

# Local Authorities Project and Discretionary Funds Policy

MC10-CP (Superseded Council Policy 112 Local Authorities Project and Discretionary Funds v1)



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## 1. Purpose

The policy provides guidance on how Local Authority Project funds granted by the NT Government and Discretionary funds provided by MacDonnell Regional Council (MRC) to Local Authorities can be spent.

## 2. Scope

This policy applies to all members (elected and appointed) of Local Authorities.

## 3. Objectives

This policy ensures that:

- MRC funds are spent appropriately;
- Projects meet the interests of MRC and the community;
- Funding is not spent in a way that risks the financial, environmental or social sustainability of MRC; and
- Expenditure complies with legislation and funding guidelines.

## 4. Statement

### 4.1 Discretionary Funds

Each year MRC allocates a certain amount to Local Authorities to spend as they see fit. The amount is recorded in MRC's delegation manual. This funding can be spent as the community sees fit.

### 4.2 The following rules apply to the use of discretionary funding:

- 4.2.1 The funding must be used in a fair and equitable way, and should benefit the whole or most of the community.
- 4.2.2 The purchase of any product or service must comply with MRC's Procurement Policy.
- 4.2.3 Cash will not be given out under any circumstances.
- 4.2.4 The use of discretionary funds must be approved at a Local Authority meeting with a full quorum or be signed off by the majority of Local Authority members. This means more than half of the Local Authority members need to sign the relevant forms.
- 4.2.5 Any real or perceived conflicts of interest must be declared when making decisions on discretionary funding.
- 4.2.6 The use of discretionary funds must comply with all relevant legislation and MRC policies and procedures.

### 4.3 Local Authority Project Funding

Local Authorities may also receive funding from the Department with responsibility for Local Government. Council has delegated decision-making for use of the budgeted amount of this funding to each Local Authority. Compliance needs to be maintained with MRC policy, the relevant funding guidelines and legislation. The following principles will ensure these requirements are met:

- 4.3.1 Projects chosen must not jeopardise the financial, social or environmental sustainability of MRC.

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- 4.3.2 Projects that rely on in-kind support from MRC must be related to MRC's core local government services and must get prior approval from Council, the CEO or the relevant Director.
- 4.3.3 The purchase of any product or service must comply with MRC's Procurement Policy.
- 4.3.4 Cash will not be given out under any circumstances.
- 4.3.5 Funding should not go to projects that are ordinarily the responsibility of another level of government.
- 4.3.6 Salaries cannot be paid for with this funding.
- 4.3.7 Vehicles cannot be procured.
- 4.3.8 The use of project funds must be approved at a Local Authority meeting with a full quorum.
- 4.3.9 Any real or perceived conflicts of interest must be declared when making decisions on Local Authority project funding.
- 4.3.10 Funding should support the relevant community's priority projects as expressed through the Local Authority plan.

## 4.4 Local Authority Project Approvals

In its document "Funding Guidelines – Local Authority Project Funding" the Department of the Chief Minister and Cabinet provides guidance as to what projects can and cannot be approved as follows:

### 4.4.1 Examples of Acceptable Purposes for Expenditure

- Repairs and maintenance of community assets controlled or owned by the council. **For example:-** office upgrades, fencing, solar lighting, road repairs and ablution facilities.
- Acquisition of plant and equipment directly related to local government service delivery. **For example:-** trailers, garden maintenance equipment such as brush cutters, lawn mowers and pressure cleaners, rubbish bin enclosures /stands.
- Upgrade/enhancement of community sporting facilities. **For example:-** upgrade of community ovals, basketball courts and playgrounds, shade structures, picnic areas, seating and park furniture, tree planting and irrigation.
- Festivals or other events – but must only be conducted within a council's own Local Authority area.

### 4.4.2 Examples of Unacceptable Purposes for Expenditure

- Purchase of vehicles and fuel expenses
- Payment of salaries, cash prizes or recurrent operating costs of council
- Meeting costs and payments to local authority members
- Sponsorship by way of uniforms, travels cost and allowances
- Purposes that are not related to local government services and that should be addressed by another government agency.

### 4.4.3 Expiration of funding

All Local Authority Project Funding must be fully expended within two years of receipt of funding. Failure to do so by **non-compliant Local Authorities** may result in the Department of the Chief Minister and Cabinet taking action, including but not limited to: withholding further grant payments under the program or requesting unspent funds to be repaid.

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#### 4.4.4 Decision making

Subject to the conditions specified in para.4.3 above, Local Authorities have autonomy, subject to Council approval, for the decisions they make regarding the projects selected. Council will work collaboratively with the Local Authorities to advance the interests of its communities.

#### 4.4.5 Allocation of funding to Youth Boards

The annual Regional Plan of MRC allocates 10% of Local Authority Project Funding to local Youth Board identified projects. These projects must comply with the requirements specified at clause 4.3.

## 5. Policy Details

<b>Replaces Policy No: (if applicable)</b>	CP112 Local Authorities Project and Discretionary Funds
<b>Responsible Directorate/Department:</b>	Corporate Services - Governance and Compliance
<b>Approval Date:</b>	28 October 2022
<b>Minutes Reference and Resolution number:</b>	OCM Item # 15.9 – COM2022-161
<b>Review Cycle:</b>	October 2026 – Review every four (4) years or after changes to relevant legislation.

## 6. Legislation and References

<b>Related Legislation</b>	<i>Local Government Act 2019</i>
<b>Related Policies</b>	FA01-CP Procurement Policy
<b>Related Procedures</b>	MC02-P2 Local Authority Meeting Procedure
<b>Associated Documents</b>	<i>Funding Guidelines - Local Authority Project Funding - Dept of the Chief Minister and Cabinet</i>
	<i>Guideline 1 - Local Authorities - issued by the Minister for Local Government</i>

## 7. Version control

Version No.	Approval Date	Policy No.	Minutes reference and Resolution number
1	13 April 2017	CP112	OCM Item # 13.2 – OCM2017-026
2	28 October 2022	MC10-CP	OCM Item # 15.9 – OCM2022-161