



FUNDING POLICY

Policy & Procedure Owner	CEO	
Approved by	ERFA Board of Directors	
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Purpose This policy details the policy and procedures of the Edmund Rice Foundation (Australia) for project funding. It covers funding eligibility criteria, funding areas and the application and approval processes. The policy also outlines quarterly reporting and accountability requirements with a view to ensuring the highest possible reporting and governance standards.

Abbreviations

ACFID	Australian Council for International Development
DFAT	Australian Department of Foreign Affairs & Trade
ERFA	Edmund Rice Foundation (Australia)

Implementation Plan

- Included in partner compliance documentation
- Included in Finance Team staff induction

Related Policies and/or legislation

The following forms are related to the procedure:

- Anti-Corruption and Anti-Fraud Policy
- Child Protection Policy
- Counter Terrorism Policy
- Diversity & Inclusiveness Policy
- ERFA Risk Management Framework
- ERFA Safety and Security Policy
- Gender Equality & Female Empowerment Policy
- Non Development Activity Policy
- Privacy Policy
- Project Design, Monitoring & Evaluation Policy
- Sustainable Development Policy

Related Forms

The following forms are related to the procedure and available online at <http://erf.org.au/project-toolkit/application-forms/>

- Project Proposal & Funding Application
- Application for Capital Funding
- Quarterly Monitoring Report Australian Projects
- Quarterly Monitoring Report Overseas Projects
- Acquittal Report Form Australian Projects
- Acquittal Report Form Overseas Projects
- ERFA form for collection of stories/images
- Image Use Consent Form



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Edmund Rice Foundation (Australia)

Identity

ERFA is a community development organisation which works with the impoverished and disenfranchised to liberate lives. The Foundation supports sustainable health, education, human rights, advocacy and community development projects in developing countries as well as projects for disadvantaged people within Australia.

Vision

The Foundation's vision is for a just and peaceful world where the dignity and rights of all are respected and in which all have control over their lives with access to resources and the opportunity to achieve their potential.

Mission

Aware of the unacceptable levels of poverty and injustice in the developing world, particularly for the young, the Foundation works collaboratively with local communities in funding and monitoring development projects involving education, health, vocational training and community development. ERFA is active in planning, monitoring and evaluating the projects it supports. These projects are ideally grounded in the expressed needs of those communities. They also promote continuous improvement and wellbeing of those communities and deliver a fair distribution of the benefits that result from the projects.

The Foundation's specific international focus is on countries in Africa and the Asia-Pacific Region. The Foundation's focus within Australia is to assist people in necessitous circumstances.

Core Functions of the Foundation

The core functions of the Foundation are to:

- * provide proactive fundraising in Australia. The Foundation receives funds and distributes them to projects and programs as per donor requests or ERFA directors' allocations
- provide quarterly reporting on all donations and grants received
- produce communications to current and potential supporters and the wider community on ongoing activities
- collaborate with other funding bodies on core global fundraising programs
- provide consultancy advice and guidance to partners and project leaders when required.



Scope of Work

ERFA supports the vital work of the Christian Brothers and followers of Edmund Rice in countries they work in across the developing world. At present this is nine (9) countries:

Africa	Oceania
Kenya	Australia
South Sudan	Papua New Guinea
Tanzania	Philippines
Zambia	Timor Leste
South Africa	

Status

ERFA is a company limited by guarantee under the Corporations Act 2001 (Commonwealth). The company registration number is ABN: 28 153 110 055 and it produces annual audited accounts and financial statements. The company is registered with the Australian Charities and Not-for-profits Commission (ACNC) and has charity tax concessions. The objects of the company are set out in Item 3 of ERFA’s constitution:

The objects for which the company is established are to act as trustee of a Relief Fund, a Charitable Fund or an Ancillary Fund and as such trustee and also in its own right to pursue the following objectives:

- to provide to Developing Countries by means of a comprehensive, economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects
- to assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute, and
- to solicit donations and gifts for the purpose of carrying out the objects of the Company.

ERFA acts as trustee for the following funds:

- 1) Edmund Rice Overseas Aid Fund – provides funding for overseas development projects - ABN 85 413 988 107. This fund is registered with Australian Charities and Not-for-profits Commission (ACNC) and has charity tax concessions. It is endorsed as a Deductible Gift Recipient (DGR).
- 2) ERFA – provides funding for other organisations with DGR status which are for the relief of poverty and disadvantage within Australia - ABN 37 665 490 818. This fund is registered with Australian Charities and Not-for-profits Commission (ACNC) and has charity tax concessions. It is also endorsed as a Deductible Gift Recipient (DGR).



