



Australian Government

Community
Grants Hub
Improving your grant experience



Financial Information to Support a Commonwealth Government Grant Application

Guidance on what financial information is relevant to an application for grant funding

Applicants are asked to provide financial information in support of their application/s to ensure they can:

- demonstrate financial implications of the application, including reliance on any other contributions
- demonstrate capacity to deliver the proposed services and achieve value for money, and
- allow payments to be made if the application is successful.

The level of financial information required under each program and activity may differ. The Application Pack for the funding round you wish to apply for will contain the specific requirements.

Financial information that you provide may be used to determine or inform a range of factors outlined below.



Proposed expenses must be for eligible uses of program funding

The program guidelines for each grant activity outline which activities are eligible uses of program funding and which are ineligible. These differ for programs, activities and services.

As a result, you should carefully check what grant funding can be used for in relation to each activity and ensure you are not applying for the costs of activities which are ineligible.

Where your proposal for the provision of a service or activity requires an expenditure that is ineligible for funding under specific program guidelines, this may be an area your organisation can consider funding itself or through alternative income sources, partnerships, collaborations or in-kind contributions.

Demonstrate value for money

All applicants are asked to describe how their service delivery proposals will achieve the activity objectives for all stakeholders and to demonstrate the value for money that might be achieved from the requested grant funding. The opportunity for, and type of value for money, will be different according to the type of service or factors that impact how services are offered. Applicants should consider how to demonstrate value for money across responses to the selection criteria part of the Application Form. From a financial perspective, value for money can include a number of considerations such as the cost of your proposal and your capacity to fund the services.

All applications must provide an indication of the funding sought each year from the agency in the Application Form, and in some cases, you may also be asked to provide details of your proposed itemised budget.

In developing estimates of the expenditure required you should seek to ensure these cost estimates are reasonable and reflective of market rates, or provide justification where they might exceed market rates due to local circumstances.

To demonstrate that the funding sought would represent value for money, applicants should describe how the implementation of the proposal will achieve high quality outcomes for all stakeholders in a cost effective way. You should consider how you can deliver these outcomes over the period being applied for, and identify any innovative ways to reduce the costs of service delivery.



Identify alternative income sources

A number of grant programs ask applicants to identify other sources of income available to fund their project or activity. You must therefore identify other sources of funding that can be combined with Commonwealth funding and leveraged to enhance the delivery of activities and services to a chosen target group or community.

This can include:

- your organisation's own cash or in-kind contributions
- funding from project partners
- alternative sources of grant funding from other government programs (including state, territory and local government)
- other in-kind contributions or donations
- commercial borrowings, and
- other innovative mechanisms to reduce the costs of service delivery.

You will be asked to identify sources and the amount of additional funding in the Application Form.

Unless otherwise stated within the specific requirements of a program, it is important to note that applications seeking funding for the full cost of an activity or providing a service are still eligible to receive program funding.

Demonstrate financial viability

Applicants must demonstrate that they are **financially viable** and have the **capacity** to efficiently and effectively deliver their proposed services for the term of any grant funding.

Financial viability can be defined as a business' ability to generate sufficient income or have sufficient financial resources in place to meet its financial obligations over the relevant period of time.

In terms of an organisation applying for funding, financial viability evaluates the risk over the funding period that an organisation may not have the financial capacity to remain in operation and effectively and efficiently deliver on its funding objectives.

Sound governance practices encompass a wide range of operational management, with financial management over the life of the grant agreement being just one consideration. Common governance documentation such as financial and organisational policies and procedures, a business plan and/or strategic plan, and a risk management plan should be in place.

Copies of these documents may be requested during the assessment process, but are not required to be attached to the Application Form unless specifically requested.



Demonstrate sustainability of service delivery approaches

The selection criteria for each funding round require applicants to demonstrate that their service delivery proposal has a viable and sustainable financial model. You will need to demonstrate in your application that:

- your proposed approach to delivering the level of services in your target community can be delivered through the resources identified, including your proposed grant funding and other sources of funding or in-kind support
- alternative sources of funding for your proposal are confirmed, where applicable, and can remain in place over the life of the grant funding
- you are aware of the risks and implications for your service delivery proposal, and
- your approach effectively considers the impact of cost increases over the life of the program and how these will be met.

Applicants may wish to demonstrate in their applications how the services could be delivered after the term of the grant funding without on-going DSS support.

Facilitate payments

If you are successful in receiving grant funding, payments will be made to the bank account provided in the Application Form and any communication regarding grant payments will be to the financial email address provided.



Report on expenditure of grant program funding

If you are successful in receiving grant funding, you will be asked to enter into a Grant Agreement with the Commonwealth. This will include the general grant conditions that will apply for the term of the grant funding.

The Grant Agreement will outline the purpose of the grant, the activity to be carried out and the total grant amount. During the term of the Agreement you will be required to provide reports that account for the grant and demonstrate that it is spent only on the specified activity.

In order to ensure reporting requirements can be met, before submitting an application you should therefore:

- have a clear understanding of how the grant funding you are applying for will be used to deliver your proposed activity or services
- seek to estimate costs as accurately as possible as cost overruns will need to be funded through other sources
- ensure your application does not inadvertently include or hide costs that are ineligible for funding as these will need to be funded through other sources, and
- be prepared to outline a budget for how the activity or service will be delivered if requested in the Application Pack.