

DONATION IN LIEU OF ORDINARY RATES POLICY

Responsible Department: Financial Services
Responsible Section: Financial Services
Responsible Officer: Chief Financial Officer

Objective

- To consider financial assistance by way of donation to local service, cultural, sporting, charitable or non-profit organisations who operate within or provide benefit to the residents of Narrabri Shire or conduct quality cultural, sporting and community service programs and activities and who cannot attract sufficient funds from other sources;
- To address targets specified within the Community Strategic Plan or other Strategic Documents as well as objectives;
- Detail the principles whereby Council grants donations to organisations.

Introduction

Chapter 15 of the *Local Government Act 1993* (NSW) provides a legal basis upon which Councils charge rates, including the parties liable to and exempt from paying rates to Council.

Section 356 of the *Local Government Act 1993* (NSW) permits Council to give financial assistance to entities for the purpose of exercising its functions.

This policy establishes Council's position in relation to exercising that power in relation to ordinary rates, in order to expand the relief available to entities in the community that benefit the community.

Policy

1. Definitions

Term	Meaning
Community Services	Not-for-profit Incorporated entities that provide a service for the benefit of the community.
Donation	A grant from Council to an organisation or group and includes 'Financial Assistance', 'In Kind Assistance', 'Sponsorship' and 'waiving of fees and charges'.
Local Charity	A not-for-profit entity recognised as a charitable organisation and providing charitable services in the Narrabri Shire community.
Sporting Clubs	A club that engages in sport or provides sporting services, excluding registered clubs under the <i>Registered Clubs Act 1976</i> (NSW).
Social Clubs	A club that engages in social activities or provides social services, excluding registered clubs under the <i>Registered Clubs Act 1976</i> (NSW).

2. Donations in Lieu of Ordinary Rates and Charges

- 2.1. Council may, in accordance with this policy, donate a sum to organisations or entities in the Shire that are liable to pay rates and charges.
- 2.2. A donation under this policy will constitute a credit against rates and/or charges payable to Council. To avoid doubt, a donation under this policy will not involve the payment of cash or transfer of funds to entities.
- 2.3. Council will, at its discretion, contribute the following amounts to the following types of entities:
 - (a) Community Services or Local Charity:
 - i. 100% of General Rates and Annual Charges; or
 - ii. Such lesser amount as Council Resolves.
 - (b) Sporting/Social Clubs:
 - i. 100% of General Rates only; or
 - ii. Such lesser amount as Council Resolves.
- 2.4. Donations will only be paid to qualifying entities where that entity:
 - (a) Is the party liable to pay rates under the *Local Government Act 1993* (NSW); or
 - (b) Is not the party liable to pay rates under the *Local Government Act 1993* (NSW) but is liable to indemnify the party liable to pay rates for the whole amount of rates relating to the property for which an application is made.
- 2.5. Entities must apply to the Council for the donation, in accordance with this policy.
- 2.6. Donations will only be made for rates and charges on land that is used directly in association with the organisation's activity.
- 2.7. Where an entity is granted a donation under this policy but ceases to use or own the property during the term of the year the donation relates, the donation will be limited to the period within the year that the entity was the owner/occupier of the property. In those instances, Council will issue a revised rates and charges notice.
- 2.8. A decision to make a donation in lieu of ordinary rates and charges will take the form of a resolution of Council.

3. Applications for Donation

- 3.1. Entities seeking a donation in lieu of ordinary rates under this policy must apply to Council.
- 3.2. Applications are to be submitted in the form prescribed by Council. A copy of that form is an appendix to this policy.
- 3.3. The General Manager may amend or replace the application form and attach any amended or replacement application form to this policy without the need for a further Council Resolution.
- 3.4. Applications must include, at a minimum:
 - (a) The legal name of the applying entity;
 - (b) The registered address of the entity;
 - (c) The property address and ID;
 - (d) The name of the registered proprietor of the property;
 - (e) Documentary evidence of liability to indemnify the registered proprietor of the property if the entity apply for the donation is not the owner;
 - (f) The articles of incorporation/constitution of the entity;
 - (g) Other documents evidencing that the entity meets one of the types identified at clause 2.3 and uses the property for that purpose.
- 3.5. Applications are to be submitted to the Council Administration Office or Council inbox.
- 3.6. Applications will open on the first day of April in the financial year before the donation is sought to be made.

3.7. Applications must be submitted by:

- (a) the first day of May in the financial year before the donation is sought to be made; or
- (b) any other time, where the entity only becomes liable to pay rates or indemnify the registered proprietor for rates part-way through the financial year that the application concerns.

4. Assessment and Determination of Applications

- 4.1. The General Manager will ensure that applications are assessed in accordance with this policy.
- 4.2. The General Manager will ensure that a report is brought to the June Ordinary Council Meeting. The report will include:
 - (a) The recommended applicants
 - (b) The properties of the recommended applicants
 - (c) The amount for each property
 - (d) The total amount
 - (e) Any candidates that are not recommended for donation, including a reason why.
- 4.3. Where an application is made in accordance with clause 3.6(b) above, the General Manager is to ensure a report is brought to the next practicable Ordinary Council Meeting.
- 4.4. Council will consider the report and make a determination.
- 4.5. Council may request that an applicant, or their representative, attend a Briefing or Workshop to clarify any matter in relation to their application before Council makes a determination.

5. Marketing of This Policy

- 5.1. Council commits to the following promotion of the Donation in Lieu of Ordinary Rates Policy:
 - (a) Recipients of the donation in the previous financial year will be notified via email of the opening of the application period.
 - (b) The application period will be advertised on the Narrabri Shire Council website and on the official Council Facebook page.

6. Review

- 6.1. This policy will be reviewed within 12 months of an Ordinary Council Election or from time-to-time on an as-needs basis.

References

- *Local Government Act (NSW) 1993.*
- *Local Government (General) Regulation 2021.*

History

Minute Number	Meeting Date	Description of Change
115/2014	5 April 2016	Adopted
164/2017	15 August 2017	Reviewed
	2 June 2020	Rebranded
336/2022	October 18, 2022	Endorsed for Public Exhibition
362/2022	November 22, 2022	Adopted