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|  <p>TRUST WAIKATO TE PUNA O WAIKATO</p> | <h1>Donations</h1> | |
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| Purpose | <p><i>The Donations Policy guides Trust Waikato's distribution of a proportion of its funds to support a wide range of not-for-profit groups and the projects that they undertake, with the ultimate aim of benefiting people in the Trust's region.</i></p> | |

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1.0 Introduction

The following document summarises the Trust's donation policies which exist within the context of the Trust Deed and the Trust's Vision, Mission and Principles. For completeness these overarching purposes are set out below:

2.0 Trust Strategic Plan *see also Strategic Plan*

Trust Object: The Trustees shall stand possessed of the Trust Fund UPON TRUST to be applied for charitable, cultural, philanthropic, recreational and other purposes beneficial to the community principally in the Specified area.

Trust Vision: Resilient and vibrant communities.

Trust Mission: E Tautoko ana, e Awhina ana i Te Hira Tangata o Waikato Whaanui Supporting and enhancing the greater Waikato community *through being* a vital and effective funder of communities in the region.

Trust Principles:

- One Valuing and respecting Maori as Tangata Whenua.
- Two Valuing and recognising cultural diversity
- Three Valuing the current and future worth of the Trust's resources
- Four Valuing and promoting a community development approach
- Five Valuing and supporting community organisations

Trust Region: The Specified Area set out in the Trust Deed "means all that area comprising the counties of Coromandel, Hauraki Plains, Matamata, Ohinemuri, Otorohanga, Piako, Raglan, Taumarunui, Thames, Waikato, Waipa, and Waitomo and including all cities, boroughs and town districts surrounded by or contiguous to those counties, as the said counties were constituted on the first day of October 1964."

In today's terms these are largely the areas of the following territorial local authorities: Hamilton City, Thames/Coromandel, Hauraki, Matamata Piako, Waipa, South Waikato, Waikato, Otorohanga, Waitomo, Ruapehu.

The Trust acknowledges that this area includes much of the lands of the Tainui waka, and thus the people of Waikato, Raukawa, Hauraki and Maniapoto.

Te Tiriti o Waitangi

Trust Waikato is committed to achieving the aims and objectives of Te Tiriti o Waitangi by valuing and respecting the tangata whenua status of Maori within the partnership described in Te Tiriti.

The partnership is between tangata whenua, the indigenous people of this land, and tangata tiriti, the many diverse peoples who have come to this land. The Trust honours and respects all those within these partnerships.

3.0 Overview

Trust Waikato distributes a proportion of its funds annually, primarily through three donation rounds each year. These donations support a wide range of not-for-profit groups and the projects they undertake, with the ultimate aim of benefiting people in the Trust's region.

Applications are made on the Trust's application form. They are assessed by Trust staff who make recommendations to Trustees. Trustees are responsible for all Trust donation decisions. (Refer to section 18.0 for delegations of authority for staff.)

The criteria for donations are reviewed annually and the Trust sets priorities to guide its donation decision making. (See 4.0 Current Priority Areas.)

The Trust believes that all of its funding is contestable, and it will continually seek better ways to support activities in the community.

4.0 Current Priority Areas

The Trust wishes the following priority areas to be made widely known:

We focus on projects, programmes and organisations which contribute to the well-being of communities.

Funding Priorities

In 2007, Trust Waikato asked a range of community organisations, local and central government agencies and iwi groups what the issues were in their communities, and how Trust Waikato could best make a difference. Funding priorities (below) have been developed from the Trust's strategic review of current and desired work.

4.1 Supporting families and young people

We strongly support those programmes which deal with the underlying causes of social problems. This includes projects which support families, protect children and promote participation of young people in community activities.

4.2 Supporting Iwi and Maori Communities

Trust Waikato has a significant commitment to honouring Te Tiriti o Waitangi.

The Trust wishes to support projects and organisations which are at the heart of resilient and vibrant whanau, hapu and iwi.

