



# Grants Policy

## 1. Purpose

Grants are financial assistance arrangements paid to non-state government organisations to assist them to carry out their established purpose and may contain conditions relating to the organisation's conduct or activities.

This Policy supports Health Service Providers to apply the principles of probity and accountability when issuing grants, by outlining minimum process and documentation requirements. This Policy relates to:

- (a) grants for community services as defined under the Western Australian (WA) Government's *Delivering Community Services in Partnership Policy*, and
- (b) grants for non-community services ('commercial grants').

For community services related funding processes, the following process and documentation requirements should be read in conjunction with the *Delivering Community Services in Partnership Policy* which is mandated across the WA Government through Premier's Circular 2019/02.

This Policy is a mandatory requirement under the *Procurement Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

### ***Integrity Statement***

Health Service Provider staff members will conduct procurement activities to the highest standards of integrity, probity and accountability.

In complying with this Policy staff members will ensure that:

- all decisions regarding procurement are made by an appropriately authorised officer, and are transparent and capable of review
- all conflicts of interest are identified, declared and managed in the public interest
- the principles of consistency, impartiality and confidentiality are upheld
- adequate records are maintained to provide for scrutiny and review of decisions.

Staff members will comply with all requirements related to the use of the mandatory Conflicts of Interest Policy, and the Gifts, Benefits and Hospitality policy, including requirements to use the mandatory systems to register, declare and seek approval for any conflicts of interest that arise or gifts received.

Please refer to the [Integrity Policy Framework](#) for further details.

## 2. Applicability

This Policy is applicable to all Health Service Providers.

## 3. Policy requirements

Grants must:

- (a) be allocated for a discrete period of time
- (b) be linked to outcomes which progress the WA health system's strategic intent
- (c) not constitute the entire financial base of the recipient organisation.

Grants are not appropriate to use where Health Service Providers would seek to enforce the delivery of specific service deliverables or products prior to payment. Where Health Service Providers require the ability to enforce the delivery of deliverables to a specification, a contract or service agreement should be formed in accordance with the *Procurement and Contract Management Policy*.

### 3.1. Grant Process Requirements

Health Service Providers are responsible for managing any political and reputational risks to the WA health system when awarding grants, and must be able to justify the choice of recipients for grant funding. To determine appropriate recipients for grants, a number of options are available for Health Service Providers to undertake, including but not limited to:

- (a) approach a potential recipient directly based on market research (a standard grant process)
- (b) advertise for grant applications and select appropriate recipients based on an assessment of applications (a competitive application process).

### 3.2. Grant Documentation Requirements

Health Service Providers must document the development of grant agreements in accordance with requirements outlined in the table below.

Activity	Grant Documentation Requirements
<b>Initiation</b>	Grant Agreement Request and Grant Management Plan (for standard grant processes) or Funding Program Proposal (for grants subject to a competitive application process)
<b>Formation<sup>1</sup></b>	Grant Conditions (for community services grants below \$10,000) or Grant Agreement (for community services grants at or above \$10,000) or Grant Funding Agreement (for commercial grants)
<b>Variation</b>	All grant variations irrespective of value will require a grant variation letter to be executed and issued.

<sup>1</sup> The use of the standard Grant agreement templates provided for Community Services grants is mandatory. Refer to Section 5 – Related Documents for further details.

	Grant variations with a cumulative value <sup>2</sup> at or above \$20,000 will also require a Grant Variation Memorandum to be approved (in accordance with section 3.4 of this Policy) prior to the variation letter being issued.
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### 3.3. Grant Authorisation and Governance Requirements

For grants valued at or above \$50,000, Health Service Providers are required to have their initiation documentation reviewed and endorsed by:

- (a) the Director, Office of the Chief Procurement Officer, Health Support Services, for grants valued up to \$1 million
- (b) the Chief Procurement Officer, Health Support Services for all grants valued at or above \$1 million.

After any required review and endorsement, Health Service Providers must ensure grant documents and decisions are approved in accordance with the applicable Instrument of Authorisation and with due care and attention to the requirements of the *Procurement Policy Framework*.

### 3.4. Variations to Grant Agreements

Health Service Providers must ensure all variations to Grants are clearly documented along with supporting material justifying any decisions in accordance with the *State Records Act 2000*. Health Service Providers may increase the value of a Grant through a variation to the Grant Agreement, which must be documented in accordance with Section 3.2. Grant Documentation Requirements.

A Grant Variation Memorandum must be reviewed and endorsed by:

- (a) the Director, Office of the Chief Procurement Officer, for grant variations valued up to \$1 million; or
- (b) the Chief Procurement Officer for all grant variations valued at or above \$1 million.

Following the required review and endorsement as set out above, Health Service Providers must ensure that the grant variation letter is approved in accordance with the applicable Instrument of Authorisation and with due care and attention to the requirements of the *Procurement Policy Framework*.

