

Community Contributions Policy & Procedure

1. Introduction

- 1.1. Creswick & District Financial Services' mission is to be a substantial, sustainable community-built business that contributes to community prosperity. As well as offering permanent banking facilities for our community Creswick & District Financial Services (CDFS or the Company) also uses Community Contributions to contribute to the economic and social development of our community.
- 1.2. Community Contributions take place in the following forms:
 - Community Impact Grants
 - Community Sponsorship
 - Donations
 - Benevolent Fund Recipients
- 1.3. Community Contributions are only be considered on the basis that adequate reserves of capital are in place to ensure the ongoing viability of the business.
- 1.4. **Community Impact grants** are provided to support worthy initiatives that offer a clear community benefit. There is no requirement for recipients to provide a financial return for the company but funding conditions commensurate with the level of funding can be imposed. The Community Impact Grants program will be used to enhance the message that the Community Bank is supporting community building initiatives, events and projects.
- 1.5. **Community sponsorships** are designed to support community organisations or clubs rather than specific projects and, in most cases, should seek to achieve the twin goals of supporting those organisations while also providing business development opportunities for the Creswick Community Bank Branch. A sponsorship is entered into on the understanding that there will be conditions commensurate to the sponsorship funding provided. The Sponsorship program is used to enhance the message that the community bank is supporting local organisations, clubs and events.
- 1.6. **Donations to Deductible Gift Recipients (DGR)** are considered as part of the tax planning process. There is no requirement for recipients to provide a financial return to the company. These donations may be publicised to enhance the message that the community bank is supporting worthwhile initiatives and organisations.
- 1.7. **Small Donations of up to \$500** can be considered for pre-approved community groups, individuals and projects. The recipient may be required to agree to conditions being imposed on the donation prior to receiving approval. These donations may be publicised if it is deemed beneficial for either the company or recipient to do so.
- 1.8. A **Benevolent Fund** has been established to enable the company to provide timely assistance to individuals within our community who find themselves in need of immediate support (eg. natural disasters). These contributions are not publicised and there is not expectation of financial return for the company from the recipient.

2. Purpose

- 2.1. The purpose of this policy is to ensure community contributions are assessed and processed in a transparent manner and that all decisions of the board and delegated committees are in line with good governance and sound financial management.

3. Policy

- 3.1 Creswick & District Financial Services (CDFS) is committed to serving the local community. CDFS's community investment objectives are:
 - to support community building initiatives that have generational benefit and contribute to community prosperity.
 - to support initiatives and projects that offer a clear and tangible community benefit.
 - to enhance our message that CDFS is a good corporate citizen and supports local events, organisations and initiatives.
 - to provide support for our community groups and organisations which in turn assists them to provide ongoing sustainable benefits, services and/or events for our community.
- 3.2 CDFS's ability to distribute profit will be decided upon as part of the yearly budget process. The distribution level may be varied from year to year in accordance with the financial situation of the company.

