

Policy Name	Auspicing Policy
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1. Introduction

State and Federal government funding bodies provide a range of grant programs to non-profit organisations and individuals although many of their programs are only available to legal entities such as incorporated associations. In some instances, unincorporated associations and individuals are able to apply for the grants by being auspiced. As part of its services Southern Tablelands Arts, Inc (STA) can act as an auspicor for community groups and individuals applying for arts-based projects.

2. Definition

Regional Arts NSW defines an Auspicing Body as:

'An auspicing body is a legally constituted organisation that will take legal and financial responsibility for a grant if awarded. The auspicing body must sign the declaration on the last page of the application form. If a grant is awarded, the auspicing body must also sign the Conditions for Payment of Grant form and is responsible for reporting on the grant within three months of the project's completion. All correspondence and monies will be directed to the auspicing body. It is recommended that grant applicants enter into a written agreement with their nominated auspicing body highlighting respective rights and responsibilities.'

Create NSW defines auspicing as:

'Partnerships, groups and unincorporated organisations (auspicees) seeking funding must identify an incorporated auspicing organisation (auspicor) to apply on their behalf.'

Arts NSW's primary contractual relationship is with the auspicor. The Funding Agreement is in the name of the auspicor which is responsible for ensuring compliance with the Agreement and for the satisfactory acquittal of the funding. It is therefore recommended that auspicees enter into a formal written agreement with their auspicor.'

3. Purpose of Auspicing Policy

To ensure that all auspicing arrangements and related processes:

- a. Are consistent
- b. Are in compliance with all known legislation and funding guidelines
- c. Are equitable, transparent and effective
- d. Will clearly identify responsibility and accountability levels and reduce the risk of corrupt conduct
- e. Will protect STA staff and Board of Management from being compromised in any way
- f. Will guide STA staff in the determination of auspicing funding applications, dealing with auspicing issues and in managing auspicing in a professional manner
- g. Reduce the level of risk to the organisation including:
 - i. Ensuring that financial statements and any other reports required by the funding body are prepared and available within the reporting timeframe established by STA in recognition of the high risk to STA as the Auspicator in becoming ineligible for future funding as a result of the failure in meeting financial and artistic reporting milestones
 - ii. Not being eligible for further funding from the funding body
 - iii. Financial loss, and
 - iv. Loss or damage to the organisation's reputation

4. Policy

4.1 Functions

As the auspicator it is the function of STA to:

- 4.1.1 Accept the grant monies on behalf of the auspicee
- 4.1.2 Pay grant monies to the auspicee or other parties as agreed in accordance with the grant conditions
- 4.1.3 Monitor the use of the grant funds to ensure compliance with the purpose for which the grant was provided
- 4.1.4 Provide the auspicee with an itemised financial statement at the end of the project which clearly identifies the grant funds and how they were spent
- 4.1.5 Ensure that the financial statements for the grant acquittal are certified by a qualified accountant in public practice if required by the funding body
- 4.1.6 Ensure the required acquittal information is provided to the funding body
- 4.1.7 A range of other functions may be provided by STA as the auspicator including the payment of fees and other personnel from grant monies; use of office space and equipment; financial and budget advice during the project; and marketing, promotion and publicity expertise for the project. These additional functions must

be negotiated, fully costed and included in the written agreement between STA and the auspicee prior to STA signing the grant application

4.2 Provisions

- 4.2.1 Auspicing shall be provided for arts based projects to individuals or community groups that reside within one of the local government areas that make up the STA region and whose work is known to the RADO
- 4.2.2 Auspicing shall not be provided for applicants who do not include appropriate rates of payment to professional artists engaged for the project in the case of artistic projects
- 4.2.3 Auspicing shall not be provided for projects that are not in line with the values of STA
- 4.2.4 Auspicing shall not be provided to projects that do not/will not have appropriate insurances or meet legal requirements
- 4.2.5 Auspicing will only be provided where the Applicant lodges a request with STA at least 21 days prior to the grant closure or such other timeframe as may be agreed to by the ED or by the President
- 4.2.7 As the auspicing body it is not the role of STA to develop the funding application
- 4.2.8 As the auspicing body it is not the role of STA to complete the artistic report/project report/acquittal
- 4.2.9 As the auspicing body STA will ensure that the financial report is completed within the timeframe of the grant conditions

