



General Information Sheet

NEW ZEALAND LOTTERY GRANTS BOARD

Te Puna Tahua

Before applying for funding, please read this information sheet. It provides an overview of Lottery funds; what may be funded, how to submit a grant application, and grant recipient responsibilities.

The Department of Internal Affairs' Local Government and Community Branch administers Lottery grants.

WHY WE ARE HERE

The New Zealand Lottery Grants Board (the Board or Lottery Grants Board) is governed by the Gambling Act 2003. Its purpose is to benefit the New Zealand community by distributing the profits from state lotteries run by the New Zealand Lotteries Commission. It does this through a system of distribution agencies and Lottery committees that support a wide range of community purposes.

In line with the Gambling Act 2003, Lottery grants are made for community purposes only. A Lottery grant is for a community purpose if it contributes to the building of strong sustainable communities by encouraging or enabling community self-reliance, capacity building, and stability; or opportunities for social, civil or cultural participation and reducing or overcoming barriers to such participation; or community or environmental health; or development and preservation of New Zealand's arts, culture, heritage and national identity; or sports and recreation.

The Board's Annual Report and Record of Grants are available online at www.dia.govt.nz.

WHAT WE FUND

Each Lottery committee has a specific funding focus. Information sheets outlining specific committee objectives and funding criteria can be found at www.cdgo.govt.nz, or by contacting the Department of Internal Affairs either by **freephone 0800 824 824** or at one of its locations (see Contact Us at www.cdgo.govt.nz).

The Board also allocates funds to three statutory bodies (Creative New Zealand, the New Zealand Film Commission, and Sport and Recreation New Zealand).

The Lottery Grants Board encourages applicants to:

- focus on achieving their own outcomes
- work together to achieve common community outcomes
- be responsive to the communities they serve.

It is expected that all Lottery grants contribute to at least one of the following results:

- supporting volunteers
- enabling people to help themselves
- promoting community wellbeing and addressing disadvantage
- promoting community participation, inclusion and identity.

Community benefit

To ensure that grants provide community benefits, the Lottery Grants Board needs to understand the results grant applicants would like to achieve, how a Lottery grant would contribute to those results and how applicants will know that the results have benefited the community.

Funding principles

Lottery Grants Board general policy principles that apply to grant decisions are:

- a grant must be to provide a benefit to a community within New Zealand
- a grant must contribute directly to the provision of a community benefit of a public nature
- the organisation/person receiving the grant must deliver an identifiable community purpose benefit or be responsible for delivering that benefit

- a grant should enable a community benefit that would otherwise not be able to be provided
- grant decisions must be fair, transparent and robust
- grants must be affordable over time.

Consideration of grant applications

Applications for grants usually exceed the funds available. Although all eligible applications will be considered, a grant application is more likely to succeed if it aligns to Lottery policy and addresses one or more of a Lottery committee's funding priorities.

When deciding on grants, Lottery committees consider the Board's general policy, and any regional or specialised priorities they have determined, which may change from time to time with the needs of the sector or community. Committee funding priorities are outlined in committee Information Sheets (see www.cdgo.govt.nz).

In addition, under the Gambling Act 2003, Lottery committees must take into account the needs of Māori. They must also, as appropriate, have regard to the needs of older people, Pacific people and other ethnic communities, women, youth, and people with disabilities.

Monitoring and evaluation

The New Zealand Lottery Grants Board seeks assurance that Lottery grants are benefiting New Zealand communities through:

- a grant audit programme. Each year a certain number of grant recipients are selected for auditing. Audits are also carried out on grant recipients who do not submit required accountability reports or where other concerns have been raised about how the grant is being, or has been, spent.
- an evaluation programme which assesses the results of Lottery grant activity and the impact that Lottery grants have in the community. Information on expected and actual benefits to the community is collected periodically from all grant applicants and recipients directly, through periodic customised surveys of clients and communities and by accessing the results of other organisations' surveys and research.

WHAT WE DON'T FUND

Every application that is for a community purpose is considered. However, the Lottery Grants Board does not allow committees to fund some types of activities

or projects as they are not aligned to the Board's general policies. These are:

- overseas aid and disaster relief
- alcohol and drug treatment, education and support services
- medical expenses, operations and treatment
- the purchase of major items of health equipment
- vehicles - except as set out in the policy statement of the Lottery Individuals with Disabilities Committee and Lottery Outdoor Safety Committee rescue craft policy
- capital investment or trust funds
- individuals - with the exception of applicants to the Lottery Individuals with Disabilities and Lottery Health Research Committees and the Lottery Minister's Discretionary Fund
- services or projects that are considered to be the responsibility of local or central government, or other funding bodies - this includes other Lottery distribution committees, sport and recreation (Sport and Recreation New Zealand), arts projects (Creative New Zealand) and film projects (the New Zealand Film Commission)
- retrospective funding for projects or parts of projects, activities, items and/or services completed, acquired or provided before the committee's application closing date
- debt repayment, refinancing of existing loans, deposits, or underwriting projects
- projects or activities seeking to promote commercial, political or religious objectives, including political advocacy projects, employment and/or business initiatives, and commercial enterprises
- fund-raisers and projects which seek to raise funds in or for a specific sector, or which provide training for fund-raisers
- projects which seek to redistribute Lottery grant monies to others at their own discretion.