- 3.3 CDFS has a Grants & Sponsorship Committee, whose purpose is to review all applications. The Grants & Sponsorship Committee (The Committee) has a Board approved delegation of \$5,000 for approving applications for Community Impact Grants, Community Sponsorships or Donations. The Committee has a \$1,000 Board approved delegation for approving Benevolent Fund applications.
- 3.4 General rules that apply to all applications are:
- Applicants can only apply once in a 12-month period (see 3.1.6).
 - Only small donations and benevolent applications can be considered for an individual person.
 - Community Sponsorships and Community Impact Grants will not be considered for an individual person.
 - Commercial enterprises or “for profit” organisations are not eligible to apply for funding.
 - All applicants must be an active customer of our Creswick Community Bank branch or the Clunes agency. The only exception to this rule is pre-approved applicants of small grants see item 4.3.5.
 - Failure to adequately acquit previous funding will negatively impact applications.
 - Failure to comply with previous funding conditions will negatively impact applications.
 - Applicants seeking 100% of funding will only be approved in exceptional circumstances. It is expected that applicants will provide their own funds towards the proposed project/initiative.
- 3.5 Only applications submitted using our standard application process will be considered.
- 3.6 All applications will be reviewed by the Grants & Sponsorship Committee.
- 3.7 The Committee can consider supporting an application in less than 12 months in the following circumstances:
- a) If the applicant organisation has experienced an event such as fire or theft that has left them in urgent need of assistance.
 - b) When it is deemed beneficial for the company to re-negotiate funding terms before the 12-month period is complete (eg. negotiating a sponsorship prior to a sporting season to gain maximum exposure).
 - c) When commitment to a project is required to enable a group to apply for government funding.
- 3.8 For transparency purposes, all decisions regarding applications will be recorded within Committee minutes and these minutes will be made available to all Company Directors.
- 3.9 The Committee have the authority deny applications without prior approval from the Board. Applications can be denied if they do not comply with Company policy, are not deemed as good value for money, or the committee deems that the application does not align with the company objectives.
- 3.10 The Committee can approve applications for Grants, Sponsorships and Donations within their delegation of \$5,000 at a scheduled committee meeting.
- 3.11 If the Committee approves an application for an amount above \$5,000, they will present their recommendation to the Board for approval at the next scheduled Board meeting. The recommendation will include the dollar amount approved by the committee and the commensurate conditions that they recommend be imposed as part of the approval.
- 3.12 The Board are not bound to approve Committee recommendations but should consider that the recommendation has been made after consideration of the company’s policy, objectives and yearly budget. The decision of the board will be final, and no correspondence will be entered into once the decision has been made.
- 3.13 It is the board’s decision how funds are allocated to the community; however, our community investment strategy is to:
- add value to the community,
 - have a tangible positive benefit,
 - protect the integrity of the Community Bank and Bendigo Bank brands,
 - be relevant to the wider community,
 - be non-politically motivated,
 - be consistent with statements made to the community when promoting the Community Bank concept,
 - enhance business development opportunities,
 - support legal activities that are considered acceptable by normal community standards,
 - align with our image and identity as a community-based organisation.
- 3.14 The following community contributions are regarded as being inappropriate:
- political organisations,
 - events or programs that denigrate, exclude or offend minority groups,
 - events associated with gambling,

- events that create environmental hazards,
 - programs that may present a hazard to the community,
 - programs that do not reflect community standards,
 - programs sponsored by competitors,
 - events or organisations that promote or require the use of weapons.
- 3.15 All applications will be treated in confidence by the Company.
- 3.16 The Committee may request additional information for any application and may request a meeting with the applicant.
- 3.17 All applicants will be notified in writing of the outcome of their application.
- 3.18 Once an application has been approved, a grant/sponsorship agreement will be issued that clearly outlines the funding conditions and expectations (if applicable). If an applicant wishes to vary the conditions, they may offer commensurate conditions that can then be reviewed and approved by the Committee or a delegated representative. Only once the agreement has been completed, can payment be made.
- 3.19 All recipients will be asked to complete and submit an acquittal. This acquittal will ask for proof of expenditure and proof that conditions have been adhered to.
- 3.20 Staff, directors and families of the company are eligible for to apply on behalf of a community organisation that they are associated with. A pecuniary interest must be declared in this circumstance.

4 Procedures

4.1 Community Impact Grants

- 4.1.1 Community Impact grants will only be considered for organisations that complete the appropriate form using our online portal. The use of the portal ensures that all applications are received in the same format and with that the relevant information included.
- 4.1.2 Applications must be submitted by the closing date of the current round.
- 4.1.3 Community Impact grants should only be offered to support of initiatives/projects that can be undertaken and completed within 12 months of the approval. For projects that will take longer to complete, such as infrastructure upgrades or building projects, a “Challenge Grant” can be approved. A Challenge Grant is when the Board agree to support an initiative/project subject to certain conditions being achieved (eg building permits, council permits, or co-funding being obtained).
- 4.1.4 Applicants must clearly demonstrate how the project aligns with the Company’s community investment strategy (see 3.1.13).
- 4.1.5 To ensure the application review process for is fair and transparent, each application assessed is using the company’s online portal. A scorecard that aligns with the Company’s community investment objectives is completed by each director. These scorecards are then collated and reviewed at a scheduled committee meeting. A final decision/recommendation on the application is then made and recorded in the meeting minutes.
- 4.1.6 The company offers Community Impact Grants to enhance and nurture the Community Bank’s role as a good corporate citizen. Community Impact Grants should be promoted (where appropriate) to demonstrate our support for community enhancing initiatives and projects.
- 4.1.7 Where possible, Community Impact Grants will be paid inclusive of GST and tax invoices obtained from recipients.