4.3 Preserving cultural identity

Our community's history and sense of identity is important to us all.

The Trust wishes to support significant initiatives of Pacific peoples and other ethnic communities.

We support projects that preserve and protect our history and artifacts and those which promote understanding of the culturally diverse nature of our region.

4.4 Strengthening communities

Ensuring that all people have opportunities to feel part of their community – for education, work or leisure - is important to Trust Waikato.

The Trust is keen to support projects or programmes provided for people who have been denied a quality of life enjoyed by the majority.

Some communities have distinct needs – perhaps because of their size, location or population characteristics. The Trust supports community groups working actively to service these needs in identified areas.

Improving community resources is, literally, a building block towards improving social well-being for a community. The Trust encourages schools, sports and recreation clubs and community groups to share resources and facilities where possible.

4.5 Promoting organisational effectiveness

Great work in the community requires strong and viable organisations. The Trust does fund the management and operational infrastructure of groups.

The Trust strongly supports the voluntary nature of much of the work which benefits our communities. The Trust's focus is on promoting, training and supporting volunteers and their contributions.

Trust Waikato would also like to show it is taking responsibility for reducing its own ecological footprint and will be working hard to improve business practices to ensure long-term sustainability of our organisation. The Trust is keen to see other community organisations also reducing their environmental impact.

Regional Priorities

Although rich in resources and capacity to address social, cultural, economic and environmental well-being, the size, diversity and inequalities of the Trust's region present challenges for some groups and communities.

4.6 The table below shows the relative level of deprivation for local authorities in the Trust Waikato area, from areas of highest deprivation to lowest deprivation, based on NZDep2006¹:

| Quartile | Local Authority | Specific Area with decile 9-10 |
|----------|-------------------------|--|
| Q5 > 40% | South Waikato (46%) | Matarawa, Aotea, Putaruru, Stanley Park, Tokoroa central, Strathmore |
| | Part Ruapehu (42%) | Manunui, Ohura, Tarrangower, Taumarunui Central, Sunshine-Hospital Hill |
| | Waitomo (40%) | Tiroa, Taharoa, Te Kuiti |
| | Hauraki (30%) | Kerepehi, Paeroa, Waihi |
| | Waikato (27%) | Raglan, Huntly East, Taupiri Community, Meremere, Huntly West, Ngaruawahia |
| | Hamilton (27%) | Swarbrick, Porritt, Clarkin, Hamilton east, Bader, Crawshaw, Insol, Hamilton Central, Enderley |
| Q5 < 20% | Otorohanga (19%) | Otorohanga, Kawhia |
| | Thames Coromandel (16%) | - |
| | Matamata-Piako (12%) | Waharoa |
| | Waipa (7%) | Tokenui |

Note that the New Zealand average for Quintile 5 (decile 9-10 areas) is 20%.

Trust Waikato will support community groups active in the areas of highest deprivation.

5.0 Donation Categories

Organisations applying for donations are categorised, by staff, according to the New Zealand Standard Classification of Non-profit Organisations (NZSCNPO) as specified by Statistics New Zealand.

The categories are:

1. Culture and recreation
 - 1.1 Culture and arts
 - 1.2 Sports
 - 1.3 Other recreation and social clubs

¹ NZDep2006 combines nine variables from the 2006 Census which are thought to adequately describe deprivation indices. The decile scale ranges from 1-10, where 1 represents the least, and 10 the most, deprived areas. Quintiles combine two decile levels – Q5 includes deciles 9-10, the most deprived areas.

2. Education and research
3. Health
4. Social services and emergency relief
5. Environmental and animal protection
6. Development and housing
 - 6.120 Tangata Whenua Governance
7. Civic and advocacy groups
8. Philanthropic and other intermediaries
9. International organisations, aid and relief
10. Religious congregations and associations
11. Unions, business and professional associations
12. Not elsewhere classified

Each category has further subcategories. For example: Category 1, Culture and recreation, includes 1.1 Culture and arts, 1.2 Sports, 1.3 Other recreation and social clubs.