In addition, ERFA in its own right provides funding for projects both overseas and within Australia and receives non-tax deductible donations and other income (such as school collections, event ticket sales, auctions, sponsorship) for that purpose.

As Australian income tax deductibility is critical for successfully raising funds from Australian donors. ERFA regards compliance with OAGDS requirements as of the utmost importance. Accordingly, the following policies are followed to ensure compliance:

- 1) ERFA operates on a not-for profit basis, that is money must not be distributed to members of the board or trustees of ERFA except as:
 - re-imbusement for out-of pocket expenses incurred on behalf of ERFA, or
 - as proper remuneration for any administrative services provided.
- 2) Gifts and deductible contributions made to ERFA are kept separate from any other funds in separate bank accounts with clear accounting procedures are in place.

Definitions

Partners

The Edmund Rice Foundation (Australia) is a company limited by guarantee. The objects of the company are set out in clause 3 of ERFA's constitution. Clause 3 (f) reads as follows:

To develop partnerships with overseas aid agencies or formal arrangements with other delivery agents related to the Company but resident in Developing Countries for the implementation of the objects in paragraph (a).

One of ERFA's roles is to act as trustee of the Edmund Rice Overseas Aid Fund.

Throughout its policies and official documentation ERFA uses the term **Partners** for those organisations with which it has formed alliances in developing countries for the receipt of overseas aid funding for the in-country delivery of education, health and development projects. These are not partnerships in the legal sense. Rather they are alliances for funding that ERFA has formed with in-country organisations with whom ERFA has communicated its vision, mission, values, policies and expectations with respect to sustainable development and whose own vision, mission, values, policies and development goals are congruent with those of ERFA.



Edmund Rice Foundation (Australia) Funding Policy

Introduction

This ERFA Funding Policy has been produced in order to define ERFA's systems, processes and procedures with regard to the:

- eligibility criteria and application process for those seeking funding
- allocation and distribution of all donations, grants and fundraising income, and
- reporting requirements of funding recipients.

It covers the funding eligibility criteria, funding areas, the application and approval processes. It further outlines quarterly reporting and accountability requirements with a view to ensuring the highest possible reporting and governance standards. ERFA considers it critical that all of its processes and procedures are transparent and accountable to all donors, funders and other stakeholders in order to reassure them that all funding is being applied to the best possible effect in line with best practice Development principles.

1. ERFA Funding Areas

ERFA seeks and provides funding for the following areas:

1.1 Our Way Into The Future Projects

The Congregation of the Christian Brothers has a new vision and strategy for life and mission into the future. This new approach focuses upon the creation of new Brother communities that follow best practice development principles. Funding will support the implementation of new communities as they engage, implement, evaluate and monitor new projects in Developing Countries.

1.2 Developing World Projects

A group of 'Core Projects' which are in line with the *Our Way into the Future* vision, have a leadership structure and a development plan. Core projects are reviewed by ERFA on a quarterly basis.

Core Projects fall under the following categories:

- Education
- Health
- Human Rights & Advocacy
- Community Development.

1.3 Australian Projects

The Foundation supports programs for socially and financially disadvantaged children, youth and families. These include programs for indigenous Australians, refugees and asylum seekers.



2. Eligibility for ERFA Funding

For a funding application to be considered by ERFA it must:

- fall under one of the three (3) core funding areas listed in section 1 above
- have an approved, up to date, site-specific Child Protection Policy in place, and
- comply with all points in section 3 below.

In addition, the project leader must satisfactorily complete and provide the following:

- a) three (3) quarterly reports as outlined in section 7 below (if ERFA has not received a quarterly report and has not been notified by the due date, the next transfer will not be made), and
- b) annual report.

The project must also receive its funds from ERFA via an approved account for transfer of funds.

Eligibility for funding will be approved once an Application has been assessed on the following criteria (see application form for greater detail):

- application standard
- approval from relevant governing authority and program leader
- accountability of previous reports and audits
- compliance with ERFA policies as outlined in Section 3 below, and
- application is in accord with ERFA's development principles in Section 1 above.

3. Applying for ERFA Funding

ERFA accepts funding applications from eligible development projects throughout the world. Funding applications must be co-signed by the relevant governing authority and the program leader.

3.1 ERFA Funding online/Program Toolkit

All requests for funds must be submitted on an approved ERFA Application Form. These forms can be obtained from our ERFA Website www.erf.org under the "Program Toolkit" menu. There are two distinct Application Forms:

- a) Project Proposal & Funding Application Form for all new and recurrent funding, and
- b) Capital Application Form.