4.2 Community sponsorships

- 4.2.1 Community sponsorships will only be considered for organisations that complete the appropriate form using our online portal. The use of the portal ensures that all applications are received in the same format and with that the relevant information included.
- 4.2.2 Applications must be submitted by the due date outlined on the application form.

- 4.2.3 Community sponsorships are used to enhance our key message as a community-based organisation, to improve our image within the broader community and to maintain or develop further relationships with communities and groups.
- 4.2.4 The sponsorships and partnerships we develop must be promoted to increase awareness of the Community Bank brand, Bendigo Bank products and services, and provide a financial return on investment to the community bank by increasing the customer/business base.
- 4.2.5 A sponsorship arrangement is for a 12-month period only. The Committee may decide to commit to support a group/event for a longer period than 12 months. If a longer-term commitment is made, these sponsorships must still be acquitted and reviewed on a 12 monthly basis. This is to ensure good governance, and that the sponsorship remains value for money. The group/event must complete an acquittal and re-apply each 12 months using our online portal.
- 4.2.6 Branch management will provide advice on the applicant organisation's banking support and referrals from members over past twelve months and from commencement of the partnership.
- 4.2.7 New organisations must be briefed on the need to support the Community Bank. All approved sponsorships must be advised that a lack of reciprocal business may result in reductions in further sponsorship funding.
- 4.2.8 To ensure the application review process for is fair and transparent, each application assessed using the company's online portal. A scorecard that aligns with the Company's community investment objectives is completed by each director. These scorecards are then collated and reviewed at a scheduled committee meeting. A final decision/recommendation on the application is then made and recorded in the meeting minutes.
- 4.2.9 Where possible, Community Sponsorships will be paid inclusive of GST and tax invoices obtained from recipients.

4.3 Donations

- 4.3.1 Donations are considered on an ad hoc basis and with Committee/Board approval can be considered outside of the current application process.
- 4.3.2 The Sponsorship & Grants Committee can approve donations within their delegation. All other donations must be discussed and approved by the Board.
- 4.3.3 Donations to Deductible Gift Recipients will be considered and paid as part of the tax planning process.
- 4.3.4 Deductible Gift Recipients must provide written evidence of their Tax Charity Concession [TCC] or their Deductible Gift Recipient [DGR] status.
- 4.3.4 Small donations up to \$500 will be considered for worthy community groups, individuals and projects.
- 4.3.5 To be eligible to apply for a small donation, the applicant must first contact a Director from the Sponsorship and Grants committee, or apply in writing to the Company Secretary and must demonstrate that they meet our eligibility criteria as follows:
- The community group or individual applying must be from our district, or the project/event must be undertaken in our district.
 - The community group or individual applying must provide a fair and reasonable explanation as to why they cannot apply using our online portal (eg unable to use or access a computer)
 - The community group or individual applying should be a customer of our branch or our agency. If the group or individual is not a customer of our Branch (e.g. they are part of a larger organisation such as the Red Cross) then they must be briefed on the need to support our Community Bank Branch in a manner commensurate to the grant amount.
- Once an applicant has been deemed eligible to apply, they will be provided with a "Small Donation Application Form" which they must complete in full and submit for review by the Sponsorship & Grants Committee. These applications will be reviewed in a scheduled Committee meeting and outcomes recorded in the meeting minutes.

4.4 Benevolent Fund (This procedure should be read in conjunction with the Terms of Reference for the Benevolent Fund.)

- 4.4.1 Applications to the fund can be made by any person or community group and/or Directors of CDFS using the appropriate nomination form.
- 4.4.2 A nomination form must be completed for each individual application. The nomination form must be completed in full as outlined in the Terms of Reference for the Benevolent Fund.