Statistics New Zealand has adapted the international system to include a category for tangata whenua governance organisations, 6.120, above.

These categories assist the Trust to understand the impact of its donations and to track priorities and trends in donations over time.

6.0 Donation Budget

Each year the Trust sets the budget for the following year's donations. The Trust tries to maintain a consistent level of donations, with the annual donations budget generally being between 3.0% and 4.0% of the Real Base Capital (also known as Base Capital Value) of the Trust Investment Fund. However the donations budget may be affected by the Trust's level of reserves and return on investments.

7.0 Annual Donation Rounds

From 2008, the Trust administers three donation rounds per annum. The timing enables donation advisors to discuss applications with community groups during the assessment phase, where that would be helpful. The approximate annual timetable is as follows:

| | Applications Close | Assessment | Donations Advised and Paid |
|----------------|---------------------------|--------------------|-----------------------------------|
| Round 1 | February | February-April | April/May |
| Round 2 | June | June-August | August/September |
| Round 3 | September | September-November | November/December |

The closing dates for each donation round are confirmed by the Trust in September of the preceding year. The timetable and process is widely advertised on the Trust website, www.trustwaikato.co.nz, in local and regional newspapers and directly to community groups and previous applicants. Information is also available on request.

Note that, normally, each community group is only eligible to receive one donation per calendar year.

A group which has had an application declined may make another, different, application to a later round in the same year (see 9.0 below).

In general, groups should only apply if they will have spent any previous donation by the time a new donation may be received from the Trust.

8.0 Out of Round Applications

Out of round applications (those received outside of the donation round timetable) will not be considered except where there is an emergency situation or an event which could not have been anticipated. Delegations to make smaller donations in these circumstances are set out in 18.0, below.

9.0 Group Eligibility

9.1 In general organisations eligible for donations must operate in the Trust area. (See section 2.0.) National organisations will be considered for donations to the extent that they provide benefit to the Trust's region. Those organisations that fall slightly outside the boundaries of the region will also be considered to the extent that they provide benefit to the region. New Zealand-wide applications (see section 24.0) received through the combined community trusts of New Zealand will be considered, where possible, at one of the donation rounds.

9.2 The Trust does not fund individuals.

9.3 In general, organisations eligible for donations must:

- a. be an incorporated society, or
- b. be a registered charitable trust, or
- c. be a limited liability company fully owned by one of the above and operating for charitable purposes, or
- d. be controlled or co-ordinated by an arm of central or local government, or
- e. be controlled by an association of persons under an adopted constitution, and rules, AND
- f. produce annually reviewed or audited Financial Statements and reports (see 11.1), AND
- g. be in the Trust area.

- 9.4 **Only one application will be accepted from each organisation.** If an organisation submits more than one application, staff will contact the applicant(s) to attempt to reach agreement regarding the consolidation of the applications. If agreement cannot be reached on consolidation then this will be reported to the Trust.
- 9.5 The following organisations are subject to specific provisos:
- a. The Trust will not fund church-based or religious activities which should, in the view of a reasonable person, be the responsibility of churches to fund. The Trust only funds projects being sponsored by churches or religious organisations where there is a clear community benefit which will be derived from such a project.
 - b. The Trust will consider projects sponsored by local or central government in a co-ordinating role. However, see section 14.0 Areas of Government Responsibility.
 - c. Schools (including Parent Teacher Associations) must make applications through their Board of Trustees.
 - d. The Trust cannot fund for-profit groups. However, it will consider applications from not-for-profit groups which have an aim of supporting the community through enhanced economic activity.
 - e. The Trust will generally not fund those groups which have a polarised political activity as their main focus.
 - f. The Trustees need to be able to see that funding will provide a direct benefit to people. The Trust will, for example, only fund environmental projects and projects relating to animals where such a direct people benefit can be shown. Having said this, the Trust will consider applications aimed at preserving and enhancing culturally significant flora and fauna.

