



Australian Government

Department of Veterans' Affairs

Guide

to completing a
Veteran & Community Grants
Application

January 2004

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INTRODUCTION

The guide has been prepared to help you complete your application for a Veteran & Community (V&C) Grant.

Please read the *Veteran & Community Grants Guidelines* and then contact your local Department of Veterans' Affairs (DVA) office to discuss your project proposal before completing your application.

The guidelines set out the aims and objectives of the grants, eligibility and funding criteria and funding exclusions.

This guide will be updated as necessary, to incorporate any changes to the guidelines.

Applicants should be aware that undertaking the development of a project and the completion of an application does not guarantee that the project will receive all, or any of the funds requested.

The 'Time Box' on the front page of the application form is to be completed by the applicant.

GUIDE TO COMPLETING APPLICATION FORM

PART A – Applicant Details

Applicant Organisation

The applicant or sponsor organisation will bear executive responsibility for the management of the project and will be accountable to DVA for the appropriate use of the grant funds.

Q12 - 16

If preferred, bank details can be provided, in writing, after notification of a successful grant application to enable electronic transfer of funds.

Q21

If an organisation is registered for GST, but does not provide the ABN in the application, DVA may be obliged to withhold tax from grant payments at the highest marginal tax rate (currently 48.5%) unless the applicant organisation provides a written statement or completes the proforma, provided with the application, stating the reasons for not supplying an ABN.

Q22

It is anticipated that in the majority of cases grant payments made to organisations will be subject to GST. However, this will be the case only where the grantee is registered for GST purposes. Grant payments to organisations not registered for GST purposes will not be subject to GST.

The following “Key Points” have been prepared to assist GST registered organisations:

1. all grants made to GST registered organisations will be subject to GST;
2. the grantee will be liable to remit the GST component (one-eleventh of the grant amount) to the ATO;
3. the grant amount will be "grossed up" to cover the grantee's liability for this tax;
4. "grossing up" will apply only to the GST exclusive value of the grant, as GST registered organisations can claim an input tax credit for the GST on items purchased with grant money (refer to example below);

5. before a grant payment can be made the grantee must provide DVA with a valid tax invoice, or sign a Deed of Agreement for DVA to provide a Recipient Created Tax Invoice (RCTI), for the amount of the grant. By entering into an agreement DVA will be able to issue a tax invoice on the grantee's behalf, saving time and paperwork;
6. the RCTI will be forwarded to the grantee prior to the grant payment and it will inform the grantee of the tax obligation for the GST on the grant, as referred to in point 2.

The following table is an example of an itemised project budget which shows how a grant is "grossed up" by adding a 10% mark up to the GST exclusive amount. The example displays how a GST registered organisation should account for any input tax credit entitlements when determining the GST exclusive amount, to which the 10% gross up applies. Input tax credits will be available to GST registered organisations when they incur GST in their project costs. Organisations must provide an itemised project budget similar to this example to demonstrate that input tax credits have been factored in to the grant amount requested.

| Item Description | GST Inclusive Cost | Input Tax Credit Amount | GST Exclusive Amount |
|------------------------------|--------------------|-------------------------|----------------------|
| Course Coordinator wages | \$3,000 | \$0 | \$3,000 |
| Office equipment | \$11,000 | \$1,000 | \$10,000 |
| Reference books | \$440 | \$40 | \$400 |
| Sub Total | \$14,440 | \$1,040 | \$13,400 |
| 10% Gross up | | | \$1,340 |
| Total Amount of Grant | | | \$14,740 |

As the course coordinator is an employee of the organisation, these wages are outside the GST net. Therefore the organisation will not incur GST and there is no entitlement to an input tax credit, the actual amount required is \$3,000.

Office equipment and reference books are subject to GST. If the organisation incurs GST, the organisation is entitled to claim input tax credits from the ATO for this amount. These entitlements should be removed from the project costs to determine the GST exclusive amount.

The total GST exclusive amount of \$13,400 will have a 10% gross up applied by DVA. The 10% gross up amount represents the organisation's GST liability, which is to be remitted to the ATO.

Q22 -23

This question applies only where the applicant organisation is registered for GST and if it receives payments to which GST will apply.

In this circumstance DVA requests the applicant organisation to enter into an RCTI Deed of Agreement with DVA. This RCTI Deed of Agreement will only come into effect if the grant application is successful.

If the applicant organisation wishes to enter into an RCTI Deed of Agreement this is to be completed and submitted with the grant application form.

