

POLICY 10 – GRANTS, DONATIONS & BEQUESTS

Introduction

1. U3A Castlemaine is incorporated under the *Victorian Associations Incorporation Reform Act 2012*. This Act requires that the Financial Report submitted to an Association's members at the A.G.M. complies with applicable Australian Accounting Standards. These accounting standards include AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.
2. From time to time U3A Castlemaine Inc. receives voluntary contributions in the form of grants, donations or bequests. These contributions may come from organisations or individuals, including current or former members. The contributions may sometimes come with restrictions or terms and conditions as to how they are applied and/or require a report to the donor on how the contribution is used ("acquittal").
3. U3A Castlemaine is also almost wholly dependent on the voluntary services of its members whose contributions are integral to the purpose and aims of this organisation.

Purpose

4. The purpose of this policy is to document the policies and procedures for receiving and processing grants, donations and bequests received by U3A Castlemaine Inc.

Policy

5. Grants typically require U3A Castlemaine Inc. to have applied to obtain the grant. Successful grants often come with some specific terms and restrictions or conditions and normally they will require formal acquittal.
6. Donations are made voluntarily to U3A Castlemaine Inc. and may be for specific purposes and have particular terms or conditions or may just be to further the general aims of this organisation.
7. Bequests are a form of donation, made from the estate of a deceased person as instructed by their will.
8. **Volunteer services.** U3A Castlemaine does not recognise the contribution of time by volunteers in its financial statements (i.e. does not record the times involved, then value them at market rates and include these amounts in the financial records and Annual Financial Report). An example of the qualitative disclosures required by AAAB 1058 where volunteer services are not recognised is shown in Appendix A.
9. The policy set out in paragraph 8 does not necessarily apply to fund raising documents and grant acquittals where estimates of the value of volunteer services for particular activities may be made at notional rates. An example is set out in Appendix B.
10. **Community support.** On some occasions, e.g. at Christmas time, U3A Castlemaine Inc. seeks contributions (normally monetary) from its members and others for a specific purpose, including such as the passing on of a combined donation to a suitable charitable organisation or activity.
11. U3A Castlemaine Inc. may decline or return any grant, donation or bequest; or request amendment to any restrictions or conditions attached to such a contribution. This may be because: the purpose of the contribution is unsuitable or inappropriate for U3A Castlemaine Inc.; or the conditions and terms or reporting requirements attached to the contribution are excessively onerous for the benefit gained; or for any other reason.

12. Most grants, donations and bequests are received in monetary form. If received in the form of another asset, AASB 1058 *Income of Not-for-Profit Entities* requires them to be measured at fair value. This requirement does not apply to items whose individual value is not material, such as most typical items donated for raffle prizes or for sale on the trading table.

Procedures

13. Normal U3A Castlemaine Inc. procedures are to receipt all monetary revenues. Significant (over \$100) donations and bequests should also be formally acknowledged and the donor(s) thanked.
14. Where contributions are accepted with terms or conditions, the MYOB job costing capabilities will normally be used to track the contribution and how it is applied. This information will aid acquittal.

Responsibilities

15. **It is the responsibility of the Committee of Management to ensure that:**
 - a. Due consideration is given to applying for a grant and that grants are only sought where the need has been clearly identified and receipt of the grant will bring a clear benefit;
 - b. Grants are sought, applied for, spent and acquitted in a manner that is timely and consistent with guidelines and requirements;
 - c. For each grant application a specific person(s) is appointed to coordinate the grant application, and if the application is successful to coordinate its timely use and acquittal, and;
 - d. Donations and bequests are properly receipted, acknowledged, and put to the purpose specified by the donor.
16. The Treasurer will assist with the grant acquittal responsibilities in paragraph 15 by supplying the grant application coordinator with the appropriate information from the financial records.

Authorisation

17. This policy was approved by the Committee of Management on 15 May 2017.

Appendices

A Volunteer Services

U3A Castlemaine is almost totally dependent on volunteer services for its governance, management, teaching, training and administration. It does not recognise the fair value of these volunteer services in its financial report. This is because it considers that applying a monetary value to these services would be contrary to the aims and objectives of the organisation and that it would be difficult and of little value to members to calculate the fair value of the benefit given. In most cases the activities would not be performed if the services had to be purchased.

B The economic value of volunteers to the University of the Third Age

The U3A Victoria Network advises that they now have a formula for calculating the economic value of volunteers contributing to the operation of U3A organisations in Victoria. The formula was established by their consultant Victor Szwed while assessing the economic contribution of U3A in Victoria – a total of \$11.73 million per annum currently. This economic data is useful to individual U3As when negotiating with local government or applying for grants.

The formula is: Number of your U3A's members x 13.2 hours x \$25

The 13.2 hours are the average for all members in Victoria and \$25 is a typical value used in grant applications. Using that formula and based on the number of members noted in our 2015 annual report (533) the economic value of volunteers to U3A Castlemaine is \$175,890.