

Code of Funding Practice

summary of codes and criteria

The *Code of Funding Practice* was launched by the Minister for the Community and Voluntary Sector for use by public service and community organisations in New Zealand from 1 October 2010 onwards.

This voluntary *Code of Funding Practice* is aimed at government funders and non-profit organisations in receipt of public funds. Not all criteria will apply to all funding arrangements. In general, however, most parts of the *Code of Funding Practice* will have applicability to all funding arrangements but require different emphasis depending on the funding purpose and the category of funding arrangement being used.

Code 1. Respect

- 1.1 **The relationship between the funding agencies and non-profit organisations will be based on respect and will acknowledge the accountability, complementary roles, and responsibilities of each of the parties.**
- 1.2 **Any negotiation is conducted in good faith.**

Code 2. Cultural context

- 2.1 **Gaining agreement from non-profit organisations may require funders to allow for different culturally-anchored processes as part of the negotiation and agreement process.**
- 2.2 **Fair access to funding is made available.**
- 2.3 **Funders will meet with whānau/hapū/iwi organisations in a manner that respects and acknowledges their cultural values and kaupapa Māori.**

Code 3. Transparency

- 3.1 **Where there are potentially multiple applicants or providers of a service or multiple participants, the selection processes used will be fair and transparent.**
- 3.2 **The funding agreement will be written to be relevant, clear, and readily understood.**
- 3.3 **The purpose for, and use of, all data collection and reporting information will be clearly expressed.**
- 3.4 **Consultation to enhance the design, delivery, and development of services and programmes will be encouraged.**

Code 4. Open communication

- 4.1 **Preliminary discussions are arranged between parties to strengthen their relationship and to develop a shared understanding by all parties.**
- 4.2 **Processes will support and strengthen understanding between the parties to the funding agreement.**
- 4.3 **All parties to the funding agreement will allow access to appropriate decision-makers throughout the life cycle of the relationship and the agreement.**

- 4.4 Opportunities for honest and constructive feedback will be provided.
- 4.5 Dispute resolution and grievance processes will be included in the funding agreement and clearly expressed.

Code 5. Flexibility and innovation

- 5.1 The potential for non-profit organisations to be innovative will be recognised and encouraged.
- 5.2 The potential for non-profit organisations to be flexible in meeting agreed outcomes should be recognised and encouraged.

Code 6. Integrity

- 6.1 All parties to the funding agreement have processes in place to ensure proper management of government funding.
- 6.2 Staff within both the funding agency and the non-profit organisation have the capability and capacity to perform their functions.
- 6.3 The funding set out in the agreement is fair and reasonable.

Code 7. Accountability

- 7.1 The funding agreement will clearly identify the outcomes and expectations for the activities covered by the agreement.
- 7.2 Adequate and reasonable notification is agreed to in the funding agreement for reporting and monitoring requirements.
- 7.3 The parties to the funding agreement will identify the risks and together agree on risk minimisation strategies.

The Office for the Community and Voluntary Sector (OCVS) led development of the *Code of Funding Practice* in collaboration with Standards NZ and a network of community and government people with funding expertise.

Enquiries about the *Code of Funding Practice* can be directed to Hugh Lawrence in the OCVS, phone 04 916 3987 or e-mail hugh.lawrence002@msd.govt.nz



Success indicators and good practice examples to help you implement the *Code of Funding Practice* are at

www.goodpracticefunding.govt.nz