10.0 Project/Programme Eligibility

10.1 Ineligible Projects

Generally the Trust will not make donations for:

- a. individuals
- b. travel overseas or outside of the region
- c. conference attendance
- d. vehicles
- e. completed projects
- f. sports uniforms
- g. prizes and trophies
- h. commercial organisations
- i. loan repayments or other debt instrument repayments
- j. venture capital
- k. endowments
- l. fundraising

Potential applicants are encouraged to contact a Donation Advisor as exceptions may be made where the project can demonstrate strong links to one or more of the Trust's funding priorities (refer to section 4.0, above).

- 10.2 By preference donations will be made to:
- a. organisations that provide services to those who may have been denied a quality of life enjoyed by the majority,
 - b. organisations which offer their facilities or services for the benefit or enjoyment of the public and contribute to community well-being,
 - c. groups which give their time to helping social problems,
 - d. groups that can show community support for their operation,
 - e. groups which have a proven track record in their area of operation, though the Trust may support new organisations that have significant potential,
 - f. groups applying for projects which are consistent with the Trust's current priorities (see 4.0, above),
 - g. groups which can show that their activity or project can make a real difference in terms of the above criteria.

The Trust will have regard to the overall level of community benefit that could be expected to be derived from the applicant group or the project.

11.0 Assessment of Applications

- 11.1 **Completeness of application.** Applications will not be considered unless the application form is completed and the Financial Statements, Chairperson's Report, latest bank statements and a printed bank deposit slip included. Applications which are incomplete will be returned to the community group to be completed and submitted to a later round.

The reason for the requirements for Financial Statements, Bank Accounts and Chairperson's Report is to allow staff to assess whether a group is bona fide. In the absence of this information staff may rely on other information provided by a group which establishes their status, noting that:

- a. in the absence of such information, donation recommendations are kept at a lower level.
- b. notwithstanding the above, a donation can only be direct credited to a group's (not an individual's) bank account, hence a printed bank deposit slip is required.

Requirement for audit of financial statements

- a. Organisations receiving a donation of less than \$5,000 are not required to provide audited financial statements as part of accounting for the use of the donation.
- b. Organisations receiving a donation of \$10,000 or less may choose to have a limited review or agreed-upon procedures as a check of the financial statements, rather than a full audit.

Organisations are referred to the New Zealand Institute of Chartered Accountants information sheet “Information for Not-for-profit Organisations”, available on the Trust Waikato website.

- 11.2 With respect to applications that have not been signed or which have not been signed by an authorised person:
- a. staff will contact groups whose application forms have not been signed, and who would otherwise be eligible to receive a donation, and give those groups an opportunity to make good the omission within two weeks of the request,
 - b. unsigned applications will not be considered for donations if the group has been given an opportunity to sign the same, and has not done so. These applications will be treated as “incomplete” – see 11.1, above.
- 11.3 **Late applications.** Applications which are received after the closing date for a Donation Round will not be accepted. They will be returned to the group with an invitation to re-submit the application for the next round, if appropriate.
- 11.4 Failure to account for the use of a past donation may be sufficient cause for an application to be declined. (See section 22.0 Accountability.)
- 11.5 **Donation misuse.** Using a past donation for a purpose other than that approved by the Trust will mean that at least the next subsequent application will be declined. (See also section 18.0 Delegations of Authority regarding approval for change of use.)
- 11.6 Applicants must apply for funds for a specified purpose. A greater level of detail and project justification will be required for applications which request larger amounts. The level of donation approved is relative to the size of the project.
- 11.7 **Level of Financial Reserves** The Trust acknowledges that it is prudent for organisations to carry financial reserves for their operations and funding tagged for specific projects. The Trust also acknowledges that some groups receive bequests, endowments or other investments, which may be tagged for special purposes, including ongoing income generation.

However if an organisation is carrying reserves greater than a year of operating costs, with the funding not tagged for special projects, then the Trust is less likely to approve a donation to the organisation.

