

First Light Community Foundation's Grants Policy

Decision by Net Proceeds Committee

1. All final funding decisions are made by First Light Community Foundation's net proceeds committee.
2. Grant applications found to be non-compliant will not be approved. In this context, "non-compliant" means grant applications that do not contain all the relevant information, are retrospective, where there is a conflict of interest, where the application does not comply with First Light Community Foundation's authorised purpose, or where there is information that the applicant has received funding from other source(s) for the full amount needed for the purpose applied for here.

Authorised Purpose

3. Grants will only be made in accordance with First Light Community Foundation's authorised purpose. First Light Community Foundation's authorised purpose is:

First Light Community Foundation may make grants for authorised purposes as follows:

- a. any charitable purpose;
- b. any non-commercial purpose that is beneficial to the whole or a section of the community; and
- c. promoting, controlling, and conducting race meetings under the Racing Act 2003, but excluding the payment of racing stakes.

The above authorised purpose includes (but is not limited to):

- amateur sport;
- amateur sports coaches for specific short-term coaching courses and coaching clinics for junior sports people;
- ground maintenance for amateur sporting facilities;
- overseas travel to genuine amateur sporting tournaments;
- public sports facilities (e.g. a stadium) provided that the facilities are not used primarily for professional sport;
- trophies and modest non-cash prizes;

- wages and salaries where the employing body has an entirely non-commercial community or charitable purpose and provided that the payment of a wage is necessary to achieve the authorised purpose;
- general public education;
- education scholarships (provided the students are selected in a fair and open manner after public advertising, and are overseen by a recognised educational authority or school board, and provided that they are limited to primary and secondary level);
- non-profit community cultural or arts festivals;
- the promotion of public amenities such as parks or museums;
- supporting non-commercial emergency rescue services;
- grants to recognised charitable organisations (e.g. Plunket, Salvation Army or Red Cross) to further the objectives of these groups;
- the provision and maintenance of grounds, buildings and facilities where these are primarily used for race meetings; and
- the provision and maintenance of on-course facilities for horse and greyhounds, trainers and jockeys.

Grants will not be made for:

- groups or individuals standing for an election to public office;
- lobby groups or action/pressure groups (e.g. Greenpeace, or Sensible Sentencing Trust);
- social events, e.g. school balls, family reunions, entertainment in pubs or clubs, sporting trips for supporters or spectators, or after match functions for sporting groups;
- personal or commercial gain;
- professional sport;
- non-affiliated "social" sports clubs (such as corporate leagues); or
- racing stakes.

Audit Requirement

4. Unless a later date has been agreed upon by First Light Community Foundation, the grant accountability documentation (including invoices and bank statements) must be

provided to First Light Community Foundation within three months of the grant being made.

5. 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.
6. If the funds are not spent for the specific purpose granted, First Light Community Foundation will request a refund. If a funding surplus exists, the surplus must be returned to First Light Community Foundation.
7. 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 take reasonable steps to obtain a return of the money from the grant recipient.
8. 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, First Light Community Foundation will consider referring the matter to its solicitors for recovery action, and/or to the Department of Internal Affairs for prosecution. Further, any other suspicion of fraud or potential criminal offending by a grant recipient will be notified to the Department of Internal Affairs.
9. A random sample of grants will periodically be independently verified by First Light Community 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.
10. The timeframes set out in this policy may be extended at First Light Community Foundation's discretion.

Grant Forms

11. Grants will not be approved unless the application is on First Light Community Foundation's grant application form.



Reasons

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

Complaints

13. Complaints can be made to First Light Community Foundation by writing to the Trust. First Light Community Foundation will advise complainants of their right to complain to the Department of Internal Affairs if they are unsatisfied with the way their complaint has been handled.
14. First Light Community Foundation will forward a copy of all written complaints received to the Department of Internal Affairs for their information and advise the Department as to how the complaint has been dealt with.
15. Complaints about the conduct of First Light Community Foundation may also be made direct to the Secretary of the Department of Internal Affairs at: PO Box 10-095, Wellington.

Grant Commitments – Multi-Year Grants

16. Grants will only be made from available net proceeds. However, grants may be made by instalments in one or more years, if the following conditions are met:
 - the grant commitment must not exceed 4 years; and
 - the grant applicant must be made aware, on or before the time that the first instalment of the grant is paid, that payment of any future instalments of the grant is conditional on –
 - First Light Community Foundation continuing to hold a licence; and
 - First Light Community Foundation continuing to have available net proceeds; and
 - the specific authorised purpose for which the grant was made continuing to be lawful; and
 - each instalment of the grant must be re-confirmed by the net proceeds committee before payment; and

- the grant applicant must provide the net proceeds committee with documentary evidence that previous instalments of the grant have been spent for their intended purpose; and
 - First Light Community Foundation must disclose the existence of multi-year grants it has entered into in its financial accounts and publish the details of its multi-year grants with its other grant information on its website.
17. Subsequent instalments of multi-year grants are made in principle, i.e. the existence of the future instalments is strictly conditional upon the above criteria being met.

