



Ashburton Trust

Statement of Granting Policies and Objectives

Adopted on 15 March 2018

Introduction

Purpose of the Granting Policy

1. This Statement of Granting Policies and Objectives (SGPO) sets out the framework for providing community grants by the Trust by providing a clear statement of the granting objectives, strategy, performance measurement criteria, and the constraints to be observed.
2. To outline the community-based objectives of the Trust.
3. To ensure ongoing benefits for the people within the Trust's geographic boundaries and outlining how distributions from the Trust's investment profits will be spent within the community.

Grants available

4. The amount of grants available each year will be established from the Granting Mechanism set out in the Statement of Investment Policies and Objectives (SIPO). At a high level, the Trust wishes to:
 - a. Ensure a stable level of granting by spending approximately 4.0% of the Net Assets of the Trust each year (which will cover operating costs and grants);
 - b. Maintain fairness between present and future generations; and
 - c. Not erode the Real Capital of the Trust (which is the initial capital adjusted for inflation).

Who is responsible for implementing the policy

5. The Trust Board oversees the activities of the Trust. Grants and the granting policy are administered through the Granting Subcommittee which is made up of members of the Trust Board selected and appointed annually. The Subcommittee may comprise a subset or the entire Board.
6. The Trust Board may choose to include up to two external independents on the Granting Subcommittee based on the needs of the Subcommittee and experience of the independent(s).

Granting philosophy

Time horizon

7. The Trust has an intergenerational perspective which is best described as 'a 100 year view'. As such, the Trust recognises that:
 - a. The needs of the community will change over time;
 - b. That the Trust's available grants will, even with best intentions and endeavours, not be able to meet the full range of deserving needs in the Community; and
 - c. A strategic view of spending is required which 'leverages' the outcomes achieved by the Trust.
8. The Trust believes that a five year strategic framework is required to guide its granting. A 5 year timeframe will allow the trust to increase its focus on key areas for change or projects which may require multi-year funding in order to see real change and improvement in the Community.

Strategic focus and Outcomes focus

9. The Trust believes that it should approach granting with a clear focus on:
 - a. The outcomes the Trust wishes to achieve;
 - b. Evidence where ever possible to inform the Trust's areas of work; and
 - c. 'Needs gaps' which are not addressed by other philanthropic or public entities.

Making a difference

10. The Trust aims to make a difference.
11. The Trust will evaluate and monitor the difference its grants are making in the Community. The Trust understands the value of learning from its successes and failures, and is committed to sharing its learning with others.

Be Brave

12. The Trust accepts that it cannot be 'all things to all people'. The Trust will develop and take a stance on the outcomes it is seeking to achieve and be a courageous advocate for creating positive outcomes in the Community. In part this will be achieved through the focus created in the Strategic Plan.

Partnering

13. The Trust will work with others.
14. The Trust recognises that pursuing strategic funding partnerships and co-funding opportunities within the Trust's geographic boundaries, and thought leadership within the wider Canterbury and Mid-Canterbury areas, will be required over time to achieve significant positive outcomes in the Community. Partners who are seeking similar outcomes to the Trust may come from a range of sectors including philanthropic, private, or government.

What the Trust will (and won't) fund

15. The Trust's governing document and the 5-yearly Strategic Plan will set out the areas of focus for the Trust. In addition, the Trust believes that there are some areas which are predominately the responsibility of central and local government. While some projects may only be funded by partnering with central and local government, the Trust does not wish to be seen as a substitute for government responsibilities.

Spending and Granting policies

Strategic Plan Policy

16. The Trust will develop a Strategic Plan in 2018 and every 5 years thereafter which sets out the areas of strategic focus for the Trust. The Strategic Plan will be based on evidence of the areas of need within the Community.

Areas of Exclusion Policy

17. The Trust will develop a list of general and or specific areas that it will not typically fund. The Trust will update the Areas of Exclusion list no less than every 5 years in conjunction with the Strategic Plan (but may do so annually as needed).
18. The Trust does not intend to fund:
 - a. Projects already completed before the consideration date
 - b. Debt repayment
 - c. Projects with political objectives
 - d. For-profit entities
 - e. Projects where the benefit is outside the Trust's geographic boundary as defined by legislation.