11.8 **Unlikely to Proceed Applications**

- a. In general the Trust only commits funds to projects when it is clear that the project in question will be able to proceed within a year.
- b. When a group’s application is declined as “unlikely to proceed” within a year, the group will be invited to discuss the application, with staff, and appropriate timing for an application to be submitted at a later donation round.

11.9 When Project Proceeds

- a. Staff are given the discretion to recommend a conditional donation to a group, notwithstanding the “Unlikely To Proceed” rule, above, when the donation would otherwise fulfil the Trust’s strategic objectives with regard to targeted groups, issues or areas.
- b. These “when project proceeds” donations enable the Trust to indicate to a group a donation commitment, but to not pay out the donation until the group provides evidence to the Trust that the project, as originally applied for, is going ahead. This includes confirmation that funding for the whole project has been confirmed.
- c. When project proceeds donations are generally available for two years. An extension for a further year may be sought by writing to the Trust requesting an extension, approved or not by the Chief Executive. However if the donation has not been used within 3 years, the donation commitment will be withdrawn. In this situation, should the project be pursued, the organisation may apply for a new donation in the normal way, but must make a strong case for the viability and likelihood of the project going ahead within a year.

11.10 In relation to **regionally significant projects** the Trust will:

- a. normally only commit funding to such projects once all other funding has been secured and conditions have been settled, and
- b. make any such commitment conditional on all other funders’ conditions remaining unchanged.

12.0 Donation Amounts

12.1 **Considerations:** The amount donated to each group will take a range of factors into consideration. The current minimum donation is \$350 and there is no maximum set. The main considerations are the size of the group, the group’s history, the project being undertaken and its level of community benefit.

12.2 **Organisations with members** (e.g. a school): In order to maintain regional equity a dollar per head criteria is used to set the benchmark for a donation. For example, if two schools are both repairing two similar sized playgrounds, then the school with 500 pupils will get twice the funds compared with the school with 250 pupils. The current dollar per head amount is up to \$10 per member (see also section 14.0 Areas of Government Responsibility).

There is discretion to increase the amount up to \$20 per member for projects in some areas because of their comparative disadvantage (as indicated by the NZ Deprivation index, see section 4.6, above), and hence a reduced ability for groups to attract community funding.

When considering donations to schools, the decile level² of the school is taken into consideration.

- 12.3 The Trust will, by preference, support organisations that can sustain their operation independently of any contribution received from the Trust. In practice this means that the Trust prefers not to fund more than 10% of the operating costs of an organisation.

For capital projects, the Trust will provide **up to** 10% of the capital costs of the project. This level of contribution means that there is still a significant requirement for the group to raise the rest of the funding themselves. See also section 14.0 Areas of Government Responsibility, which varies the likely donation amounts in some circumstances.

The 10% policy for both operational costs and capital projects can be varied up to 20% if

- a. there is significant volunteer labour, fundraising or other meritorious factors.
- b. the project is regional in nature (see also 11.10, above).
- c. the group operates in a high deprivation area.

In exceptional circumstances, on a case by case basis, the Trust may consider funding a higher percentage.

When a capital project is funded, the donation may be held back until it is clear to the Trust that it will proceed as outlined in the original application, and also until any other conditions set by the Trust have been met (see also 11.9, When Project Proceeds, above).

- 12.4 In assessing the level of **contribution to sporting groups** the Trust will take into account the extent to which a sporting group's plans are co-ordinated with other local, regional and national plans and the number of participants in the sport.
- 12.5 The Trust will be proactive in discussing **major projects** with other funders and should be able to indicate potential support to applicants (see also 17.0, below).

13.0 Multi-Year Donations

From 2010, the Trust will consider applications for **Multi-Year Donation Commitments**, within the following guidelines.

² A decile indicates the extent to which a school draws its students from low socio-economic communities. Decile 1 schools are the 10% of schools with the highest proportion of students from low socio-economic communities, decile 10 schools have the lowest proportion of these students. Deciles are calculated by the Ministry of Education and are available from 'Directory of Educational Institutions', www.minedu.govt.nz.