ERFA Project Proposal & Funding Applications request details of:

- the project or program seeking funding
- statement of development needs and development objectives and expected outcomes and impact of the project and details of how these will be measured
- anticipated number and profile of beneficiaries
- details of the local community Involvement in devising the program
- key activities to be undertaken with ERFA funding
- an outline of the management structure of the project
- details of project staffing and resource requirements



- the term of the project, whether it is existing or new and the likelihood of its funding becoming a potential multi-annual funding need.
- details of income sources and plans for sustainability after the application funding has been utilised including whether a future need for funding is envisaged
- copies of approvals required for implementation
- planned initiatives to incorporate and address cross-cutting issues
- project Risk Management Framework
- project Monitoring and Evaluation Plan, and
- Contact and payee details.

3.2 Budget Details

A budget template is available on ERFA's website (www.erf.org.au) under the "Program Toolkit" menu for submission with the Funding Application. Budget details for the project or program should include:

- how much funding is being sought from ERFA
- budget for intended use of ERFA funding
- details of other sources of co-funding for the project/ program - agencies, government, private donors, in-kind donations etc, and
- 3 year budget forecast including estimated ERFA contribution required.

3.3 Child Protection

All projects, programs and activities supported by ERFA must have approved Child Protection Policies in place if they are dealing directly with children. ERFA Applications must be supported by confirmation that approved Child Protection Policies are in place for any project working with children or any vulnerable persons. In 2016 and beyond a copy of the up-to-date, site-specific Child Protection Policy should be submitted with all applications. Failure to provide confirmation of such policies will result in an application being immediately declined.

3.4 Safety and Security Policy

ERFA believes that in-country personnel are the most precious resource for the communities that ERFA supports.

Therefore, it is a condition of receipt of ERFA funding that projects are managed by partners in accord with ERFA Safety and Security Policy for project staff. It is also a requirement that the partners acknowledge, with respect to project staff safety and security, ERFA's responsibilities and obligations under relevant Australian law and DFAT/ANCP and ACFID requirements.

3.5 Counter Terrorism Policy

ERFA is committed to avoiding involvement in terrorist activities, avoiding supporting terrorism and avoiding supporting individuals and organisations that support terrorism. All of ERFA's project



partners are required to be aware of ERFA's obligations under Australian law and are required to adopt similar measures in respect of funds from ERFA. Funding recipients are required to provide detailed accounting reports, at least annually, showing how funds have been disbursed. The identity, credentials and good standing of all key project personnel and office bearers, and the organisations ERFA supports, will be checked to ensure people or organisations are not on the Australian government sanctions or proscribed terrorist organisation lists.

3.6 Anti-Corruption and Anti-Fraud Policy

ERFA is committed to maintaining a culture of honesty and zero-tolerance of all forms of corruption and fraud. All projects, programs and activities supported by ERFA must comply with ERFA's Anti-Corruption and Anti-Fraud Policy.

3.7 Non-development Activity Policy

ERFA is committed to ensuring that funds and other resources designated for the purpose of aid and development will be used only for those purposes. This policy outlines the requirement for a clear separation between aid and development and non-aid and development objectives and activities. ERFA funds may not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a political party.

3.8 Cross-Cutting Issues

Cross-cutting issues include: child protection, gender equality and female empowerment, disability and inclusiveness, protection of human rights and environmental sustainability. ERFA is committed to mainstreaming cross-cutting issues. ERFA recognizes that these issues are integral to development and have strong impacts on development. ERFA recognizes that development effectiveness will be compromised if relevant cross-cutting issues are not integrated into project design and planning. ERFA expects funded projects to have policies in place that address cross-cutting issues relevant to the nature of their work.

4. Allocation of Funding

- ERFA currently has no minimum or maximum individual application/ donation amount.
- Only applications which fulfil all criteria for eligibility will be accepted (see Section 2 above). Those not eligible will be returned to the Development Manager with a statement of how they do not meet the eligibility criteria.
- All completed and approved funding applications should be returned to ERFA.
- ERFA Funding Assessment Group reviews the application to ensure it meets with the eligibility criteria and falls within the funding areas of ERFA.
- ERFA's CEO works with the Program Managers and Development Teams to ensure (insofar as possible) that all applications submitted to institutional/agency, third party or co-funding organisations or donors are completed to the highest standards possible as demanded by those funders and donors.
- At this stage in the process, ERFA CEO may respond to applicants with particular queries.



- Upon satisfactory completion of the application and any associated queries, the ERFA CEO makes a recommendation to the ERFA Board on whether to approve the application or otherwise.
- Applications will be considered on their merit with a view to ensuring a fair allocation of available funding.
- Applications for project funding will be assessed under the following essential criteria:
 - application standard and adherence to best practice development principles
 - approval from relevant Governing Authority and Program Leader
 - accountability of previous reports and audits, and
 - acknowledgement of ERFA support in publications and communications.