## 4. Compliance monitoring

Health Service Providers must ensure the requirements under this policy are properly documented and recorded. Health Service Providers are required to monitor their compliance with this policy.

As deemed necessary the System Manager may request that Health Service Providers submit compliance evidence in relation to the requirements of this Policy. In these cases the System Manager will work with Health Service Providers to agree on the information to be provided and timeframes this is required within.

<sup>2</sup> Cumulative value refers to increases in the value of the grant above the value approved in the original initiation document, or the value approved in a subsequent Grant Variation Memorandum.

## 5. Related documents

The following documents are mandatory pursuant to this Policy:

- The [Department of Finance](#) provides template Grant agreements for the formation of Community Services Grants, which are mandatory for Grants established under the *Delivering Community Services in Partnership Policy*.

## 6. Supporting information

A range of documents and templates that inform this Policy (i.e. documents that are not mandatory to the implementation of this Policy but may support the implementation of the Policy) are available.

- The [Office of the Chief Procurement Officer](#) provides a suite of templates and guides on its webpage, primarily focused on supporting the documentation of internal decision making processes, and on the establishment of grants with commercial intent.
- In addition, the [Department of Finance](#) also provides a range of templates and guides supporting the establishment of grants, particularly in relation to community services.

## 7. Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Grant	A financial assistance arrangement paid to non-state government organisations to assist them to carry out their established purpose, which may contain conditions relating to the organisation's conduct, activities and/or use of the grant funds.
Community Services	As defined in the <i>Delivering Community Services in Partnership Policy</i> : "Community Services means services that provide support to sustain and nurture the functioning of individuals and groups, to address physical, social and economic disadvantage, maximise their potential, and to enhance community wellbeing. Types of Community Services include (but are not limited to): (i) services that contribute to the building of capacity within the community to respond positively to an identified need; (ii) services required to address disadvantage for which a collaborative approach is required with the community; (iii) services that encourage the involvement of volunteers, increased business or community support, or the personal empowerment of recipients of the service; or (iv) services that contribute to the ability of people to live

	and participate in the community.”
Community Services Grant	Grants for ‘Community Services’ as defined in the WA Government’s <i>Delivering Community Services in Partnership Policy</i> .
Commercial Grant	Grants for services which do not fall within the definition of Community Services.
Documentation Requirements	<p>The documentation needed to adequately record information regarding a particular decision, activity, process or other action.</p> <p>The Department of Finance provides template Grant agreements for Community Services Grants, which are mandatory for use.</p> <p>Additional non-mandatory templates that support the initiation of grants, and grant variations are available from the OCPO website.</p> <p>Further information on the availability of these templates is set out in Section 5 – Related Documents, and Section 6 - Supporting Information.</p>
Instrument of Authorisation	The instrument through which an officer has been provided the authority to approve, action or otherwise make a decision in relation to an identified matter.

## 8. Policy contact

Enquiries relating to this Policy may be directed to:

Title: Office of the Chief Procurement Officer

Directorate: Health Support Services

Email: [ocpo@health.wa.gov.au](mailto:ocpo@health.wa.gov.au)

## 9. Document control

This mandatory policy will be reviewed as required to ensure relevancy and currency.

Version	Published date	Effective from	Effective to	Amendment(s)
MP0005/16	1 July 2016	1 July 2016	28 February 2017	Original version
MP0005/16 v.2.0	1 March 2017	1 March 2017	4 October 2017	Clearer process treatment for competitive grants and grant variations.
MP0005/16 v.3.0	5 October 2017	5 October 2017	1 January 2019	Treatment of approval for grant initiation and variations has been amended to align more closely with contract variations, and streamline administrative requirements.

MP0005/1 6 v.3.1	2 January 2019	2 January 2019	9 August 2019	References to 'Authorisations Schedule' replaced with 'Instrument of Authorisation'.
MP0005/1 6 v.4.0	9 August 2019	9 August 2019	14 October 2020	References to grants being classified as a gift have been deleted. Where thresholds are defined, boundary values are now aligned with requirements for the higher threshold. References to OCPO positions for the purpose of providing authorisations have been updated. Addition of the Integrity Statement. Policy no longer applies to Department of Health employees. Further minor amendments made to improve clarity and consistency throughout policy. Supporting information amended to acknowledge availability of a range of guides and templates, instead of specific documents.
MP0005/1 6 v.4.1	14 October 2020	14 October 2020	Current	Minor amendment to update hyperlinks in Section 6. Supporting information and Section 5. Related documents.

## 10. Approval

<b>Approval by</b>	Dr David Russell-Weisz, Director General, Department of Health
<b>Approval date</b>	14 February 2017

**This document can be made available in alternative formats on request for a person with a disability.**

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