Refer to the RCTI Deed of Agreement provided with the application form. As stated in this question DVA will be able to issue a tax invoice on your behalf, saving time and paperwork for you.

Here is an example of an RCTI (which shows how the GST on the grant matches the 'gross up' on the grant).

**RECIPIENT CREATED
TAX INVOICE
ADDRESS :**



Australian Government
Department of Veterans' Affairs

ABN: 23 964 290 824

CONTACT: Young Diggers Assn (Qld)
PHONE: 12345678900

INVOICE NO:

| NAME: AEN: ADDRESS: | | | DATE: <input type="text" value="06/06/2000"/> | | |
|---------------------------|----------|--------------------------|---|-----------------------|------------------------|
| ITEM DESCRIPTION | QUANTITY | GST EXCLUSIVE UNIT PRICE | GST EXCLUSIVE TOTAL PRICE | TOTAL GST (if applic) | TOTAL INCLUSIVE OF GST |
| Veteran & Community Grant | One | \$13,400.00 | \$13,400.00 | \$1,340.00 | \$14,740.00 |
| TOTALS | | | | \$1,340.00 | \$14,740.00 |

The GST shown is payable by the supplier

PART B – Project Details

Q31

Refer to the objectives in the V&C Grants guidelines. The purpose of the project must meet one or more of these objectives.

Q37

When planning a program of activities, applicants should take into consideration that there are three funding rounds each financial year. Contact the DVA State Office Grants team for closing dates for funding rounds.

Funds will generally be available to successful applicants approximately 2-3 months after the relevant funding round.

Applicants should be aware that reimbursement of expenses incurred by an organisation prior to the grant funds being paid is not possible, therefore projects should be planned according to this timetable.

Q38

The application must show that the proposed service/activity will fill an identified need before funding can be approved. Applicants must provide details of the needs analysis conducted (eg survey, consultation with other local organisations) to establish that there is an existing need, how the need was identified and how the project will meet the need.

Q39

An applicant may receive funding for a project if a similar service exists but cannot be accessed by, or is not adequate for, the target group.

An applicant cannot receive funding for a project which duplicates an existing service at the same location, or a nearby location, which is accessible by and adequate for the target group, unless there is a strong case for a veteran community specific service.

PART C – Project Management

Q40

If the project requires the recruitment of skills from an outside source, describe how this will be achieved.

Q41

Some of the areas you will need to consider for this question are:

- identifying potential users of the service/activity (the project target group);
- an advertising and marketing strategy to ensure the target group becomes aware of the service/activity;
- a strategy to encourage community support/involvement;
- responsibility for the day-to-day running of the service/activity;
- if volunteers are involved, the number of volunteers required, your volunteer recruitment strategy, the time-frames for recruiting and training volunteers;
- day-to-day program for the service/activity over a weekly or monthly period;
- ongoing monitoring and evaluation strategy to ensure the project meets its objectives.

Q42

Details of these plans would include ongoing recruitment of new members/participants, volunteers, fund raising activities, participant contributions, subsidies, alternative funding sources, etc. Where applicable, describe the strategies for ongoing recruitment and training to replace volunteers leaving the project.

PART D - Project Funding

Q45

The total should be reflected in the itemised budget listed at question 57.

Q47

Potential other sources of funds may include local businesses, community organisations, local and state governments, other Australian government departments, gaming distribution funds and casino community funds.

Q48

Details of funding received from any other source would include a donation, loan (bank or other), bequest, etc.

Q53

If you show a shortfall of funds at question 50 indicate your plans for overcoming this shortfall, eg participant contributions, fundraising activities, sale of goods, etc. You should provide a projection for the funds expected to be raised.

Q57

Where items are subject to GST, the GST component must be shown separately for each item. An overall 10% should not be added to the budget to cover GST, as some items may not be subject to GST. Refer to Part A, Q33 for information on how to present an itemised budget.

Q58

The two written suppliers' quotations must be provided to ensure the application proceeds.

PART E – Expected Outcomes of Project

Q63

The benefits to users should be measurable in terms of the eventual evaluation of the project. An example might be:

- a veterans' drop-in centre in a small rural community will provide a program of regular social and appropriate sporting activities for lonely, elderly veterans and their spouses/carers who are at risk of social isolation. These activities will increase their opportunities for regular social interaction and appropriate physical exercise.

DECLARATION

The Declaration should be signed by two executive members of the applicant organisation, preferably Office Bearers.