Distribution Timing

18. A substantial portion of the net proceeds received during a financial year will be distributed to the community for authorised purposes on at least a quarterly basis.
19. All net proceeds received during a financial year will be distributed to the community for authorised purposes within three months following the end of that financial year.

Record Keeping and Website Publication

20. The following records will be kept in a database format and published on First Light Community 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 "interest" that First Light Community Foundation's net proceeds committee has in relation to any successful grant applicant.
21. 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.

22. 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.

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

GST

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

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

Grant Influence – Section 113

26. First Light Community Foundation's venue key persons cannot have any input or influence in First Light Community Foundation's grant process. Venue key persons are:
- the venue manager (defined as the person responsible for supervising the gambling and venue personnel at a First Light Community Foundation class 4 venue and for banking the proceeds of class 4 gambling);
 - the venue personnel (defined as the persons who work at a First Light Community Foundation class 4 venue and whose work involves dealing with gambling equipment, gamblers, or the proceeds of gambling);
 - the venue operator (defined as the occupier of a First Light Community Foundation class 4 venue who owns the primary business at the venue);
 - the venue operator's directors, chief executive and senior manager;
 - any person who has a significant interest in the management, ownership, or operation of a venue operator;
 - a person who has the ability, directly or indirectly, to exert a significant degree of influence over the management or operations of a venue operator; and
 - a person contracted to service First Light Community Foundation's gambling equipment.
27. Persons who have a significant interest in the management, ownership, or operation of a venue operator include:
- people with a financial or ownership interest in the business operating at the venue, or the venue premises;
 - people with the power to make decisions that would normally be made by the directors, chief executive or senior management of the venue operator; and
 - people undertaking or being responsible for duties that are normally the responsibility of the venue manager (e.g. being responsible for the timely banking of gaming proceeds).
28. Venue key persons must not provide grant application forms to potential grant recipients.
29. Venue key persons cannot provide goods or services to First Light Community Foundation, apart from the services listed in their venue agreement. For example, if a

venue key person also had a photocopier business, the venue key person could not sell a photocopier to First Light Community Foundation.

30. Venue key persons cannot provide goods or services to third parties and be paid from grant money which is derived from First Light Community Foundation. For example, a venue could not provide catering services to a hockey club if the hockey club plans to use grant proceeds to pay for the food.
31. Venue key persons cannot be involved in decisions about who will provide goods or services to a third party, if payment is being made from grant money that is received from First Light Community Foundation. For example, if a venue key person were also a committee member of a community organisation that received a grant for painting from First Light Community Foundation, the person could not have any input as to which painter the community organisation employs, if the painter is to be paid from grant money.

Venue Key Persons Conflict of Interest Register

32. First Light Community Foundation shall have an internal system to check that the venue key person requirements are adhered to. All grant applications and quotes will be checked by First Light Community Foundation staff against a key person register. If any application is signed, supported or makes any reference to a venue key person the application will be declined. If any application indicates that a venue key person has assisted to obtain quotes or been involved in any decision as to how grant money will be spent, the grant will be declined. If any application indicates that the venue key person will be providing goods or services to the grant recipient using the grant money, the grant will be declined.
33. First Light Community Foundation's grant application form will also require the applicant to formally declare that they will check that no payment will be made to any venue key person. The declaration will state:

Organisation Declaration

We declare that:

- The information provided in this application form is true and correct to the best of our knowledge.
- We have the authority to make this application on behalf of the applicant.



- This application has not been completed by a person who has any management or ownership interest in a First Light Community Foundation venue that hosts gaming machines (“a gaming machine venue key person”).
- When any grant money is obtained the persons who decide how that money is spent will not be First Light Community Foundation gaming machine venue key persons.
- When any grant money is obtained a check will be undertaken and no payment will be made from grant money to any First Light Community Foundation gaming machine venue key person for any goods or service.

We (the undersigned) make a solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Recognised Appeal Funds

34. Recognised appeal funds such as the Christchurch Earthquake Mayoral Relief Fund, the Red Cross – 2011 Earthquake Appeal and The Christchurch Earthquake Appeal (NZ Government) are exempt from some of the requirements of this policy.