

# Financial acquittal and assurance policy

## Royalties for the Regions and Building our Regions

### 1. Expected outcomes

Organisations receiving funding under the Royalties for the Regions (R4R) and/or Building our Regions (BoR) programs are notified of their responsibilities when acquitting project funding in accordance with the organisation's Funding Agreement.

### 2. Scope

This policy applies to the financial acquittal of all projects managed directly by Regional Strategy and Programs Division (RS&P) under the R4R and BoR Programs.

It does not apply to projects being managed by other divisions on behalf of RS&P or by other departments, e.g., the Department of Transport and Main Roads, or Department of Local Government, Infrastructure and Planning on behalf of the Department of State Development (DSD).

The policy consolidates the procedural provisions for financially acquitting projects as contained in each iteration of the Funding Agreement. It does not cover any other financial considerations, such as reimbursement of underspent funds.

### 3. Responsibilities

#### 3.1. Roles

Under R4R and BoR, organisations are responsible for:

- Providing a valid and properly completed Subsidy Claim Form (including a statement or breakdown of expenditure) and any other documents and certificates required to substantiate the claims.
- Ensuring funding is claimed in arrears (other than for instances where milestone one is an upfront payment).
- Promptly providing any other documentation or information on request and ensuring its accuracy.
- Ensuring internal project costs, e.g., wages and stores, are included in transaction records, if required.
- Meeting dates and other timeframes specified in the Funding Agreement.
- Advising promptly if a date cannot be met or if there are any other issues.

Under R4R and BoR, DSD is responsible for:

- Complying with departmental and state government policies
- Clearly communicating requirements
- Promptly processing claims
- Check the organisation has provided a valid and properly completed Subsidy Claim form (including a statement of expenditure) and any other documents and certificates as required.

## 3.2. Deliverables and evidence

Organisations need to provide evidence that the project is being delivered in accordance with the Funding Agreement including acquittal of how funding is being expended.

The documentation required to acquit subsidy claims differs between R4R and BoR. Program-specific requirements are outlined in sections 3.2.1 and 3.2.2.

In addition to subsidy claims, organisations may be required to provide financial information at any time during the contract management period in accordance with the terms of the funding agreement.

### 3.2.1. Royalties for the Regions

Organisations will provide the following documentation when submitting a subsidy claim:

- A **Subsidy Claim Form** identifying the amount being claimed and all contributions and expenditure by all parties. This must be certified by the **Chief Executive Officer**<sup>1</sup> as being recorded accurately and in accordance with the Funding Agreement.
- **All documentation identified as deliverables** in the Payment Schedule, Special Conditions or periodic reporting in the Funding Agreement. Documentation could include but is not limited to updated project plans, progress and benefit reports, photos, and completion reports, etc.
- **A record of all project related expenditure transactions**, including internal costs, from which contract managers may request a sample of invoices and remittance advice. Organisations must provide copies of the requested invoices and remittance advice within nominated timeframes.

NOTE 1: The transaction record must show all project-related expenditure from the Project Start Date until the relevant subsidy claim date.

NOTE 2: A transaction record is generally not required at milestone one but must be provided at milestone two and subsequent milestones except where otherwise indicated in the agreement.

NOTE 3: A transaction history/general ledger printout will be accepted as remittance evidence where it shows the organisation has made the payment by including a date of payment and either a 'transaction number' or 'cheque number'.

- **All documentation required to be attached to any template or reports**

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<sup>1</sup> Any reference to CEO in this document is to the CEO or any Acting CEO with the CEO's 'accountable officer' responsibilities. Such Acting CEO appointment must be evidenced in writing.

## 3.2.2. Building our Regions

### 3.2.2.1. Subsidy claims

Organisations will provide the following documentation when submitting a subsidy claim:

- A **Subsidy Claim Form**, which includes a **statement of expenditure**, identifying the amount being claimed and all contributions and expenditure by all parties. This must be certified by the **Chief Executive Officer** as being recorded accurately and in accordance with the funding agreement.

NOTE 1: The statement of expenditure must identify expenditure by activity level<sup>2</sup>, e.g., construction, detailed design, tender, legal expenses, and consultancies, etc.

- **All documentation identified as deliverables** in the Payment Schedule, Special Conditions or Periodic Reporting in the Funding Agreement.
- **All documentation required to be attached in any template or reports,**

### 3.2.2.2. Financial Assurance

The Department will select a number of projects on an ongoing basis for which payments will be tested. If a project is selected, the organisation delivering the project will be given notice in advance and specific documentation will be requested. Documentation will include invoices, remittance advice and transaction listings. A deadline for the provision of this documentation will be advised.

## 4. Definitions

**“Acquittal” as defined in the BoR Agreement** means:

- (a) submission of documentary evidence by the Organisation of the progress of the Approved Project and the corresponding expenditure incurred and paid by the Organisation to achieve that progress;
- (b) reporting on the Approved Funding, the Organisation’s funding contributions and other sources of funding; and
- (c) submission of other information related to the Project reasonably required by the Department.

**“Contract management period”** means the time between the approved project being announced and the agreement end date as identified in the funding agreement.

**“Funding Agreement”** means the agreement between the Department and the Organisation in relation to the approved funds provided by the Department to the Organisation for the delivery of the approved projects.

**“Invoice”** means a document requesting payment for goods or services and detailing the supplier's name, the goods and services provided, the date these were provided, the amount due, the Goods and Services Tax amount due, the terms of trade and the date of the invoice.

**“Milestone Deliverable”** means a tangible result, outcome or item that must be completed and delivered by the milestone date.

**“Payment”** means the first and subsequent instalments of the approved funding.

**“Payment Schedule”** means the schedule of payments to be made in accordance with the nominated timeframes.

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<sup>2</sup> Activity level for the purposes of this policy is the key tasks and activities of the project being delivered

**“Project Start Date”** means the date from which eligible expenses can be claimed for reimbursement.

**“Subsidy Claim Form”** means the form in the format approved by the Department that the Organisation must complete, sign and forward to the Department to claim reimbursement of funds for approved funding.