- 13.1 General guidelines
- a. the purpose of the organisation and its work is closely aligned with the donation priorities of the Trust;
 - b. **and** a multi-year donation will assist the organisation better achieve its mission, provide ongoing quality services, strengthen its planning or build its capacity;
 - c. **and** the organisation has a track record with the Trust of at least 3 consecutive years of donations and appropriate accountability reporting;
 - d. **and** the organisation has audited annual financial statements with no significant qualifications.
- 13.2 Multi-year donations will be “approved in principle” subject to the following;
- a. an appropriate accountability report and audited financial statements being received by the date specified in the letter informing the organisation of the multi-year donation commitment. (This date will normally be the closing date of the same application round as the round in which the original application was made.)
 - b. and there being no material changes to the organisation’s work or financial position.
- 13.3 Normally multi-year donation commitments will be for the same donation amount each year.
- 13.4 Organisations receiving a multi-year donation commitment may also apply for a donation towards major capital works or a significant new service over the same time.
- 13.5 In making multi-year donations the Trust is mindful of the need to balance commitments to multi-year donations and annual donations.

14.0 Areas of Government Responsibility

- 14.1 The Trust does fund projects and organisations in partnership with the government. However, the Trust does not wish to take over areas that are clearly the responsibility of central or local government. The following questions are considered when deliberating on such applications:
- a. Would a reasonable person expect the government to fund this project?
 - b. Can the organisation afford to fund the project itself?
 - c. Will the organisation’s members directly benefit from the project?
 - d. Is there a more general community well-being benefit from the project?
 - e. Given all the circumstances will the project make a real difference in the organisation or community?
- 14.2 At times the Trust will consider moving into areas which would traditionally be considered as being the Government’s responsibility. However any such applications will be treated cautiously and on the merits of the application.

- 14.3 In relation to the Trust's funding of groups funded by the government, the following is noted:
- a. in general in those situations where a project is being sponsored by the government or local government, or where the group sponsoring the project is primarily funded by government or local government, or the project is being provided on land controlled by government or local government, then the normal Trust donation should be discounted by approximately 50%.
 - b. in interpreting this policy staff are authorised to take into account matters such as volunteer contributions and organisational factors to ensure that the overall Trust contribution to groups does not penalise groups with otherwise limited resources.

15.0 Formation of Partnerships

- 15.1 The Trust will seek out/initiate **partnership opportunities** based on needs identified through the community or from its own strategic review and priorities. Partnering is acknowledged as key to addressing complex problems which are beyond the capacity of any one group working alone. These partnerships may result in multi-year donation commitments.
- 15.2 The major criteria for the Trust in entering into any partnered relationships is a focus on shared values, principles and goals - an explicit attempt to seek some form of permanent improvement to community well-being.
- 15.3 Applicants for partnership funding will need to provide additional information with their application including:
- a. organisational goals,
 - b. project goals, if the project that is the subject of the partnership bid is a smaller part of the organisation's overall activities,
 - c. a statement as to why the project would benefit from a multi-year or partnership commitment,
 - d. an indication of which other stakeholders have been consulted in relation to the project and their response to it, and
 - e. how the group plans to meet the major goals for multi-year funding relationships.
- 15.4 Partnership funding, if approved, will be subject to the establishment of a collaborative agreement for reporting achievement of agreed goals at interim points.

16.0 Affiliated Groups

The Trust encourages individual groups to apply directly to it for funding.

17.0 Consultation

- 17.1 Trust Waikato wishes to be proactive in discussing major projects with other funders and should be able to indicate potential support to applicants.

The Chief Executive is authorised to discuss draft donation recommendations on a confidential basis with appropriate parties, as agreed to from time to time by the Trust, such as:

- a. the Community Development section of the Department of Internal Affairs
- b. Te Puni Kokiri
- c. Arts Waikato
- d. Community Waikato
- e. WEL Trust
- f. Local Authorities in the Region, with respect to applications received from their areas
- g. Sport Waikato
- h. Perry Group
- i. D V Bryant Trust
- j. Maori Trust Boards in the region
- k. Te Runanga o Kirikiriroa

Funding priorities of other funders will be considered when making donation recommendations and decisions.

