



Community Development Grants Project Delivery and Budget Fact Sheet

The purpose of this document is to outline the stages of project delivery when using a Council Community Development Grant, and to assist recipients with meeting their budget reporting responsibilities at the project acquittal stage.

This Fact Sheet covers:

1. Funds Disbursement
2. The Budget – general advice
3. Project Variation
4. Managing In-kind contribution
5. Reporting on income and expenditure
6. Project Acquittal Report
7. Acceptable evidence

1. Funds Disbursement

Recipients are required to complete a Funds Disbursement form on SmartyGrants prior to the release of funds. This will require that you

- Review the Funding Agreement
- Submit current Public Liability Insurance
- Complete a Supplier Consent Form (if required)
- Complete and submit Funding Agreement Additional Conditions (if applicable)
- Submit a Tax Invoice for the funded amount.

It must include:

- Date of Invoice
- What the invoice is for (2020/21 Community Development Grant and your application reference number)
- The Community Development Grant Funding Allocation amount
- Organisation / Auspice Australian Business Number
- Organisation's bank account details
- Organisation's email address for the remittance to be sent to

Goods and Services Tax can be applied if the Applicant Organisation is registered for GST.

The Tax Invoice must comply with the requirements of the Australian Taxation Office.

TIP: Visit Australian Taxation Office website for information about compliant tax invoices
<https://www.ato.gov.au/Business/GST/Tax-invoices/>

2. The Budget – general advice

A common error in acquittal reports after a project has been delivered is budget reporting. There are three documents, accessible in your SmartyGrants account, that will help you meet your budget acquittal responsibilities:

- Your original Project Application;
- Your Funding Agreement with Council and
- Project Acquittal Report Fact Sheet

The project budget must balance. That is, the income and expenditure columns must total the same amount.

If you have said that you are using in-kind labour to support the Applicant's matched funding to the project, remember that this can only be up to 50 percent of the contribution.

Council's grants are awarded exclusive of Goods and Services Tax (GST). Grant Recipients will need to be aware of their GST status and if GST was added to their invoice to Council. It will matter at acquittal.

3. Project Variation

Council has funded your project based on the information that you provided in your Application and was agreed to in the Funding Agreement. Please deliver that project. However, changes in prices, scope of works, delivery timeframes, income sources or any other variable are sometimes unavoidable. This is time to contact Council to discuss a project variation.

If your project needs to change from what is described in your Funding Agreement, cease work on your project (except if there is urgent work relating to safety) and contact Council to request a Project Variation Form and discuss the changes.

If you change your project without Council's consent, you will encounter problems when you acquit.

Council will only consider necessary changes upon consultation with the Strategic and Community Planning team. All Proposals will be required to present a written request on a Project Variation Form in SmartyGrants. Council will make a written response to the request and if approved, your project delivery can resume.

4. Managing In-kind contribution

In-kind contributions help to demonstrate community support and volunteer commitment to your project.

You must keep a record of this. A template is available on [Community Development Grants \(bawbawshire.vic.gov.au\)](http://www.bawbawshire.vic.gov.au)

Any in-kind contribution is non-cash support made specifically to deliver the project. This may be the supply of new donated goods relevant to the project and/or the provision of services. Donated services will be classed as either unskilled or skilled. If you have no in-kind contribution you do not need to complete this in the budget.

Council's accepted rates for calculating your budget are:

- Unskilled labour - \$25 per hour, ex GST
- Skilled labour requiring professional or trade skills - \$50 per hour, ex GST.

Use a separate table to monitor the in-kind contributions that have been calculated to deliver your project. This will help you later, at acquittal. See Figure 1 for an example.

Figure 1 - Example of an in-kind contribution record

Date	Volunteer/s name	Description of work undertaken	Start time	Finish time	In-kind rate: The type of labour is calculated at different hourly rates exclusive of GST: \$50 for skilled work; \$25 for unskilled work.	Combined Hours worked	Value of the labour (multiply the hours worked by the relevant in-kind rate, exclusive of GST)
15/4/2020	Susan G; Raj S; Tony Y.	Construction of Manure pile	9:00 AM	1:00 PM	Unskilled @ \$25	12 hours	\$300
18/4/2020	Brown's Concrete Crew	Laying of concrete	8:00 AM	1:00 PM	Skilled @ \$50	5 hours	\$250
21/4/2020	Tony Y; Susan G.	Shovelling sand	8:00 AM	10:00 AM	Unskilled @ \$25	4 hours	\$100
21/4/2020	Harry's Fitter and Turner Service	Welding gates	8:00 AM	1:00 PM	Skilled @ \$50	5 hours	\$250
22/4/2020	Raj S; Anita McQ.	Shovelling sand	8:00 AM	10:00 AM	Unskilled @ \$25	4 hours	\$100
22/4/2020	Harry's Fitter and Turner Service	Welding gates	8:00 AM	1:00 PM	Skilled @ \$50	5 hours	\$250
						TOTAL	\$1,250

5. Reporting on income and expenditure

The examples in this section shows all costs exclusive of GST.