4.3 Conduct and ethical practices

- 4.3.1 A written agreement must be negotiated and drawn up between STA and the auspicee prior to the funding application being lodged and submitted
- 4.3.2 Any agreement between STA and the auspicee must contain clear steps to address disputes or disagreements including the involvement of an independent mediator
- 4.3.3 For large projects with a grant budget greater than \$25,000 the role of the STA Board in managing disputes or disagreements must also be outlined in the agreement
- 4.3.4 At all times the staff and Board members of STA must act ethically and meet all community expectations of probity and proper conduct
- 4.3.5 All conflicts of interest and perceived conflicts of interest by STA or its staff and Board members must be declared to the funding body prior to entering into an auspicing agreement between STA and an auspicee

4.3.6 STA will not auspice any funding applications submitted to a funding program facilitated by STA

4.4 Management process

- 4.4.1 Auspicing shall be provided on a fee for service basis scaled in relation to the size of the grant
- For grants greater than \$50,000 in value must be operated through a separate bank account for that purpose
 - For grants less than \$100,000 the agreement to proceed and the negotiation of a fee is at the discretion of the ED
 - Auspicing for grant applications greater than \$100,000 must be discussed with the President and Treasurer who will determine STA's capacity and approve the arrangement up to a grant value of \$250,000
 - For grants greater than \$250,000 the President and Treasurer will seek approval in principle from the Board to enter into the arrangement
 - Auspicing agreements for grants of more than \$250,000 must be submitted to the Board for approval prior to signing
 - Where time constraints prevent Board approval at a Board meeting, the President must seek approval in principle from no less than a quorum of Board members
 - The services agreed to be provided by STA must be budgeted and expressed as a percentage of the grant monies or as an amount where appropriate
- 4.4.2 Prior to agreement to auspice a project STA must ensure that it has sufficient resources available to honour their side of the agreement at least in the ramp-up phase and that all insurance and financial aspects of the proposed auspice agreement are covered in the costings of the services to be provided
- 4.4.3 Where a Grant requires independent auditing STA will factor in the cost of the auditing when determining the total service fee
- 4.4.4 The ED must provide the Board with a summary of activity and finances of all auspice agreements at every Board meeting
- 4.4.5 All auspicing must be reported in the STA Annual Report
- 4.4.6 Any consideration given to an auspicing arrangement and agreement will include regard to the maintenance of a consistent and professional image for STA within the community at all times
- 4.4.7 In the instance of any conflict between STA and the Auspicee, resolution must be sought by way of written communication to the other party about the dispute and both parties taking all reasonable steps to try to resolve it. If the conflict cannot be resolved in these ways then mediation shall be sought from an independent body.

- 4.4.8 The Auspicing body may terminate the agreement with a maximum of four (4) weeks notice in writing to the Auspicee in the event that the Auspicee fails to carry out its obligations under the agreement. The Auspicee may terminate the agreement by four (4) weeks notice in writing to the Auspicing Body in the event that the Auspicing Body is declared bankrupt or goes into administration voluntary or otherwise, in the event that the Auspicing Body fails to carry out its obligations under the agreement. The Funding Body must be notified in writing immediately the agreement has been terminated; they must also be informed of the actions leading up to the termination.

5. Implementation

STA staff members are responsible for compliance with this policy and presenting relevant proposals to the STA Board for approval as necessary.

6. Review

This policy will be reviewed every year.

Relevant Documents

Financial Management Policy – adopted 9 February 2016
Risk Management Policy – adopted 12 December 2017
Code of Conduct – 9 February 2016