- 17.2 Local Authorities within the Trust's area will be invited, each year, to inform the Trust of their community priorities. The Trust will be advised of key projects included in the councils' long-term council community plans and/or annual or local community plans.

These local priorities will be considered when making donation recommendations and decisions.

18.0 Delegations of Authority *see also Delegations of Authority Policy*

- 18.1 The Chief Executive has delegated authority to decide donations, for example where an application is considered outside of the donation rounds (see section 8, above) that are fully within policy up to a maximum of \$5,000 per application, provided that the total of such donations does not exceed \$25,000 in any one financial year.

The Chief Executive is required to report to the Trust on a monthly basis on the use of this delegated authority.

- 18.2 The Donations Advisors have delegated authority to decide donations that are fully within policy up to a maximum of \$2,000 per application, provided that the total of such donations does not exceed \$10,000 in any one financial year.

The Chief Executive is required to report to the Trust on a monthly basis on the use of this delegated authority.

- 18.3 The Chief Executive has the delegated authority to change the use of an existing approved donation subject to:
- a. the proposed new use of the funds being entirely consistent with Trust policy,
 - b. the scale of the proposed new use being similar to the scale of the originally proposed use,
 - c. the donation or commitment not being for an amount exceeding \$10,000.

The Chief Executive is required to report to the Trust on a monthly basis on the use of this delegated authority.

- 18.4 The Chief Executive has the delegated authority to extend a 'when project proceeds' donation for a further year (in addition to the original 2 years), in accordance with section 11.9, above.

19.0 Donations Contingency Fund

A small portion of the annual donations budget is set aside as a Donations Contingency Fund each year (in 2009 this amount was \$50,000) to provide for out of round applications, including donations approved under the Chief Executive's and Donations Advisors' delegations.

20.0 Community Loans

The Trust, from time to time, makes loans available for large community projects on a discretionary basis. Community loan applications will be considered as they arise, at monthly Trust meetings, with any donation implications of such loans to be incorporated within the next donation round.

Requests for the Trust to consider a loan should be made to the Chief Executive in the first instance.

21.0 Research Projects *formerly the Research Policy*

- 21.1 The Trust is keen to work as a funding partner with Waikato University, Waikato Institute of Technology (WINTERC), the Tainui Endowed College and Te Wananga O Aotearoa to assist the research being undertaken by the staff and students of these institutions, where the research fulfils the criteria set out in 21.5, below.

If any of these institutions are undertaking research which they would like the Trust to consider then they should submit an application to the Trust as part of the Trust's donation process.

All staff applications from one institution should be compiled together by the Research Officer/Research Director of that institution and forwarded to the Trust.

An institution may apply for a lump sum to support student projects and then itself make the allocation to appropriate student projects, using the criteria set out below (see 21.5). The institution must report annually to the Trust on the allocations made. The institution will also be responsible for forwarding, to the Trust, an accountability report on all the projects funded.

- 21.5 The Trust will assess any such applications based on the criteria set out below. (It is also noted that the assessment of student research by Waikato University and the Waikato Institute of Technology should follow similar lines.) As with the student research, the Trust would also expect to receive a copy of the final research report with a view to releasing the work publicly, for example on the Trust's web site.