The following areas are excluded from receiving funding from all Lottery distribution committees. Any application for these areas must be made to the Lottery Minister's Discretionary Fund:

- volunteer fire-fighting services
- overseas travel
- animal welfare.

HOW WE ASSESS YOUR APPLICATION

The Lottery distribution committees are discretionary funding bodies. Committees need to know:

- that there is a community need and the extent to which a grant proposal will address that need
- the potential end benefit of the grant to the community
- that the applicant has the capacity and capability to deliver the potential benefit
- that the potential benefit aligns to the Gambling Act 2003, Lottery Grants Board policy and committee funding priorities.

Other matters that may be taken into consideration are:

- the applicant's level of compliance with the approved purposes, terms and conditions of any previous Lottery grant, and the results achieved through the expenditure of that grant
- the extent to which the community supports an application
- the adequacy of the applicant's structures (for example, experienced and well-organised voluntary or paid staff, effective networks, access to all necessary equipment and other resources), its financial and management practices, and accountability compliance on past projects
- the financial situation of the applicant (see the Financial Information Requirements section)
- any independent assessment or comment obtained from relevant third parties
- past precedents for funding such applications and any precedents that would be set by funding a particular application
- other sources of funding available and the applicant's fund-raising capabilities
- compliance with all relevant legislative requirements and standards of good safe practice.

Applications for projects requiring building and resource consents must generally have the necessary approvals in place prior to the application closing date. Some specialist committees have additional criteria before making a grant, such as the Lottery Health Research Committee's requirement that research projects must have appropriate ethical approval.

Please refer to specific committee Information Sheets for further information.

FREQUENCY OF APPLICATION

In any financial year requests for grants usually exceed the funds available for distribution. In fairness to all applicants, a second grant application and any subsequent grant applications for the same project or service in the same financial year generally will not be funded. The Lottery financial year is 1 July to 30 June.

HOW MUCH TO APPLY FOR

There is no limit to the amount that you can apply for, though it cannot be more than the cost to deliver or complete your project or activity. To manage demand on funds, committees may set upper limits on grant amounts and/or may be unable to fund up to the amount requested. The Record of Grants, available at www.dia.govt.nz, will give you ideas of what sort of grants have been made in the past year, and their level.

The Lottery Grants Board encourages applicants to work with others to deliver benefits to New Zealand communities and seek out other funding bodies that may be able to assist with funds for their project or activities.

Funding options are listed on www.dia.govt.nz and FundView, www.fis.org.nz, a database run by the Funding Information Service that lists other organisations that may be able to assist with community activity funding. This database can be accessed free of charge at a number of public libraries, district councils and Citizens Advice Bureaux, and at Department of Internal Affairs offices (see Contact Us on www.cdgo.govt.nz). These providers pay the database registration fee to enable community organisations to gain free access.

All grants are made exclusive of Goods and Service Tax (GST). GST is added if the applicant has indicated that it is registered for GST and has provided a GST number.

Prerequisite funds

As Lottery grants are rarely sufficient to fund an entire project or all of an organisation's activities, some committees require applicants to have secured a portion of their funding prior to applying for a grant. Check the Information Sheet for the fund you wish to apply to, or discuss with an advisor by calling **freephone 0800 824 824**.

Financial Information Requirements

Some committees require specific financial information. The type of information required depends on how much money is being requested and how long your group has been in existence. The Supporting Financial Documentation Information Sheet (available online at www.cdgo.govt.nz) sets out more fully the financial information required. The information required is also specified in grant application forms.

It is preferable that audited accounts be provided if available. However, annual accounts provided with an application must meet the requirements of your group's constitution or trust deed, (for example, if your trust deed requires that your accounts be audited, then audited accounts must be provided). They must state the period covered; be no more than 16 months old at the grant application closing date; and, if applicable, show any previous Lottery grant income, expenditure of Lottery grant funds, and the amount and source of any other funds used for the activity to which the Lottery grant contributed as separate entries or a note in the annual accounts.

Legal Status

Except when a grant is made to an individual, grants over \$10,000 can only be made to legal entities (e.g. incorporated societies, charitable trusts and companies with charitable status), regardless of the amount applied for.

Grants to organisations without legal status are limited to a total from all committees of no more than \$10,000 to any organisation in any financial year (the Lottery Grants Board's financial year is 1 July - 30 June).

