



Reef Trust Partnership Internal Accounting Plan

1 Introduction

The purpose of the Internal Accounting Plan is to provide a framework for the treatment of expenditure and other contributions in relation to Component 1 – Administration Activities to ensure a consistency in accounting and acquittals for the RTP Grant Agreement.

The grant amount for Component 1 – Administration Activities is described in Schedule 2 Part 2 of the Grant Agreement providing for a capped amount of 10% for Administration costs with 50% direct allocation of grant monies and the remaining 50% (up to \$21.9m) to be derived from the interest earned via an investment portfolio of unearned or noncurrent income/funds throughout the duration of the program.

Activities funded under this component *relate to the overarching administration of the Reef Trust Partnership Agreement.*

These activities are directed via the following plans and strategies:

- Co-investment Strategy and Communication and Engagement Plan
- Investment Strategy and Annual Work Plan Consultation Plan
- Collaborative Investment Strategy
- RTP Annual Workplans
- Co-financing strategy Plan
- Communications and Stakeholder Engagement Plan
- Risk Management Plan

2 RTP Component 1 Administration Expenses

Component 1 Administration Activities and their expenses are identified in the Annual Workplan for the Component. The plan is approved by the GBRF Board and reported to DAWE.

Costs associated with administration activities for the RTP contract will be expensed to RTP Component 1 Administration. The following outlines the types and activities and associated expenses that fall into this category:

- Partnership/ Component Governance – Partnership Management Committee
- Component level Working Groups
- Partnership/Component Design
- Partnership/Component Management
- Partnership/ Component Monitoring and Evaluation
- Partnership level reporting
- Government led requests including ANAO
- Grant making
- Procurement
- Contract negotiation/variation
- Contract management activities
- Compliance monitoring
- Risk management
- Design and Implementation of the co-investment strategy (including Fundraising costs)
- Fundraising staffing and consultants
- Activities required to secure donations and co-contributions such as prospect research, solicitation-centric communications, gift processing.
- Establishment costs for GBRF USA to facilitate major giving in the USA
- Fundraising systems.
- Funder relationship development



- Design, implementation and monitoring of Marketing and Communications of the Reef Trust Partnership
- Stakeholder engagement including government and ministerial liaison
- Travel and meetings
- Salaries and Wages relating to the delivery of activities described above
- Contract expenses relating to the delivery of activities described above
- Organisational overhead costs relating to the delivery of the Partnership including but not limited to :
 - Office space % of total space
 - Utilities % of total annual spend (including phones, mobiles-non-project, internet, power, water, aircon)
 - Insurance in total
 - Some staff wages and benefits
 - The depreciation on office fixtures and equipment where applicable
 - Legal counsel
 - Accounting
 - Outsourced payroll services
 - Office supplies
 - Software licencing
 - Assets including IT hardware
 - Internal audit by third party provider
 - Statutory Financial Audit

2.1 Salary and Wage Expenses

GBRF maintains a register of staff cost allocation which is relative to the role description and workplan of each individual. In some cases, an individual's salary and wages may be expensed across multiple RTP components or other GBRF business activities. This cost allocation is reviewed on a quarterly basis to ensure it reflects the actual work delivered by individuals. Staff salary costs allocated to RTP Component 1 will relate to the delivery of activities outlined above.

2.2 Contract Expenses

Contract expense allocation is registered at the time of procurement based on the scope of work of the contract and in alignment with the approved GBRF budget. This is recorded within the contract management software and purchase order within the accounting system at the time of contract execution. For RTP Component 1 contract expenses will relate to the delivery of activities outlined above.

2.3 Operational overheads

A proportion of GBRF overhead expense is expensed to RTP Component 1 Administration based on common cost drivers being headcount and square meterage of office floorspace. Current ratio of allocation is outlined in the following table.

Operational Expense Apportionment	Total Operations	GBRF Operations	RTP
Headcount as at July 2021	12:35 Σ= 47	26%	74%
Types of expenses this applies to: <ul style="list-style-type: none"> • Asset<1000 • Computer Expenses • Postage, Freight & Courier • Printing & Stationery • Telephone, Fax & Internet • Training & Development • S&W Fees Paid • Equipment Hire/Lease • Travel & Accommodation Domestic 			



Square Meterage	175:264 Σ= 439	40%	60%
Types of expenses this applies to: <ul style="list-style-type: none"> • Office Maintenance • Utilities • Cleaning & Pest Control 			

3 RTP Component 2-6 Expenses

Component 2-6 Activities and their expenses are identified in the Annual Workplan for the Component. The plan is endorsed by the Partnership Management Committee and approved by the GBRF Board.

RTP component costs (i.e. costs expended through RTP Components 2-6) are defined as those costs directly associated with the on-ground delivery of the purpose of the RTP. The following outlines the types and activities and associated expenses that fall into this category:

- Project or program management including Regional Water Quality Program managers
- Project or program design
- Project or program implementation
- Regional Partnership Management
- Phase 2 of Component-level Working Groups commencing June 2020 (previously allocated to Component 1 - Administration Activities, as the early work of these groups centred around entire Component design and planning)
- On Ground Grant Program support
- Traditional Owner Governance and Codesign including:
 - Traditional Owner Engagement
 - Traditional Owner Working Group costs
 - Traditional Owner Secretariat function
 - Traditional Owner Technical Advisory costs
 - Services supporting the codesign process including consultants and facilitators.

3.1 Salary and Wage Expenses

GBRF maintains a register of staff cost allocation which is relative to the role description and workplan of each individual. In some cases individual's salary and wages may be expensed across multiple RTP components or other GBRF business activities. This cost allocation is reviewed on a quarterly basis to ensure it reflects the actual work delivered by individuals. Staff salary costs allocated to RTP Component 2-6 will relate to the delivery of activities outlined above.