- 4.4.3 The Sponsorship & Grants Committee can approve applications if they fall within Committee delegation. Any applications above Committee delegation will need to be approved by the Board, at either the scheduled Board meeting or when an extraordinary meeting of the Board is called to review the application.
- 4.4.4 Applications will be considered as they arise by the Sponsorships & Grants Committee. Any amounts approved will be reported to the Board.
- 4.4.5 In cases of urgency, and under exceptional circumstances, written and non-written applications that fall within Committee delegation can be considered outside of a scheduled Committee meeting by a quorum of directors (2 or more) who are members of the Sponsorships & Grants Committee. If this situation arises, then independent checks must still be made and a formal application must still be submitted, at an appropriate time, to ensure proper record keeping and governance.
- 4.4.5 The preferred method of distributing funds, for an application, is via goods and services or via a third party (eg. welfare organisation/neighbourhood centre). No cash can/will be given directly to a recipient unless exceptional circumstances arise and then only with approval of the CDFSL Board.

5 Governance

Responsibilities:

The Board have delegated the decision-making process to the Grants & Sponsorship committee for all Sponsorships, Community Impact Grants and Donations up to and including \$5,000.

The Committee's delegation for approval of Benevolent Fund is up to and including \$1,000 (this is the maximum amount that can be paid to an individual in crisis without Board approval).

Applications must be reviewed at a scheduled Committee meeting and can only be approved if a quorum is present.

The Committee will assess the benefits of each application to both the Community and the Company.

Applications for Community Impact Grants and Community Sponsorships are reviewed in our online portal prior to a committee meeting. Each member of the Grants & Sponsorship committee will be provided a "Scorecard" to complete. The scorecards offer the opportunity for each director to provide feedback on each application. The collated scores and comments are then reviewed by the full committee at a scheduled meeting.

For each community contribution over \$5,000 the Committee will make a recommendation to the Board for their ratification at the next scheduled Board meeting.

The Grants & Sponsorship Committee

1. Establishes the criteria for applications.
2. Approves/denies applications within their delegation and makes recommendations to the Board for those above their delegation.
3. Evaluates the outcomes of the Grant/Sponsorship
4. When reviewing applications considers:
 - a) The benefit to the Community.
 - b) Benefit to the Branch and if any business can be generated from the project/group.
 - c) Support the applicant is has already demonstrated by providing business referrals and publicity.
 - d) Whether the project/event/group is in line with our purpose and supports our objectives of building a strong business and prosperous community.
 - e) Economic impact for the district.
 - f) If it is the right and fair thing to do.
 - g) The credibility of the applicant and whether there are any risks to our business and/or brand by supporting the applicant.
 - h) Other partners involved in the project (eg Community Groups, Businesses, Government)
 - i) Previous dealings with the applicant and whether they adhered to conditions in the past.
5. Decides upon any conditions that should be adhered to as part of the arrangement with the applicant. The conditions will be commensurate with the amount of funding provided to the applicant. Conditions must be negotiated and agreed to before payment is made. Once payment is made, the conditions can only be varied upon receipt of a written

application which will then be reviewed by the Committee. If the applicant fails to comply with these conditions, this will impact future applications. In extreme circumstances, failure to comply with conditions may result in no further community contributions being made to the recipient.

Executive Officer/Community Engagement officer

1. Manages the application processes.
2. Ensures that all applications include the required information prior to Committee review.
3. Completes an initial review in the online portal that outlines previous dealings with the applicant.
4. Notifies all applicants of the outcomes of their application. This notification includes any conditions/expectations that have been imposed by the Committee and offers the applicant a chance to negotiate conditions prior to an agreement being issued.
5. Issues a Grant/Sponsorship agreement using our online portal.
6. Schedules payment of the community contribution after agreements have been completed.
7. Distribution of Acquittal forms after payment has been made.
8. Follows up Acquittals to ensure that conditions have been met

Finance & Audit Committee

1. As part of the tax planning process, considers a contribution to the Community Enterprise Foundation.

Branch management

1. Provides a recommendation to the Committee based on banking support of the applicant.
2. Updates the Branch staff on Community Contributions
3. Ensures that Community Contributions are used to leverage new business
4. Arranges Branch representation at relevant events and functions to promote the business

Related Documents

1. Sponsorship & Grants Committee – Standard Operating Procedures
2. Community Grants Guidelines
3. Community Sponsorship Guidelines
4. Community Grant Scorecards
5. Community Sponsorship Scorecards
6. Benevolent Fund Terms or Reference
4. Benevolent Fund Nomination form
5. Small Donation Application form
6. Delegation of Authority Policy & Procedure