An organisation without its own legal status, which is a branch of a national organisation that has legal status, may apply for more than \$10,000 if the Client Agreement is co-signed by the national body. Any supporting financial information requirements are those that apply to the body with legal status.

Applicants do not have to be registered with the Charities Commission. Please note that registration with the Charities Commission does not in itself confer legal status on an organisation.

WHAT WE REQUIRE OF YOU

The Lottery Grants Board is responsible to Parliament, and therefore to every New Zealander, for where and how it distributes Lottery profits, so there

are a number of requirements of Lottery grant recipients.

Using the grant

- A grant may be used only for the purpose and amounts for which it was given, and the recipient must meet any conditions the committee may decide on.
- A recipient must request prior written approval from the committee that made the grant to use a grant for a purpose different from that approved.
- Funds left over from a grant must be returned to the Lottery Grants Board.
- A recipient must repay any grant monies spent on anything other than the purposes approved by a committee.

Applicant and grant recipient responsibilities

- Sign and return the Client or Grant Agreement Form. This agreement sets the terms and conditions of a grant. Most committees require a signed Client Agreement to be submitted with a grant application.
- Signing a Client or Grant Agreement means a grant recipient agrees to:
 - tell the granting committee, by contacting the Department of Internal Affairs, if any problems arise which could place the project, activity or organisation at risk, such as a change in financial situation, change of CEO or intention to wind up or cease operations.
 - tell the granting committee of any changes to your group's details, including:
 - name of organisation
 - address (physical, postal and/or email)
 - telephone and fax numbers
 - name of main contact and/or authorised signatories (for example, if they leave the organisation).
 - inform the granting committee as soon as possible, and lay an immediate complaint with the Police, if you believe any grant money has been stolen or misappropriated.
 - allow the Board to audit grant expenditure, and to co-operate with on-site audits and investigations by making available all records and accounts relating to the grant.
 - contribute to the Lottery grants evaluation programme by providing information on the results of Lottery grant expenditure.

- Report on how a grant was spent and the benefit to which the grant contributed. An Accountability Report is required in respect of any funds granted when the project is completed, the grant has been fully spent, or at the end of any specified grant expenditure period. Some committees require interim reports to be submitted to release grant progress payments.

A grant application, Client or Grant Agreement and any accountability report must be signed by people, 18 years of age or over, with authority to sign on behalf of a grant applicant and/or recipient. A signatory cannot be an undischarged bankrupt or participating in the Ministry of Economic Development's No Asset Procedure. A signatory may not have a conflict of interest such as be a recipient of a salary, or be party to a contract for services to be funded by the grant.

Financial management

Grant recipient organisations must have the following set of minimum financial controls in place:

- two signatories to bank accounts
- maintenance of a cashbook or equivalent
- appointment of a treasurer as specified in the group's constitution or trust deed
- tracking of different funding, e.g. through a spreadsheet or journal entry
- regular financial reporting to every full meeting of the governing committee.

Promoting Lottery Grants Board support

Grant recipient organisations must acknowledge the Lottery Grants Board's support in publicity materials, such as event programmes, and in annual reports.

Where a building project has been assisted, involving grant funding of more than \$30,000, a plaque may be provided to be displayed prominently on the facility.

Information about any grant may be utilised in publicity material by the New Zealand Lottery Grants Board or the New Zealand Lotteries Commission (except for personal information supplied as part of an application to the Lottery Individuals with Disabilities Committee). Other application information may be released, if required, under the

Official Information Act. After 10 years, grant applications will be transferred to the National Archives, where they will be available to members of the public.

- The names and grant details of all lottery grant recipients (except those receiving grants from the Lottery Individuals with Disabilities Committee) will appear online in the Record of Grants available at www.dia.govt.nz, or in a print version available from Lotto sales outlets.
- In submitting a grant application an individual or an organisation (the applicant) acknowledge and agree that the Department may disclose to, or obtain from, any other government department or agency, private person or organisation, any information about the applicant for the purposes of gaining or providing information related to the funding of the applicant.
- Grant applicants and recipients may access their information details and amend at any time. To view any personal information held by the Department of Internal Affairs, or raise a concern about personal information that it holds, please write to: The Privacy Officer, Department of Internal Affairs, PO Box 805, Wellington 6140.

CLOSING DATES

Information about grant application closing dates (and committee meeting dates) is included in a separate sheet available at www.cdgo.govt.nz or by calling **freephone 0800 824 824**. Each committee has specific requirements as to what makes up a grant application and when a grant application must be received.

IF YOU WOULD LIKE FURTHER ASSISTANCE

Funding advisors are available to answer any questions you may have about making an application for lottery funds. You can contact lottery staff through the **freephone 0800 824 824**; by emailing grantsonline@dia.govt.nz; or by liaising directly with the relevant office (see Contact Us on www.cdgo.govt.nz).