



THIS POLICY IS APPLICABLE TO ALL APPLICATIONS MADE TO TRUST HOUSE FOUNDATION FOR THE DISTRIBUTION OF NET PROCEEDS FROM THE CLASS 4 GAMING VENUES WHERE THE FOUNDATION IS THE HOLDER OF THE OPERATORS' LICENCE.

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1. Introduction

This policy relates to grant applications made to Regional Net Proceeds Committees who then recommend to the Trust House Foundation what funds they consider should be granted. All final funding decisions are made by Trust House Foundation. The principles of accountability, integrity and transparency were considered in the preparation of this policy.

2. Timing of Grant Applications

The closing date of each grant round is listed on the Foundation's website: www.trusthouse.org.nz. The applications are considered approximately six weeks after the closing date.

As a general rule, applicants may only apply to the Foundation for a grant once every 12 months.

3. Priority Funding

Organisations will be considered more favourably if they provide the following:

- Community support, including the development and wellbeing of the young and aged.
- Cultural activities and recreation, including the performance and development of music, the arts, history and sport.
- Welfare and social services for the prevention and/or rehabilitation of addiction.

4. Determination Criteria

Grant applications will be assessed having regard to the following criteria:

- Applicants must be non-profit organisations.
- Sporting grants can only be made for amateur sports.
- Sports clubs should be affiliated to a recognised national organisation.
- Applications must be submitted by sports clubs, not individuals.
- Administration costs and salaries may be funded if this helps to meet a recognised need within the community.
- All uniforms and equipment must remain the property of the recipient organisation. Funding of dress uniforms / socks is not permitted.
- Events or trips that are predominantly social in nature will not be funded. This includes family or group reunions.
- Grants for social activities to benefit disadvantaged groups may however, be considered, e.g., a Christmas luncheon for the elderly at the town community centre.
- Grant applications cannot be for an item that has already been paid for; the application must be future focused.

- Grants for public education, kindergartens and the like will be considered.
- Cultural purposes must be non-commercial and benefit the community. Examples include amateur theatre groups, non-profit museums and art galleries, amateur cultural groups, and non-profit community cultural or arts festivals.

5. Authorised Purpose

Grants will only be made in accordance with the Foundation's authorised purpose. At the time of approving this policy, the Foundation's authorised purpose was:

Such objects or purposes which tend to promote, advance, or encourage education, science, literature, art, physical welfare, or recreation, or any other purposes that are beneficial to the community or any section of it.

Such objects or purposes include, but are not limited to, the provision, or the assistance in the provision of facilities, or playing or training uniforms, for amateur sporting clubs and amateur sporting teams playing in recognised, published amateur leagues or competition. Excludes bar facilities.

Such objects and purposes which tend to promote religion, relieve poverty or welfare assistance through donations to recognised social services or welfare agencies.

Donations to educational or training or cultural organisations through the provision of scholarships, safety equipment, or educational tools which are administered by the recipient educational organisation.

Funds for not-for-profit community, cultural, recreational and sporting groups or organisations, which have been formally established and/or legally constituted, to assist those groups to participate and or develop their activities.

To provide for the conduct of race meetings for the benefit of the public and to promote and control those meetings (excluding stake money for any types of races).

6. Grant Forms and Supporting Documentation

Grants will not be approved unless the grant application is submitted on the Foundation's grant application form.

Grant application forms are available from each of the Foundation's gaming venues. They are also available from any Trust House business outlet. Alternatively, an application form can be requested from the Secretary (PO Box 135, Masterton) or downloaded from the website, www.trusthouse.org.nz.

In addition to completing the grant form, applicants should provide a typed A4 sheet of paper giving an outline of the organisation's project and stating the objectives, evidence of need, timeframe for completion, and a summary of expected costs. A separate budget specific to the project would also be useful.

A copy of the organisation's latest financial accounts should be provided with the grant form.

The grant application should include evidence that the sum of money sought is reasonable. This can be achieved by providing two competitive quotes. If this is not possible; for example,

if only one provider for the specific goods is available, then an explanation to this effect should be included.

7. GST

All grants from the Foundation are unconditional gifts. No portion of a grant includes GST.

When a grant recipient is GST registered, a grant will only be made for the GST-exclusive component.

When a grant recipient is not GST registered, a grant may be made for the full GST-inclusive cost of the good or service.

8. Audit Requirement

Successful grant recipients must provide accountability documentation confirming that the grant monies have been spent for the specific purpose approved. This information should include invoices and bank statements.

Unless a later date has been agreed upon by the Foundation, the grant accountability documentation must be provided to the Foundation within six months of the grant being made.

As required by section 115A of the Gambling Act 2003, grant money may only be used by the grant recipient for the specific authorised purpose for which it was granted. The grant recipient commits a criminal offence if section 115A is breached.