5. Funding Timelines

- Funding Applications are open in July each year and close at the end of August. Applications made to ERFA outside of these times will only be considered if permission is granted by the ERFA board chair.
- All funding applications are reviewed by the CEO of ERFA and a priority list is created for the ERFA board meeting in October.
- All governing authorities and program leaders are contacted after the October board meeting with the interim outcomes. Governing authorities and program leaders have until 1 November to resubmit an application form.
- Final approvals for funding are given at the November board meeting.

6. Transfer of Funds

Transfer of funds takes place as follows:

- a) For all new applications, funds are transferred to an account approved by the Program’s governing authority. ERFA requires a copy of the audit of these accounts on an annual basis to satisfy the ERFA audit and funding governance requirements.
- b) For all recurrent applications, funds are transferred from ERFA only when a quarterly report has been provided to the CEO of ERFA.

Quarterly Reports and Transfers are as follows:

Date	Reports Due	Transfer of Funds
30 January	Annual Acquittal due	Providing Acquittal or Report has been received, transfer of funds takes place in the third week of February, May, August and November
30 April	Quarterly Report (January – March)	
30 July	Quarterly Report (April - June)	
30 October	Quarterly Report (July - September)	



- c) At the time of transferring the funds, the ERFA Finance Office will receive a letter electronically from the CEO approving the transfer. This letter is copied to the ERFA Board Chair, ERFA Treasurer, ERFA General Manager, the In-country Governing Authority, In-country Development Manager, and In-country Program Leader. The letter outlines the purpose of funding and confirming the account to which funds will be transferred.
- d) A copy of the receipt form for the Recipient is sent by ERFA Finance to the Program Leader. The Program Leader acknowledges receipt of funding via email.

7. Funding Reporting

All funding requests granted by ERFA require detailed funding reports to be completed and submitted to ERFA on a quarterly basis outlined in the table below.

Reports and acquittals are vital for ERFA to understand each project, and for the directors in their exercise of due diligence. The board will not agree to transfers of funds unless the previous quarterly report has been received. As a member of the Australian Council for International Development (ACFID), ERFA is required to ensure compliance measures are fully adhered to, including strict procedures that monitor each project ERFA supports.

Date	Reports Due	Transfer of Funds
30 January	Annual Acquittal due	Providing Acquittal or Report has been
30 April	Quarterly Report (January – March)	received, transfer of funds takes place in
30 July	Quarterly Report (April - June)	the third week of February, May, August
30 October	Quarterly Report (July - September)	and November

7.1 The Annual Acquittal

The annual acquittal covers the year completed for projects which have received funding from ERFA. It is intended to establish whether a project has reached its objectives and delivered what was expected according to its original plan. The interactive proforma for this report can be downloaded via the project toolkit link on the ERFA website, www.erf.org.au. It is to be accompanied by an audited financial statement for the year and management letter.

7.2 The Quarterly Monitoring Report

Quarterly monitoring reports are intended to ensure that project implementation is on track for the 3 months completed. The quarterly monitoring report form is available via the ERFA website. There is also a requirement for attachment of a financial report of income and expenditure for the 3 month period with this report.

There is an expectation that program leaders will provide ERFA with material (e.g photos, internet links, printed materials) that will assist in the dissemination of information on the Projects to the wider community via various mediums including the Reaching Out magazine, the ERFA website and other electronic and printed materials produced by ERFA. Provision of these materials should comply



with ERFA's policies on Privacy and Child Protection. Images must be sent as jpg files with high resolution for printing (minimum 1mB) and should be sent to ERFAReports@erf.org.au

7.3 Variations to Budgeted Expenditure

Where funding has been approved for a particular activity/project and, for whatever reason, there is a delay in fully implementing the approved activity/project or there is a material underspend (>10%) on the activity/project, ERFA's CEO should be notified in order that the fund transfers can be reduced accordingly or, if the funds are to be held over to enable the activity/project to be completed in a later period, the CEO should confirm whether this approach is acceptable to ERFA. Should the unspent funds be needed for some other activity/project, a new application will need to be lodged with ERFA in order that this funding request can be considered along with funding requests received from other projects and be prioritised accordingly.

8. Funding Complaints

Appeals or complaints relating to funding decisions or transfers may be made to the Chair of the ERFA Board of Directors and can be lodged via ERFA's website at www.erf.org.au. All appeals or complaints lodged will be acknowledged within five (5) working days. A response to the appeal will be provided within four (4) working weeks. Where the matter has to be referred to the full Board for consideration, the applicant will be advised of the date of the next board meeting and a final response will be issued within five (5) days of that scheduled meeting.