

Funding Deed of Agreement – Fact Sheet

A new and streamlined approach

Background

The Department of Infrastructure Local Government and Planning (the department) administers a number of application-based and allocation-based grants and subsidies programs.

Prior to 2016-17 the funding contractual arrangements consisted of a Head Funding Deed of Agreement and a sub-agreement executed with the funded organisation for each approved project or allocation.

The department has introduced a new and streamlined funding approach. This approach involves having only one agreement - a Funding Deed of Agreement (Deed). The Deed is a perpetual agreement and remains in place until terminated in writing by either party.

It is a requirement that all organisations with approved funding enter into this Deed with the department.

One agreement

One of the advantages of this new arrangement is that a separate sub-agreement for each project or allocation of funds is no longer required.

Funded organisations can commence their approved project as soon as receiving a Formal Advice of Funding Approval from the Minister responsible for Local Government. For most approved projects the timeframe for project completion is 12 months from the date of formal advice of funding approval. This timeframe is referred to as the Funding Period in the Deed. The intention of the new approach is to provide funded organisations with every opportunity to complete projects within the approved timeframe to ensure that the benefits for the community and project outcomes are realised in a timely manner.

Obligations of both parties

The Deed details the obligations of the funded organisation and the department. The following documents listed in clause 1.3 of the Deed make up the agreement:

- The Deed
- The relevant Funding Program Guidelines
- Formal Advice of Funding Approval
- Written approvals and requirements of the Department as notified formally to the Organisation in writing
- The Organisation's application(s) for Approved Funding (where applicable).

How are funds dispersed?

For application-based funding programs (eg. Local Government Grants and Subsidies Program, Community Resilience Fund, Natural Disaster Resilience Program) there is a requirement in clause 4.1.3 of the Deed for an organisation to submit a project management plan to the department within one month of formal advice of funding approval. Once this plan is endorsed by the department, the first payment of 30% of the approved subsidy, will be made. Up to 60% of the approved subsidy will be provided when the organisation submits a subsidy claim certifying that the work has been completed and the costs stated have been incurred. The final 10% will be paid on submission of the final subsidy claim and a final project report. For more information see clause 4.1.31, 4.1.32 and 4.1.33 of the Deed.

For allocation-based funding programs the disbursement of funds will be accordance with the relevant funding program guidelines.

For further information contact:

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Summary of changes with Funding Deed of Agreement (Deed)

What has changed from before 2016-17	Deed Clause	Explanation
There is now only one agreement to be executed.	1.3	<p>The Deed is perpetual with no requirement for individual sub-agreements or Acknowledgement of Funding Acceptance Form for each project or allocation of funds.</p> <p>Once executed by both parties, all future approvals of funding will be bound by this Deed.</p> <p>The funding agreement is made up of the following documents and will be interpreted in the following order of preference:</p> <ol style="list-style-type: none"> 1. the Deed 2. the relevant Funding Program Guidelines 3. the Formal Advice of Funding Approval 4. any written approvals and requirements of the Department as notified formally to the Organisation in writing 5. the Organisation's application(s) for funding (where applicable).
Project commencement	4.1.1	<p>As there is no longer a reference to entering into a sub-agreement, project commencement is not reliant on the execution of that document.</p> <p>For application-based funding programs, project commencement begins on the date of formal advice of funding approval. For allocation-based funding programs, projects can also commence from this date, providing any previous funding has been acquitted and any special conditions met.</p>
Project Management Plan (PMP)	4.1.3	A PMP is required to be submitted for application based funding programs. The minimum requirements for a PMP are detailed in clause 4.1.3. When the department accepts the PMP the first payment of 30% of the approved subsidy will be made.
Acquittal requirements	4.1.31	Rather than providing a certifying letter and a final project report, only the final project report is required to be submitted to the department. The template for the report is on the department's website.
Acknowledgement of funding	6.1	The necessity to acknowledge funding from the department remains, and is to be, in accordance with the funding acknowledgement guide published on the department's website. The acknowledgment requirements were previously detailed in the sub-agreement supplemented by the funding acknowledgement guide. All information regarding funding acknowledgement is now in the guide.
Variations to the funding agreement and approved projects		Variations will be by letter rather than by execution of a Deed of Variation.
Current sub-agreements	17.13	This clause states that any Sub-agreement entered into between the department and a funded organisation under a previous Head of Agreement continues in force under the previous Head of Agreement. This will remain in place until the completion and successful final acquittal of the funded project.