# FINANCIAL POLICIES AND PROCEDURES

## SECTION 4: REVENUE & RECEIVABLES

## POLICY 1: COMMERCIAL ACTIVITIES, GRANTS & FUNDING

### Policy Rationale

[organisation] will need to generate sufficient revenues to provide those goods and services essential to achieving its strategic outcomes.

One avenue for the generation of these revenues is for [organisation] to apply for grants and other funding opportunities. [organisation] may also engage in attracting sponsorships and undertaking its own commercial activities.

[organisation] should only engage in those revenue generating activities when they are aligned to its strategic outcomes, when it is financially prudent to do so, and once the risks associated with those commercial activities have been deemed acceptable.

### Policy Statement(s)

Any activities regarding [organisation]’s applications for grants or other funding, attracting sponsorships or undertaking of commercial activities, should be conducted in accordance with [organisation]’s Delegated Authorities.

[organisation] shall only engage in commercial activities or enter into sponsorship agreements where:

1. Those commercial activities or sponsorships are aligned with [organisation]’s strategic outcomes, values and beliefs
2. Those commercial activities or sponsorships are not in any way considered unethical or illegal
3. There is a written agreement detailing the terms and obligations (eg payments, naming rights) of the sponsorship for each party including the right to cancel or discontinue the sponsorship
4. A risk management assessment has been performed on [organisation]’s commercial activities or sponsorships and the risk has been accepted in accordance with the Risk Management Policy. The risk management assessment on commercial activities and sponsorships should be reviewed annually
5. Sufficient internal controls are put in place to manage and administer those commercial activities and sponsorships
6. The anticipated revenue from the commercial activities or sponsorships will exceed the anticipated expenses, inclusive of any capital expenditures
7. There is a specific need or intended application for the revenues being generated
8. Where the financial results achieved from commercial activities or sponsorships are below budget, the Board must consent to the on-going operation of those activities or sponsorships

[organisation] may apply for grants or other funding from time to time. Where it does so, the following must be adhered to:

1. The organisations which [organisation] seeks grants or other funding from are deemed acceptable by [organisation]’s Board
2. There is a specific need or intended application for the funds being applied for
3. The funds must be used for the specified purposes included in the application and utilised within the time period allowed by the organisation providing the Grant or other funding
4. Any excess funds or funds not utilised within the timeframe permitted (see point 3 above), must be returned in accordance with the directions provided by the organisation providing the Grant or other funding
5. Sufficient records are kept, and required reporting is completed in a timely manner as per the Grant or funding conditions
6. Sufficient internal controls are put in place to manage and administer those grants or other funding received

### Policy Implementation and Related Procedure Documents

The implementation and review of these Commercial Activities, Grants & Funding policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

[organisation]’s Board are responsible for approving the business case for a commercial activity or sponsorship prior to the commencement of that activity or sponsorship and approving the on-going operation of commercial activities and sponsorships.

[organisation]’s Board are also responsible for approving the organisations and applications which [organisation] seeks grant or other funding from.

[organisation]’s CEO is responsible for preparing business cases for commercial activities, sponsorships and any grant or other funding applications. They are also responsible for managing the day to day operations of commercial activities.

[organisation]’s CFO / Finance Manager is responsible for developing and implementing internal controls to manage and administer [organisation]’s commercial activities, sponsorships and any grant or other funding activities, including compliance with any grant or other funding requirements.

The following [organisation] policies and frameworks should be referred to in this regard:

* Finance Manual
* CEO Financial Management Policy
* Delegated Authorities Policy
* Budgeting Policy
* Financial Reporting & Monitoring Policy
* Risk Management Policy
* Records Management & Data Security Policy
* Insurance Policy
* Reserves & Restricted Funds Policy
* Tax Policies
* Any industry standards or requirements relating to Commercial Activities (such as events)

### Legislative Compliance Considerations

* Companies Act 1993 [if a Company]
* Constitution [if a Company]
* Incorporated Societies Act 1908 [if an Incorporated Society]
* Incorporated Societies Act 2022 [if an Incorporated Society registered under the new Act. Reregistration is available from 5 October 2023]
* Incorporated Society Rules [if an Incorporated Society registered under the 1908 Act]
* Incorporated Society Constitution [if an Incorporated Society registered under the 2022 Act]
* Trust Deed [if a Trust]
* Trusts Act 2019 [if a Trust]
* Charitable Trusts Act 1957 [if a charitable trust]
* Income Tax Act 2007

### Review Protocol

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| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |