCESSFUL applications made to the ILT Foundation for the distribution of net proceeds from the Class 4 gaming venues where ILT Foundation is the holder of the Operators Licence.

Introduction

This policy is applicable to all successful applications made to the ILT Foundation for the distribution of net proceeds from the class 4 gaming venues where ILT Foundation is the holder of the operators licence.

ILT Foundation was incorporated under the Charitable Trusts Act 1957 on the 9th day of August 2005. The Foundation was established primarily for charitable purposes. It distributes gaming machine profits back to community organisations that fall within the definition of authorised purposes.

Pursuant to Gambling Act 2003, ILT Foundation must apply or distribute the net proceeds from its gaming machines only to or for an authorised purpose specified in its licence. It must also comply with the terms of its Trust Deed.

The Gambling Act 2003 and subsequent regulations state that grants must be used for the benefit of the community. To comply with the legislation, the Trust is required to have a policy that follows up the grants made to ensure that grantees are accountable for the monies received.

Grants Policy

The Grant Policy for ILT Foundation denotes how grant payments are made and how grant accountability should be returned, the relevant sections are reproduced below.

The Grants Policy will be followed by the employee of the ILT Foundation. In addition to the Grants Policy this Policy will be followed to ensure that the grant accountability is dealt with correctly.

Grant payments

Successful recipient organisations will receive payment by cheque with their success notification letter, or at the discretion of the Manager or by Board directive, a grant cheque may be issued at a later date.

Accountability

Section 5.7 (Grants Policy)

Recipient organisations will provide the appropriate accountabilities to prove grant monies have been expended as per the specified project. Any such outstanding information will mean any further applications by the recipient organisation will not be considered until such information or explanation why the outstanding information has not been received by the ILT Foundation.

Section 5.8 (Grants Policy)

In the event of non-compliance with any conditions of a grant, an equal amount of the grant is immediately repayable by the recipient organisation to the ILT Foundation.

Grant applications that do not contain *all relevant* information will not be considered and will be returned to the applicant organisation.

Section 8.5 (Grants Policy)

If the applicant organisation has been a recipient of a previous grant, the specified accountability documentation or explanation why it has not been received by the ILT Foundation must have been received before any further applications will be considered (except under exceptional circumstances).

Procedure where accountability is received

The following procedure will be taken into immediate practice where grant accountability has been received from the recipient organisation:

1. A grant database search will be initiated to identify the organisation who has received the grant to verify the purpose and amount of the grant.
2. Management will check receipts and other evidence of expenditure to ensure that the grant was not used retrospectively and that the entire amount of the grant has been spent on the approved project.
3. If a grant was used retrospectively, or not fully utilised, a letter will be sent detailing the inconsistencies and the action required. This may be to provide more evidence or return part of, or the entire grant amount.
4. If after a month of sending out this request letter no reply is received then action will be taken as at Number 3 of the next section, **Procedure where accountability not received.**

If, at any time, there are any allegations of fraud or other potential criminal acts uncovered the Department of Internal Affairs will be informed and the matter will be reported to the police.

Procedure where accountability not received

The following procedure will be taken into immediate practice for checking outstanding grant accountability:

1. A grant database search and manual inspection of each organisation's application will be initiated on a monthly basis to identify those organisations that have received a grant 6 months earlier and have not returned accountability.
2. Recipients will be written to asking for an update on the project and reminding them that if the project is complete they should forward to the ILT Foundation office their accountability documentation.
3. If, after a month of sending out the initial "update" letter no reply is received, the grant recipient will be written to again advising that we have not received a reply from them. They will again be advised that it is a requirement of Department of Internal Affairs that grants are accounted for in full. Failure to do so will result in us asking for the grant money back.
4. If there is no reply to this letter then a personal visit will be initiated.
5. If all the above actions fail the matter will be put in the hands of a debt recovery company. At the same time the Department of Internal Affairs will be informed of the issues of the grant and steps we are taking to recover the money. We will also inform the Charity Gaming Association of the issues in order that they can inform other member societies.
6. If all of the above steps fail we will consider the final step to take the recipient to court in order to obtain a court order to recover the money.

If, at any time, there are any allegations of fraud or other potential criminal acts uncovered the Department of Internal Affairs will be informed and the matter will be reported to the police.

Grant Accountability Form

A copy of the grant accountability details that is attached to each successful grant applicant's letter is attached.

Review of policy

This policy will be reviewed annually, at the same time as the ILT Foundation's Grant Policy.

Alan Dennis
CHAIRMAN
ILT FOUNDATION

25 September 2008

DETAILS AND CONDITIONS OF THE GRANT

ORGANISATION/RECIPIENT:

AMOUNT APPROVED:

PURPOSE:

GST:

This grant is an unconditional gift for the purpose of the Goods and Services Tax Act. If your organisation is registered for GST then we believe that you do not need to account for GST on receipt of this unconditional grant. If you require any clarification on this point, then please contact either our Secretary, or seek professional advice.

CONDITIONS:

The ILT Foundation is governed by strict conditions imposed by the Department of Internal Affairs and the Gambling Act 2003. Therefore we are required to ask all grant recipients to meet the following obligations which **must** be completed within six months of receiving this grant, unless other arrangements have been made with the ILT Foundation:

1. The funds must be applied to the purpose as set out in the grant application form, as summarised above. It is illegal to apply these funds to any other purpose.
2. When the funds have been spent on the authorised purpose, you must forward to us copies of relevant invoices, statements, or receipts associated with this grant for your project.
3. We require copies of the bank statements highlighting these payments.
4. If you do not proceed with this project or should there be a surplus of funds once the project is complete, the surplus funds must be returned to the ILT Foundation as soon as possible.

Thank you for your co-operation.

If you require any further information or comments about these requirements, then please do not hesitate to contact our office.

Ann Eustace
MANAGER