Assessment Criteria for Research

- a. the Trust may fund research where:
- i. the research directly involves, or may provide a benefit to, a group which itself is eligible to receive a Trust Waikato donation, and
 - ii. the research aims to:
 1. improve the effectiveness of the Trust's donations to that group, or
 2. improve that group's operations, or
 3. improve the lives of the beneficiaries of that group.
- b. In terms of individual research projects the Trust notes that the following matters will be given priority (see also section 4.0, Current Priorities):
- Projects or programmes that contribute to community well being.
 - Projects or programmes which provide positive support for Maori and organisations working with whanau, hapu and iwi.
 - Projects that preserve our history and promote understanding of the culturally diverse nature of our region.
 - Projects or programmes which provide for people who have been denied a quality of life enjoyed by the majority.
 - Projects or programmes which:
 - *Deal with the underlying causes of social problems.*
 - *Support families or protect children*
 - *Promote participation of young people in community activities*

- *Operate in communities identified as having distinct needs because of their geographic location, size or population characteristics*
- *Strengthen the capacity of community organisations*
- Not for profit groups which aim to support the community and community facilities through sustainable economic activity.

22.0 Accountability

The Trust expects that donations will be spent for the purpose for which they are granted and that organisational or community benefits will be the result. An accountability report will be required either when the group makes a subsequent application or within 12 months of receiving the grant, whichever comes first. Groups will be required to report on the expenditure and outcomes of the donation, for example, how the money was spent and the impact the donation had on the community. Accountability conditions may be imposed on donations, in writing, from time to time.

Follow-up on donations is undertaken in a number of ways. Trust Waikato Donation Advisors aim to call or visit, in particular, those groups which receive a donation of \$10,000 or more. This may be undertaken in conjunction with subsequent donation application investigations.

23.0 Conflicts of Interest *see also Disclosures of Interest Policy*

Trustees are required to declare any direct or indirect conflict of interest in relation to any application being considered. For example, a direct conflict exists when a Trustee is a member of an applicant organisation. An indirect conflict exists when a member of a Trustee's immediate family is a member of an applicant organisation. Staff members are also required to declare any conflicts of interest.

Trustees and staff are also required to disclose interests relating to the contractual or financial business of the Trust.

The full policy and procedures relating to the disclosure of interests are outlined in Section 9.0 of the Governance Manual.

24.0 New Zealand Wide Applications

From time to time all New Zealand Community Trusts receive applications that have national benefit. The following process has been agreed by all Trusts:

- 24.1 Before an application is promoted to other Trusts it must be within the policy and guidelines of the host Trust, or recommended by the Chairpersons Group for consideration.

- 24.2 If an application is considered worthy of national consideration the host Trust is to circulate:
- a covering memo to the Chief Executives from the host Trust outlining the merits of the project,
 - a copy of the application on the application form of the host Trust
 - the applicant's annual accounts and taxation status, and
 - a pro-rata **guideline** based on the most recent comparative data of net assets of individual Trusts, unless otherwise agreed.
- 24.3 The host Trust will remain the point of contact and the financial controller throughout the project unless otherwise agreed.
- 24.4 Trust Waikato has determined that, where possible, New Zealand-wide applications will be considered at one of the donation rounds.
- 24.5 All Trusts are to advise the host Trust of their decision.
- 24.6 The host Trust should not be obligated to fully fund the shortfall, but would be expected to contribute their pro-rata amount as a minimum.
- 24.7 If there is a lack of collective support the host Trust is able to decline the application.
- 24.8 Once all Trusts have reported their decision the host Trust will invoice each supporting Trust for the amount approved, payable to the host Trust.
- 24.9 A mandatory audit of the donation is the responsibility of the host Trust and should be advised to the participating Trusts once completed.

| Policy | | Donations |
|-----------------|--|----------------------------------|
| Version Control | | |
| 1.0 | Policy revised | 19 February 2007 |
| 2.0 | Draft policy updated with Community Loans and Research Policy inclusions, new format and numbering | 13 June 2007 |
| 3.0 | Proposed policy includes incorporating the move to three donation rounds per annum, from 2008. | 30 October 2007 |
| 4.0 | Final Policy adopted | 17 December 2007 |
| 5.0 | 2009 Policy | 24 November/1 and 15 December |
| 6.0 | 2010 Policy | 23 November 2009/ 14 December |
| Review Schedule | | |
| A | Annual | December 2011 |