If the funds are not spent for the specific purpose granted, the Foundation will request a refund. If a funding surplus exists, the surplus must be returned to the Foundation.

Where information is obtained by the net proceeds committee indicating that a grant recipient has received funding from other source(s) for the full amount needed for the purpose applied for here, the net proceeds committee will use its best endeavours to obtain a return of the money from the grant recipient.

If the grant recipient has breached section 115A (failed to spend the funds on the specific purpose granted) and the money has not been returned, the Foundation will consider referring the matter to its solicitors for recovery action, and/or to the Department of Internal Affairs for prosecution.

A random sample of grants will periodically be independently verified by the Foundation to ensure the funds have been spent as stated in the audit documentation. The verification may include telephoning grant recipient suppliers, visiting grant recipients, and reviewing photographs and other evidence supplied.

The timeframes set out in this policy may be extended at the Foundation's discretion.

Applications are made on the understanding that if the Department of Internal Affairs requests it, the applicant organisation/body shall agree to and participate in (at its own expense) any inspection and/or additional audit by the Department. All applications must have the consent to audit signed by the applicant organisation.

9. Procedure Where Accountability is Received

The following procedure will be apply when grant accountability has been received:

- The Foundation will check the 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.
- If a grant was used retrospectively, or not fully utilised, an email/letter will be sent detailing the inconsistencies and the action required. This may be a request to provide more evidence, or to return part or all of the grant.
- If, after one month of sending out this request email, no reply is received, action will be taken as set out in paragraph 10.

Any other suspicion of fraud or potential criminal offending by a grant recipient will be notified to the Department of Internal Affairs.

10. Procedure Where Accountability is Not Received

The following procedure applies when grant accountability information has not been received:

- Recipients will be written to asking for an update on the project and reminding them that if the project is complete they should sign and return their accountability documentation. A new accountability form will be sent with the email/letter.
- If, one month after sending out the initial reminder email/letter, no reply has been received, the grant recipient will be written to again advising that a reply has not been received. They will be advised that it is a requirement of DIA that grants are accounted for in full and failure to do so will result in the Foundation requesting a refund of the grant money.
- If there is no reply to this second email/letter, where appropriate, a personal visit will be initiated.
- If all the above actions fail the matter will be forwarded to the Foundation's solicitors for recovery action and/or forwarded to a debt recovery company.

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

11. Reasons

Grant applicants will be provided with reasons for the Foundation's decision, if the Foundation decides to decline a grant application (either in full or part).

12. Record Keeping and Website Publication

The following records will be kept in a database format and published on the Foundation's website:

- the name of every organisation that has applied for funding;
- whether the grant has been accepted in full or declined in full;
- whether the grant has been accepted in part and declined in part;
- if the grant has been declined in full or in part, the reasons for that decision;
- the amount of the grant; and
- any "interests" that any of the Foundation's net proceeds committee members have in relation to any successful grant applicant.

The following additional records will be kept in various formats, but will not be published:

- the date that each grant is made (the date of the meeting/decision);
- the specific purpose of the grant;
- the cheque number or direct bank payment transaction details;
- grant request ID number; and
- the signatures of the persons approving the grant.

A net proceeds committee member has an interest in a recipient of a grant if:

- the member may derive a financial benefit from the grant or may have a financial interest in the recipient; or
- the member is a part of the immediate family of the recipient; or
- where the recipient is an organisation, club, society, or association, the member is:
 - an officer or a member of the recipient; or
 - a part of the immediate family of an officer or a member of the recipient; or
 - the member is, or has been, the recipient's lawyer or is under a professional obligation to the recipient in another professional capacity; or
 - the member is, or has been, employed by the recipient, or is, or has been, indebted to the recipient, or is, or has been, involved in business or financial dealings with the recipient; or
 - the member is otherwise connected to or involved with the recipient in a way that can reasonably be perceived as having influenced the decision to make the grant to the recipient.

Part of the immediate family means a person who is the member's

- spouse, civil union partner, or de facto partner; or
- parent, child, sister, or brother; or

who is the parent, child, sister, or brother of the member's spouse, civil union partner, or de facto partner.

The grant application and all supporting information will be retained by the Foundation if the application is successful.

13. Complaints Procedure

Complaints about unsuccessful applications for grants may be directed to the Foundation.

Complaints regarding the distribution of net proceeds should be made in writing and directed to: General Manager Gaming & Compliance, Trust House Foundation, PO Box 135, Masterton.

Complaints about the conduct of gambling at a Trust House venue, or about the conduct of the Trust House Foundation in relation to the gambling may be made to the Secretary of Internal Affairs at:

Gaming Compliance Unit
46 Waring Taylor Street
PO Box 10-095
Wellington
04 494 0700
gaming.compliance@dia.govt.nz