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CONSULTING
Good thinking

Auspicing
Considerations

Fortunately most of us live in communities where someone has a new good idea every tick of the clock. Some ideas take off to the point where people get together and decide to put legs on them. This is what civil society is all about!

Turning the dream into reality often costs money and that's where government or philanthropic grants may come in. But there are strings attached, including being legally accountable for how the funds are used and what is done with them.

For the incorporated group...

If you are on the board of an incorporated group and have been approached to be the legal auspice for someone's grant application, here are a few things to think through before you decide.

Your group will be held accountable for the proper use and acquittal of that grant, even though it is not for your own use. Unfortunately, you don't have to look too far to find a few examples where someone in the auspiced group has acted fraudulently. If you are unclear about the liability implications, seek legal advice from your funding body, or elsewhere if the funding body can't offer that.

Do your people have good connections with their people? In other words, are there some solid working relationships?

Does the purpose of their grant application line up well with your own group's objects, activities and/values?

Do you have time to keep in touch with their group so that you'll always know if the project is progressing as planned, workers are doing what they are paid to and so on?

Does the group seem reasonably stable and able to manage a project, get all tax invoices to you, give you updates?

Will employment of project workers be involved? If so, are you geared up to pay regular wages or super and tax and do you have Workcover arrangements in place?

Are the activities proposed in the grant application the sorts of things that are covered by your insurance policies already, or would you need to consider buying extra cover? Check out details about any events planned such as audience/crowd size, is alcohol involved, are activities risky – like horse jumping or car rallies, is costly equipment involved...

Does your book keeper have time available to process extra financial transactions?

Can their group fit in with your routines for signing cheques and paying accounts?

Most funding bodies require an audited or accountant-reviewed report within a set timeframe. Are you geared to track their expenditure and income separately so that the audit is clear for their grant?

Make no mistake, all this will take time which is a cost to your group – do you have a policy about how much you require as an auspice fee?

If things go well, you will share the pleasure of contributing something worthwhile to your community.

If things get ugly, you will need to know what your exit strategy is and because you are probably in the business of improving community networks, not blitzing them, you will need to exit purposefully, in a timely way and well!

Do you have an auspice agreement written so that everything is in black and white and signed off up front to prevent problems later?

For the unincorporated group...

If the funding comes through, do you have enough committed people to run the project?

Do you have good relationships with a potential auspice where there is mutual trust?

Do they do good work and seem well-managed?

Do you need someone to be an employing body for any project workers? If so, an organisation that already employs people may be ideal.

What are the insurance costs of your project and do you have enough in the budget to cover them?

If you receive a grant you will probably have to submit a project report and the auspice group will need to get your expenditure audited or reviewed by an accountant – are you prepared to create a paper trail for the audit and put in time to make sure they have everything they need? If not, rather than apply for a grant, work out what you can do with purely volunteer labour and in kind support.