

Grants Policy

1 Purpose

Grants are financial assistance arrangements paid to non-State Government entities to assist them to carry out activities that drive outcomes aligned with the WA health system's strategic intent.

This Policy supports WA health system entities to apply the principles of probity and accountability when issuing Grants, by outlining minimum process and documentation requirements. This Policy applies to:

- (a) Grants within the scope of Community Services ('Community Services Grants'); and
- (b) Grants outside the scope of Community Services ('Commercial Grants').

For community services related funding processes, the following process and documentation requirements should be read in conjunction with the *Delivering Community Services in Partnership Policy* which is mandated across the WA Government through Premier's Circular 2019/02.

This Policy is a mandatory requirement under the *Procurement Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

This Policy is also a mandatory requirement for the Department of Health pursuant to section 29 of the *Public Sector Management Act 1994*.

Integrity Statement

WA health system entities must conduct procurement activities to the highest standards of integrity, probity and accountability.

In complying with this Policy, WA health system entities must ensure that:

- all decisions regarding procurement are made by an appropriately authorised officer, and are transparent and capable of review
- all conflicts of interest are identified, declared and managed in the public interest
- the principles of consistency, impartiality and confidentiality are upheld
- adequate records are maintained to provide for scrutiny and review of decisions.

WA health system entities must comply with all requirements related to the use of the mandatory *Conflicts of Interest Policy*, and the *Gifts, Benefits and Hospitality Policy*, including requirements to use the mandatory systems to register, declare and seek approval for any conflicts of interest that arise or gifts received.

Please refer to the [Integrity Policy Framework](#) for further details.

2 Applicability

This Policy is applicable to WA health system entities.

3 Policy requirements

Grants must:

- (a) be allocated for a discrete period of time
- (b) be linked to outcomes which progress the WA health system's strategic intent
- (c) not constitute the entire financial base of the recipient entity.

Grants may contain conditions relating to the organisation's conduct or activities and may further include mechanisms to facilitate appropriate oversight and management of the grant. However, Grants are not appropriate to use where WA health system entities would seek to enforce the delivery of specified service deliverables or products prior to payment. Where WA health system entities require the ability to enforce the delivery of deliverables to a specification, a contract or service agreement should be formed in accordance with the *Procurement and Contract Management Policy*.

3.1 Grant Process Requirements

WA health system entities are responsible for managing risks, including political and reputational risks, to the WA health system that may arise in connection with awarded grants. The selection of a recipient(s) for grant funding must be justifiable and documented. To determine appropriate recipients for grants, a number of options are available for WA health system entities to undertake, including but not limited to:

- (a) approach a potential recipient directly based on market research (a direct grant);
- (b) advertise for grant applications and select appropriate recipients based on an assessment of applications (a funding program).

3.2 Grant Documentation Requirements

WA health system entities must document the development of grant agreements in accordance with requirements outlined in the table below.

Activity	Grant Documentation Requirements
Initiation	<p>The key details of the Grant, and corresponding business approval to proceed must be recorded.</p> <p>A supporting template, providing guidance on the appropriate level of detail, is available. Refer to section 6 for information on supporting templates.</p>
Formation¹	<p>Grants must be formally established in an agreement.</p> <p>For Community Services Grants, the following templates must be used:</p> <ul style="list-style-type: none"> (a) Grant Conditions (for Community Services Grants below \$10,000); or (b) Grant Agreement (for Community Services Grants at or above \$10,000) <p>A supporting template is also available for Commercial Grants. Refer to section 6 for information on supporting templates.</p>
Variation	<p>All grant variations irrespective of value will require a grant variation letter to be executed and issued.</p> <p>Grant variations with a cumulative value² at or above \$50,000 will also require a Grant Variation Memorandum to be approved (in accordance with section 3.4 of this Policy) prior to the variation letter being issued.</p> <p>Refer to section 6 for information on supporting templates.</p>

3.3 Grant Authorisation and Governance Requirements

For grants valued at or above \$50,000, WA health system entities are required to have their initiation documentation reviewed and endorsed by:

- (a) the Director, Office of the Chief Procurement Officer, Health Support Services, for grants valued up to \$1 million; or
- (b) the Chief Procurement Officer, Health Support Services for all grants valued at or above \$1 million.

After any required review and endorsement, WA health system entities must ensure Grant documents and decisions are approved in accordance with the applicable Instrument of Authorisation and with due care and attention to the requirements of the *Procurement Policy Framework*.

3.4 Variations to Grants

WA health system entities must ensure all variations to Grants are clearly documented along with supporting material justifying any decisions in accordance with the *State Records Act 2000*. WA health system entities may increase the value of a Grant through a variation,

¹ The use of the standard Grant agreement templates provided for Community Services Grants is mandatory. Refer to Section 5 – Related Documents for further details.

² Cumulative value refers to increases in the value of the grant above the value approved in the original initiation document, or the value approved in a subsequent Grant Variation Memorandum.

which must be documented in accordance with Section 3.2. Grant Documentation Requirements.

A Grant Variation Memorandum must be reviewed and endorsed by:

- (a) the Director, Office of the Chief Procurement Officer, for grant variations valued up to \$1 million; or
- (b) the Chief Procurement Officer for all grant variations valued at or above \$1 million.

Following the required review and endorsement as set out above, WA health system entities must ensure that the grant variation letter is approved in accordance with the applicable Instrument of Authorisation and with due care and attention to the requirements of the *Procurement Policy Framework*.

4 Compliance monitoring

WA health system entities are required to ensure compliance with this Policy. WA health system entities must ensure the requirements under this Policy are properly documented and recorded.