You will need to know if you charged GST to your tax invoice when you received your grant from Council. If you ARE GST registered, DO NOT include GST in your figures. If you ARE NOT GST registered, include GST in your figures

INCOME

The income column of your successful Application shows the income sources that you are using to deliver your project. It is important to deliver your project as you described in your Application. Figure 2 provides an example of a detailed income column. Your project might be using many income sources including:

- The Community Development Grant amount received, exclusive of GST.
- Co-funding that may include any cash sponsorship, supporting grants or other income from other sources.
- Any funds from your organisation
- Any value of in-kind support. *NOTE: if you are using any unpaid workers to deliver your project, you will need to provide evidence of that contribution when you acquit. The Minor Capital Works Project Acquittal Fact Sheet that has been supplied to you.*

Figure 2 - Example of a complete project income

Income	
Baw Baw Shire Grant	\$8,927.00
Recipient Cash Contribution	\$7,749.00
Horse Race Catering Fundraising	\$500.00
Recipients in kind labour	\$1,250.00
Total Income	\$18,426.00

EXPENDITURE

The expenditure column includes itemised project expenses. Figure 3 provides an example of a detailed expenditure column. **Note:** if your organisation charged GST when Council was invoiced, then expenditure items must be listed exclusive of GST.

Items to list in the expenditure column include:

- Equipment/materials purchased to complete the project
- Contractors/labour hire etc.
- Description and value of tasks delivered by in-kind support e.g. shovelling sand x unskilled labour x 8 hours \$200. Read the information at section 4, Managing in-kind contribution.

Figure 3 - Example of a complete project expenditure

Expenditure	
Rails. 150x38mm	\$1,891.90
103 2.1m 5-6inch post	\$2,131.74
Fencing Contractor	\$5,040.00
8mm gates chain	\$242.85
Sand base	\$960.60
Concrete base for 2 wash bays	\$1,448.91
Steel Yard Double Panel 4m 35 60.00	\$2,100.00
Steel Yard Double Panel 2.8m 20 55.00	\$1,100.00
Hardware: screws, pine strainer, snap hooks	\$2,260.00
In Kind Labour: Construction of manure pile	\$300.00
In Kind Labour: Shovelling Sand	\$200.00
In Kind Labour: Browns Concrete crew	\$250.00
In Kind Labour: Harrys Fitter and Turner service	\$500.00
Total cost of project	\$18,426.00

6. Project Acquittal Report

The Project Acquittal is the final stage in the grant process. Your project is complete once you have received correspondence from Council that you have successfully acquitted.

The Recipient/Auspice Agency will need to:

- Provide details and attachments relevant to the project scope as outlined in the Funding Agreement.
- Provide a Financial Report as outlined in the Funding Agreement. This including actual income and expenditure budget, financial/in-kind contributions, copies of paid tax invoices and record of whether any of the funding remains unexpended. GST status will need to be considered.

When it comes to reporting in in-kind contributions, the total contribution can be listed as a single line item in the income column but needs to be presented as individual line items in the expenditure column. See the next example and compare the items within the green border.

In the expenditure column, an applicant is required to:

- Name the organisation or supplier making the in-kind contribution or
- Describe the type of in-kind contribution being provided. For example, itemise the number of volunteer hours, or the number of items being donated and their amount.
- Provide a total.

Example: Income and Expenditure Budget - all costs exclusive of GST.

Income		Expenditure	
Baw Baw Shire Grant	\$8,927.00	Rails. 150x38mm	\$1,891.90
Recipient Cash Contribution	\$7,748.00	103 2.1m 5–6inch post	\$2,131.74
Horse Race Catering Fundraising	\$500.00	Fencing Contractor	\$5,040.00
Recipients in kind labour	\$1,250.00	8mm gates chain	\$242.85
		Sand base	\$960.60
		Concrete base for 2 wash bays	\$1,448.91
		Steel Yard Double Panel 4m 35 60.00	\$2,100.00
		Steel Yard Double Panel 2.8m 20 55.00	\$1,100.00
		Hardware: screws, pine strainer, snap hooks	\$2,260.00
		In Kind Labour: Construction of manure pile	\$300.00
		In Kind Labour: Shovelling Sand	\$200.00
		In Kind Labour: Browns Concrete crew	\$250.00
		In Kind Labour: Harrys Fitter and Turner service	\$500.00
Total Income	\$18,426.00	Total cost of project	\$18,426.00

7. Acceptable evidence – proof of transactions

Council has responsibilities to keep appropriate records of grant expenditure. The documents that we ask you to provide at acquittal show that public funds have been used for the project that was supported. Council is obliged to support the standards of the Australian Taxation Office and Consumer Affairs Victoria. Exceptions will not be made.

Council will only accept proof of transactions that relate to the project. This means that there must be a clear and logical link between the Applicant and the purchase. Digital copies of the original proof of transactions are acceptable and you will upload these to SmartyGrants at acquittal. You keep the originals.

The next table shows what is clear and logical proof of transactions. The supplier's tax invoice must always be provided. Additional evidence is needed only when the Grant Recipient has made a payment but the supplier's tax invoice does not connect them to the purchase.

Proof of transaction	Make sure that...
Tax Invoice from supplier made out to the Grant Recipient Organisation.	<ul style="list-style-type: none"> • Tax invoice complies with the Australian Taxation Office standards. • Has a zero-balance owing, and • Is dated within the term of the project.
Tax Invoice from supplier but the Grant Recipient Organisation is not stated (for instance, this might be a purchase made at a large chain hardware store at the checkout).	<ul style="list-style-type: none"> • All of the above, and • You provide a bank statement from the Grant Recipient to show the payment was made by them, OR • You provide a proof of transaction to show that a volunteer has been reimbursed by the Grant Recipient organisation. For instance, this might be a petty cash receipt or evidence of a direct transfer.
In-kind labour record	<ul style="list-style-type: none"> • The record itemises the work that was undertaken. Section 4 of this document has more information.

Contact us

We're here to help! Please talk with us if you have any questions. We understand that each project is unique and there may be specific questions that have not been covered here.

Contact the Strategic and Community Planning team on 1300 229 229 or by email at grants@bawbawshire.vic.gov.au