



## **AUSPICING POLICY**

### **Definition**

At its most basic level, **auspice** means the use of the legal status of an organisation for the receipt of funds, employment of personnel and use of tax deductibility or charitable status. Most auspice arrangements also include the use of financial and management services to manage and account for funds received.

### **Background**

In general, auspice arrangements operate as a way of assisting new groups or short-term projects which would otherwise have difficulty in attracting funding without the patronage of an incorporated organisation.

Sussex Neighbourhood House Inc, on occasion, has acted as *auspice* for small groups wishing to apply for small grants such as Moreland Council Community Grants in order to assist those small groups to establish new groups or programs. On one occasion Sussex Neighbourhood House Inc auspiced the Newlands Community Centre for 3 years until it became an incorporated association in its own right.

### **Broad Guidelines:**

A body acting as an auspice, must ensure that all components of the organisation, including the auspiced project/s meet their legal and financial obligations.

Auspice arrangements may vary greatly, but it is essential that a clear agreement be entered into by all parties.

When considering entering into an auspicing arrangement the manager and the committee of management should consider a number of things including:

- Why is an auspice needed?
- Why has our organisation been chosen as the auspice body?
- How long is the auspicing arrangement intended to last?
- How consistent are the philosophy, aims, objectives and practices of the auspiced organisation with those of Sussex Neighbourhood House ?
- What impact will an auspice arrangement have on current policies and practices of Sussex Neighbourhood House ?
- What is the funding body's view on the matter?
- Are there particular areas (such as staffing or management principles) which either group considers are "not negotiable" elements of an auspice arrangement?

## PROCEDURES

When an Auspicing arrangement is being considered, the Manager, will bring a proposal to the committee of management having considered or investigated issues in the following areas:

- Decision making structures:

How will the auspiced service be managed – steering committee or advisory committee; how will that body be selected; will the neighbourhood house have representatives; how will it relate to the committee of management of the neighbourhood house; who are the contact persons?

- Employment

In an auspice arrangement Sussex Neighbourhood House is the official employer; therefore any agreement must clearly state arrangements for day to day support and supervision of workers, line management responsibility, conditions of employment, duty statements and appointment of workers

- Finance

Arrangements for financial management will include the extent to which Sussex Neighbourhood House is responsible for the financial management of the group, reporting mechanisms and day to day processes; a clear outline of responsibility for developing financial statements; when and to whom they are to be submitted; the development and approval of budgets; and processes for bank accounts and financial transactions.

The finances of an auspiced body will be clearly separated in the accounts of Sussex Neighbourhood House Inc.

- Accountability

Clear lines of accountability need to be established, specifying the types and regularity of reports required.

- The auspicing arrangement will be a documented agreement, signed and dated by the Committee of Management, and the auspiced body

- Costs

Sussex Neighbourhood House retains the option to charge a fee to cover costs associated with the provision of auspice such as handling accounts, administrative support, cost of providing a representative on an advisory committee.

Any charges will be clearly spelt out in the agreement.