

Commonwealth Grant Guidelines

The instrument to which this explanatory statement relates

This explanatory statement relates to the “Commonwealth Grant Guidelines” (the instrument).

The legislative authority under which the instrument is made

Section 64(1) of the *Financial Management and Accountability Act 1997* (FMA Act) provides that the regulations may authorise a Minister to issue guidelines to officials on matters within the Minister’s responsibility. Regulation 7A of the *Financial Management and Accountability Regulations 1997* enables the Finance Minister to issue guidelines (to be called the *Commonwealth Grant Guidelines*) about matters relating to grants administration.

Purpose of the instrument

The *Commonwealth Grant Guidelines* (CGGs) establish the overarching Commonwealth grants policy framework and articulate the expectations for all agencies subject to the FMA Act. Within this overarching framework, agencies develop their own specific grants administration practices based on the mandatory requirements and better practice principles of grants administration as set out in the CGGs.

Background

FMA Act agencies will be required to comply with the CGGs from 1 June 2013, however, agencies may adopt some or all of the requirements in the CGGs from the date of their registration. The July 2009 CGGs will remain in force until that time.

Notes on the instrument

The CGGs apply to Ministers, Chief Executives, and agency staff when performing duties in relation to grants administration.

Grants administration encompasses all processes involved in granting activities, and includes: planning and design; selection and decision-making; the making of a grant; the management of grant agreements; the ongoing relationship with grant recipients; reporting; and review and evaluation.

The CGGs are divided into two parts. Part 1 contains the mandatory requirements of the instrument and sets out the legislative, policy and reporting requirements for grants administration. Part 2 of the instrument outlines the seven principles of grants administration.

FMA Act agencies and the Australian National Audit Office were consulted on the CGGs.