

GUIDELINES FOR COMMUNITY SUPPORT



1. Purpose

The purpose of this guideline is to assist Clubs to meet their community support obligations, as set down in their constitution, by helping them to identify, value and report (i.e. benchmark) the extent of their contribution to the community.

Clubs with gaming revenues of \$1 million-plus and participating in Community Development Support Expenditure must comply with the requirements of that scheme. For more detail on CDSE visit www.clubsnsw.com.au

2. Application

These Guidelines apply to all Boards of Clubs and their management teams from 1 July 2005.

3. Definitions

"Community support" means both cash and "in kind" contributions made by Clubs to community organizations and programs.

"CDSE" means the Community Development and Support Expenditure (CDSE) scheme, a statewide initiative whereby Clubs provide financial support for projects and services that contribute to the wellbeing of their communities. Clubs that earn over \$1 million annually in gaming machine revenue provide funding

for community projects and services, and in turn receive dollar-for-dollar gaming tax deductions.

"in-kind" means non-cash.

4. Background

Clubs exist to promote the interests of their members and the broader community. They achieve this by, among other things, building and maintaining facilities and local infrastructure and providing cash donations and in-kind support for charities and community groups.

The most visible mechanism for community support is CDSE. However, Clubs that earn less than \$1 million from gaming do not participate in CDSE; thus, the value of their community contributions, although significant, is not well understood. Even Clubs that do participate in CDSE often provide additional benefits to the community that fall outside the parameters of that scheme.

By better understanding the nature of their own community contributions, Clubs will be able to improve the effectiveness of the cash and in-kind support they provide.

5. Guiding Principle

Clubs should meet their community support obligations (including CDSE) and maximise their financial commitment to, and support of, community projects, consistent with the Club's purpose.



¹ This is not intended as an exhaustive list of eligible recipients of community support.



6. Types of community support

The following categories¹ should be considered when Clubs quantify their community support contributions:

Health and Welfare

- Funding for hospitals;
- Funding for early childhood, palliative, women's and Aboriginal and Torres Strait Islander health services;
- Funding for community nursing;
- Community transport particularly for older residents;
- Funding, catering and use of vehicles for services such as Meals on Wheels;
- Subsidised meals; Involvement in aged care hostels or retirement homes;
- Seniors events and hospital visitation;
- Recreational facilities such as bowling greens;
- Funding and housing of internal and external day care centres; and
- Funeral services;
- Child and family services;
- Mental health services;
- Support of health promotion initiatives;
- Drug and alcohol services;
- Dental services;
- Home and community care services; and
- Disability services (including equipment such as wheelchairs).

Education

- Sponsorships and scholarships;
- Funding of specific educational purposes such as the construction of wheelchair ramps and school crossing attendants;
- Training opportunities;
- Use of facilities, catering and administrative support for training programs such as TAFE; and
- Career development seminars for the young, disadvantaged or unemployed.

Employment

Funding allocated to:

- employment placement services;
- group training;

- employment advocacy;
- community enterprises; and
- local job creation schemes.

Sport - Junior

- Funding or sponsorship of activities for in-house and external sporting Clubs, teams and individuals;
- Construction and maintenance of sporting fields and facilities;
- Grants to junior sporting associations and other sports Clubs/groups, schools and other organisations for the supply or provision to players, referees and officials of uniforms, trophies, insurance, medical kits, administration, referees payments, travelling and accommodation expenses;
- Junior coaching clinics;
- Educational and sporting scholarships;
- Meeting rooms and offices for junior sports administration;
- Gymnasiums and equipment including maintenance of these facilities; and
- Grounds and ground improvements including but not limited to council fees, lighting, change rooms, ground rentals and maintenance.

Sport - Senior (not including any expenditure on professional sport)

- Funding or sponsorship of activities for in-house and external sporting Clubs, teams and individuals; and
- Development and maintenance of sporting fields and facilities (including golf courses and bowling greens).

Voluntary Non-Profit Organisations

Funding and support of:

- counselling services;
- child care;
- aged, disability or youth services; and
- volunteer services such as surf life-saving and rural fire services.

Registered Charities & State Agencies

Funding for various children's charities such as: Starlight Foundation and Variety Club of Australia;



- Funding for charitable and community organisations, welfare groups, churches;
- Organising and/or hosting of charitable fund raising events;
- Subsidising or providing free the use of venues and facilities, including providing the services of Club staff; and
- Funding for State agencies such as the SES, hospitals, fire and ambulance services.

