

Umbrella Organisations – notes for applicants

For Wellington City Council grants, applicants must be a legally constituted community group or organisation, not an individual or individuals. Groups that are not legally constituted may apply under an appropriate umbrella organisation.

This organisation must have a constitution stating that, if they wind up, assets will go to a similar organisation so that the wider community benefits rather than an individual.

If a grant is approved, the umbrella organisation will be asked to confirm support for the funding. That organisation will ultimately be responsible for insuring that the funds are used appropriately and that a report back is provided to WCC at the completion of the project.

If a satisfactory report back is not provided by the date required, neither the applicant nor the umbrella organisation will be eligible to apply for further funding from WCC. (Wellington City Council sees the primary responsibility of the umbrella organisation as ensuring a basic level of financial accountability.)

A copy of the umbrella agreement must be provided with the application.

The umbrella organisation also needs to provide with the application:

- A copy of their most recent annual accounts
- Their GST status and number if registered
- Their printed bank deposit slip

Agent = umbrella organisation

Recipient = applicant – group or person driving the project, applying for the grant

GST:

1) If the agent is GST registered but the recipient is not:

- The budget and amount requested should include GST
- WCC will not pay GST on top of the grant, so the agent does not need to send a tax invoice.
- The agent is not required to pay GST to the IRD when they receive the funds.
- They can pass the whole amount on to the recipient, or can hold the funds in their account and pay the bills on behalf of the recipient.
- The agent cannot claim GST back on expenses.

2) If neither the agent nor the recipient is GST registered:

- The budget and amount requested should include GST
- No tax invoice needed
- They can pass the whole amount on to the recipient, or can hold the funds in their account and pay the bills on behalf of the recipient.

3) If the recipient is GST registered but the agent is not:

- The budget and amount requested should exclude GST
- The recipient can invoice WCC for the grant plus GST, but give the bank account number of the agent for payment
- WCC will pay the grant plus GST to the agent, who will pass in on in full to the recipient
- The recipient will then pay the GST component to IRD

4) *If both the recipient and the agent are GST registered:*

- The budget and amount requested should exclude GST
- The agent should invoice WCC for the grant plus GST
- The agent pays the GST component to IRD, then the recipient invoices the agent for the grant amount plus GST, the agent claims back the GST when passing the grant on, then the recipient pays GST to IRD again when they receive the grant
- OR The recipient invoices WCC directly for the grant plus GST. The grant is deposited into the agent's bank account, who will pass on the full amount to the recipient.