The System Manager may request that WA health system entities submit compliance evidence in relation to the requirements of this Policy. In these cases the System Manager will work with WA health system entities to agree on the information to be provided and timeframes this is required within.

5 Related documents

The following documents are mandatory pursuant to this Policy:

- The [Department of Finance](#) provides template Grant agreements for the formation of Community Services Grants, which are mandatory for Grants established under the *Delivering Community Services in Partnership Policy*.

6 Supporting information

A range of documents and templates that inform this Policy (i.e. documents that are not mandatory to the implementation of this Policy but may support the implementation of the Policy) are available.

- The [Office of the Chief Procurement Officer](#) provides a suite of templates and guides on its webpage, primarily focused on supporting the documentation of internal decision making processes, and on the establishment of grants with commercial intent.
- Some of the key OCPO templates supporting processes outlined in this Policy include:

Grant Activity	Supporting Template
Initiation	Grant Proposal
Formation	Grant Funding Agreement (for Commercial Grants)
Variation	Grant Variation Memorandum

- In addition, the [Department of Finance](#) also provides a range of templates and guides supporting the establishment of grants, particularly in relation to community services.

7 Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Grant	A financial assistance arrangement paid to non-State Government entities to assist them to carry out activities that drive outcomes aligned with the WA health system's strategic intent.
Community Services	<p>As defined in the <i>Delivering Community Services in Partnership Policy</i>:</p> <p>"Community Services means services that provide support to sustain and nurture the functioning of individuals and groups, to address physical, social and economic disadvantage, maximise their potential, and to enhance community wellbeing.</p> <p>Types of Community Services include (but are not limited to):</p> <ul style="list-style-type: none"> (i) services that contribute to the building of capacity within the community to respond positively to an identified need; (ii) services required to address disadvantage for which a collaborative approach is required with the community; (iii) services that encourage the involvement of volunteers, increased business or community support, or the personal empowerment of recipients of the service; or (iv) services that contribute to the ability of people to live and participate in the community."
Community Services Grants	Grants for 'Community Services' as defined in the WA Government's <i>Delivering Community Services in Partnership Policy</i> .
Commercial Grants	Grants which do not fall within the definition of Community Services.
Documentation Requirements	<p>The documentation needed to adequately record information regarding a particular decision, activity, process or other action.</p> <p>The Department of Finance provides template Grant agreements for Community Services Grants, which are mandatory for use.</p> <p>Additional non-mandatory templates that support the initiation of grants, and grant variations are available from the OCPO website.</p> <p>Further information on the availability of these templates is set out in Section 5 – Related Documents, and Section 6 - Supporting Information.</p>
Instrument of Authorisation	The instrument through which an officer has been provided the authority to approve, action or otherwise make a decision in relation to an identified matter.

WA health system entity	<ul style="list-style-type: none"> All Health Service Providers as established by an order made under section 32(1)(b) of the <i>Health Services Act 2016</i> Department of Health as an administrative division of the State of Western Australia pursuant to section 35 of the <i>Public Sector Management Act 1994</i>. <p>Note: Contracted health entities are not considered WA health system entities.</p>
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8 Policy contact

Enquiries relating to this Policy may be directed to:

Title: Office of the Chief Procurement Officer

Directorate: Health Support Services

Email: ocpo@health.wa.gov.au

9 Document control

This mandatory policy will be reviewed as required to ensure relevancy and currency.

Version	Published date	Effective from	Review date	Effective to	Amendment(s)
MP0005/16	1 July 2016	1 July 2016		28 February 2017	Original version
MP0005/16 v.2.0	1 March 2017	1 March 2017		4 October 2017	Clearer process treatment for competitive grants and grant variations.
MP0005/16 v.3.0	5 October 2017	5 October 2017		1 January 2019	Treatment of approval for grant initiation and variations has been amended to align more closely with contract variations, and streamline administrative requirements.
MP0005/16 v.3.1	2 January 2019	2 January 2019		9 August 2019	References to 'Authorisations Schedule' replaced with 'Instrument of Authorisation'.
MP0005/16 v.4.0	9 August 2019	9 August 2019		14 October 2020	Major Amendment, details below.
<ul style="list-style-type: none"> References to grants being classified as a gift have been deleted. Where thresholds are defined, boundary values are now aligned with requirements for the higher threshold. References to OCPO positions for the purpose of providing authorisations have been updated. Addition of the Integrity Statement. Policy no longer applies to Department of Health employees. 					

<ul style="list-style-type: none"> • Further minor amendments made to improve clarity and consistency throughout policy. • Supporting information amended to acknowledge availability of a range of guides and templates, instead of specific documents. 					
MP0005/16 v.4.1	14 October 2020	14 October 2020		2 June 2021	Minor amendment to update hyperlinks in Section 6. Supporting information and Section 5. Related documents.
MP0005/16 v.5.0	2 June 2021	2 June 2021	June 2024	Current	Major Amendment, details below.
<ul style="list-style-type: none"> • Policy now applies on a systemwide basis. • Grant definition has been clarified to better align with intended scope and application of policy. • Grant Initiation Documentation consolidated into a single Grant Proposal template. • Threshold for Grant Variation Memos raised to \$50,000. • Further minor amendments to improve consistency across Policy Frameworks and have consistent use of defined terms. 					

10 Approval

Initial approval	Dr David Russell-Weisz, Director General, Department of Health
	14 February 2017
Current version approved	Rob Anderson, A/Assistant Director General, Purchasing and System Performance, Department of Health
	2 June 2021

This document can be made available in alternative formats on request for a person with a disability.

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