Dependency Policy

19. The Trust does not wish to have organisations become dependent on renewal of its grants. The Trust will, as a matter of general principle, not fund more than one-third of the operating costs of any individual entity or project.
20. The Trust reserves the right to review this exclusion on a case-by-case basis as the Trust may choose to partner with or seed fund an organisation in order to achieve a key outcome in accordance with its Strategic Plan.

Overheads Policy

21. Overheads of the Trust must be paid out of the annual spending budget as allocated from the SIPO through the distribution policy. The balance of funds each year will become the 'grant budget'. As such, the Trust will seek to minimise its costs where possible.

Funding Allocation and Granting Timeframe Policy

22. The Trust will establish an allocation of its annual grants to four categories of grants: quick response grants (up to bi-monthly awards), annual grants, multi-year commitments, and the establishment of a fund for 'big projects' which may be built up and awarded only once every 3-5+ years.
23. The Trust will establish and publish a regular schedule of grant application deadlines at the beginning of each year.
24. The funding categories and allocation are as follows:

Grant	Allocation of Annual Budget	Grants per year	Considered/distributed
Quick response	10%	Up to 6	Bi-monthly
Annual	30%	2	Twice a year
Multi-year	30%	Nil to 1	Once a year (at the granting committee's discretion)
Big projects	30%	Nil to 1	Once a year (at the granting committee's discretion)

Individual Grant Limits

Quick Response

25. The Trust typically expects its Quick Response grant pool will last across the year. Therefore, each year the Trust will establish an indicative dollar or percent limit for individual Quick Response grants.
26. The Trust reserves the right to grant more than the limit on a case-by-case basis.
27. The Trust may delegate decision making for Quick Response grants to management.

Annual and Multi-Year Grants

28. The Trust will not make any single grant of more than one-third of the target distribution for the year. Therefore, the limit for an Annual Grant or Multi-year Grant will be 10% of the Grant pool based on a 30% allocation to each of the categories.

Big Projects

29. There is no limit to the size of a Big Project grant, subject to the funds having been accrued and being available.

Grant Reserves Policy

30. The Trust wishes to have up to 3 years of estimated grants set aside within the Trust's cash asset allocation to ensure stability of granting.
31. To achieve this, the Trust will seek to build up a cash fund (which is in excess of the Trust's Real Capital). *Note: with reference to the Trust's Asset Allocation in the SIPO the Grant Reserve may comprise the Trust's allocation to Cash and or short term Bonds. Management of any such cash reserve fund will be overseen by the Investment Committee as part of the Trust's Assets.*

Grant Due Diligence and Termination

32. The Trust acts in the best interests of the wider Community (including its current and future beneficiaries) and events such as a grant recipient ceasing to operate, failing to report back, failing to achieve outcomes sought, or a reputational risk arising may cause the Trust to re-assess a grant.
33. The Trust will undertake due diligence on grant applicants in proportion to the size of grants, reputational risks, or any other matters the Trust sees fit.

34. The Trust reserves the right to cancel any outstanding grant amounts and seek to claw back funds awarded to date at the discretion of the Trust.

Reporting, monitoring, and clear target outcomes

35. Grantees will be required to report back on the outcomes of their work and the funds provided by the Trust.
36. The Trust will establish a schedule of reporting and monitoring particular to each project in relation to the size of the grant, the duration of the funding, and the outcomes sought in the community.

External Independent(s) Policy

37. The Trust Board may choose to include up to two external independents on the Granting Subcommittee based on the needs of the Subcommittee and experience of the independent(s).

Promotion and Acknowledgement Policy

38. The Trust wishes to help promote the projects and causes that it funds in order to and assist to attract support to the work. The Trust will do this through a range of methods including word of mouth, its website, social media, and the media.
39. Stakeholders want to know where the Trust's funding is being spent in the community. As part of the fundraising efforts of grantees, the Trust will encourage grantees to make the Trust's logo visible in promotional material and at events.

Review and Amendments Policy

40. The Trust will undertake an initial review of the Policies in mid-2019 and thereafter the trustees will aim to comprehensively review the SGPO no less than every 5 years, taking into account any changes in the Strategic Plan.
41. A meeting will be held annually to review any proposed changes or new Granting Policies. Proposed policy changes must be tabled for two board meetings prior to the annual review before being adopted. This is to provide stability of granting and to avoid changing the SGPO due to short-term considerations.
42. Any changes to the SGPO must be proposed to the Board of Trustees for final approval.