Local Community Infrastructure

- Construction and maintenance of local community infrastructure (including sporting facilities);
- Providing venues and facilities for use by local residents (e.g. for weddings, functions, training events) and by visitors (e.g. conference facilities), and in some instances, by State agencies;
- Providing venues and facilities at a subsidised rate or free of charge to local community groups, charitable groups and sporting groups;
- Use of Club staff for grounds and facility maintenance, in some cases, relieving councils of on-going day-to-day management and or maintenance responsibilities;
- Direct contributions to the work of Local Government by providing facilities, financial contributions, planning involvement, catering and/or staff for local Government initiatives;
- Enhancement of services and facilities provided by local Government;
- Provision and maintenance of gardens and urban landscape upgrading; and
- Sponsorship of local festivals and community events.

Emergency Relief

- Providing emergency accommodation and shelters during natural disasters;
- Providing resources to support community recovery in times of crisis by way of material aid to victims and support workers; and
- Financial support for families who have lost their homes to fire or as a result of other disaster, or for other individuals in need of assistance.

7. Funding decisions

The selection process

Clubs should establish a fair, transparent and consistent process for managing funding allocations. The following questions should be answered before providing community support:

- a) Has the Club supported this [project/program/cause] before? If so, has the recipient reported on the previously funded project?
- b) Has it applied for funding from other registered Clubs?
- c) Does the [project/program/cause] historically receive funding from a local Club in the area? If so, is continued funding vital for its viability?
- d) Are other sources of funding available from Federal, State or Local government or other funding sources for this [project/program/cause]?
- e) Is the [project/program/cause] based locally, regionally, statewide or nationally? Projects outside NSW should not be funded.
- f) Does the [project/program/cause] represent good "value for money"?
- g) Does the [project/program/cause] duplicate existing services in the same area?

Conflicts of interest

Clubs should avoid a situation where funding decisions are influenced by the interests of directors or management.

Directors and managers must declare any conflict of interest in relation to the provision of funding to a particular organisation or group and withdraw from the meeting during the discussion of any such matter.

General

When providing cash or in-kind support Clubs should be satisfied that:

- a) the form of support is consistent with the aims and purpose of the Club as set out in the Constitution and By-laws;
- b) the support will benefit the wider community; and
- c) the support complements the work of other local bodies (Clubs, local government, churches, charities etc).



8. Reporting to members

Clubs should conduct an annual assessment of their community support activity, using the categories in Section 6 of this guideline. The results of the assessment should be reported to members, either as part of the annual report or separately.

Regardless of the number of categories, or prescribed percentage allocations, it is essential that all expenditures and in-kind benefits are correctly identified, quantified and reported.

9. Valuing “in-kind” community support

Clubs provide a great deal of in-kind support to community organisations, including the use of Club facilities for meetings and the delivery of their approved services, for example counseling or day care.

Consistent with CDSE Guidelines, the valuation of in-kind support should reflect the actual cost to the Club, not the market rate for the goods or service. This means that if a Club allows a community group to use its facilities for a meeting, the Club should value the support at the amount of the standard room hire fee that would ordinarily be charged to groups for the use of the room.

10. Requirements for Clubs with gaming revenue over \$1 m

Full details on the criteria for Categories 1 & 2 are available in the CDSE Funding section of the ClubsNSW website www.clubsnsw.com.au

Participation in CDSE Local Committees

CDSE Clubs should:

- a) participate in the Local Committee process, including attendance at meetings;
- b) provide their Local Committee with details of each Category 1 funding project, including:
 - i) name of funding recipient;
 - ii) nature of project;
 - iii) amount allocated; and

iv) whether the project aligned with identified local community priorities;

- c) inform their Local Committee of any pre-existing or long term commitments to organisations; and
- d) obtain from the Local Committee a certificate of attendance, to be forwarded to the Liquor Administration Board at the end of the tax year.

Clubs’ participation in the Local Committee process requires more than simply attending meetings. Clubs should be open with information about past and future funding allocations (as is required under the Guidelines), as well as playing an active role in identifying local priorities, agreeing on the process and criteria for reviewing applications, then assessing applications received.

Qualifying for the maximum CDSE deduction

Clubs should ensure they qualify for the maximum tax deduction of 1.5% of gaming machine profits over \$1 million by contributing at least 0.75% to Category 1 purposes, with the remainder allocated to Category 2 purposes. Category 1 expenditure in excess of 0.75% may be used to cover shortfalls in Category 2, but the reverse does not apply.

Clubs should be aware that any shortfall will be returned to the Government in the form of tax and that it is preferable to expend these monies on worthy local causes.