Roles are generally either contract management focused or project management focused. Where most of a role is considered primarily contract management costs are allocated to Component 1 Administration Activities. Roles that are primarily project or program management focused directly supporting sub-grantees and on-ground delivery of the project or performing activities associated with the design of program or project are funded from the respective Component (Component 2-6). In additional there are some cases where a role can span both Component 1 and Component 2-6 activities. Component 2-6 costs including salaries and wages are identified in the RTP Annual Work plan which is endorsed by PMC and approved by the GBRF Board.

3.2 Contract Expenses

Contract expense allocation is registered at the time of procurement or granting based on the scope of work or grant program associated with the contract and in alignment with the approved GBRF budget. This is recorded within the contract management software and purchase order within the accounting system at the time of contract execution. For RTP Component 2-6 contract expenses will relate to the delivery of activities outlined above and grant expenses.



4 RTP Component 1 Administration Activities – Other Contributions

In accordance with Clause 8 of the Reef Trust Partnership Grant Agreement, the Foundation has undertaken to seek other contributions (in the form of cash and in-kind) for each component of the RTP and to achieve the overall RTP Objectives. This activity is defined as a Component 1 (Administration) activity and outlined in the Collaborative Investment Strategy.

The Foundation as a registered charity has legal, financial and industry related compliance for it to operate as a Deductible Gift Recipient, a Registered Environmental Organisation in Australia and be a member of the Fundraising Institute of Australia.

The treatment of other contributions recognised as a result of delivering the RTP Collaborative Investment Strategy is consistent with the Foundation's Fundraising Policy and Gift Acceptance Policy.

The Foundation maintains parallel fundraising efforts and donor retention strategies to support programs outside of the RTP portfolio. These programs are funded from the Foundation's operational budget and there is clear delineation between RTP fundraising activities and operational fundraising activities, and subsequent allocation of monies raised to projects

A glossary of common fundraising terms is included at appendix 1 to provide clarity of meaning for terms used in the following treatment of revenue section. A larger fundraising glossary is provided in the Collaborative Investment Strategy.

4.1 Treatment of revenue - Other Contributions

The Collaborative Investment Strategy outlines four different fundraising programs:

- major gifts;
- individual giving;
- corporate partnerships; and
- co-contributions.

The beneficiary of all leveraged cash and in-kind contributions are activities or outcomes categorized as Component 2-6 of the RTP and determined in either the Investment Strategy or Annual Work Plan.

In addition, GBRF will receive other contributions that are related to Component 1 activities such as pro bono services related to marketing, communication or other delivery of activities classified as a cost under Component 1. These contributions are not counted towards the CIS targets but are reported as they are a result of leveraging the Grant.

Accumulated pledges are contracted, tracked and reported demonstrating progress against the Collaborative Investment Strategy targets.

The GBRF Audit Risk and Compliance Committee and Board receive these reports and monitor the progress to delivering the targets on a quarterly basis.

A financial summary of progress to targets for pledges and actual contributions (ie pledges realised) is included in the RTP 6 monthly report to the department.

The following is the standard operation procedure for the management and recording of Other Contributions

Co-contributions

- The value and nature of co-contributions will be reported by a partner as part of the grant application or request for proposal process and included in the project contract schedule.
- At the time of contracting, these co-contributions are treated as a pledge.
- On conclusion of the project and on receipt of the final report which includes a co-contributions acquittal, the Foundation will record the actual co-contribution.
- Co-contributions will include both cash and in-kind.
- Project Directors and Project Managers who assume the primary point of contact with project partners are responsible for supervising a partner fulfilling their co-contribution pledge or reporting why an exception has occurred as part of contract closure.



- In the case of large projects such as RRAP, it is understood partners will secure additional co-investment during the term of the project, in these cases the RRAP Managing Entity will report to the Foundation each six months on any new co-contribution so it can be included in reports
- Co-contributions pledged and final acquitted co-contribution are recorded against an RTP contract in ASANA except for RRAP projects.

Major Gifts

- The value, intent and payment schedule of all major gifts will be confirmed in a gift agreement with the donor.
- Major Gifts will be reported at the full value of the pledge at the time of the pledge.
- Major gifts may include both cash and in-kind.
- The cash component of a major gift will be receipted into the Public Fund in accordance with the ATO and REO Guidelines
- In some instances, a major gift may not be deposited into a Foundation bank account but made directly to the project partner or beneficiary. In these instances, the Foundation will include the gift in reporting progress to targets as it's intent serves the objectives of the RTP and has been secured as part of the Foundation's Collaborative Investment Strategy activity.
- Some major gifts will be received by the Foundation through an international charity partner which may attract some administration handling costs as is standard practice with research institutes and universities
- GBRF Development staff assume the primary point of contact with the donor and are responsible for ensuring a donor fulfils their gift pledge and that the organisation fulfils its obligation under the gift pledge
- Major gifts are recorded in Raiser's Edge.

Individual Giving

- Individual giving is typically received via the website or an online donation platform and in response to an appeal or request.
- Individual giving will predominantly be cash donations, both one off and monthly commitments
- Individual giving will be reported at the time of receipt,
- In the case where a mid-value (under \$500,000) donor pledges their donation over multiple years, the full value of the pledge will be reported at the time of the first gift.
- The Foundation is not actively seeking bequests as part of its RTP leveraging approach.
- Individual giving donations will be receipted into the Public Fund in accordance with ATO and REO Guidelines.
- The Foundation will direct funds from the RTP Reserve to address urgent unmet need for the benefit of the Reef, including projects funded by component 2-6. In the case of mid-value donors, funds may be directed to a specific RTP project.
- GBRF staff assume the primary point of contact with donor and are responsible for ensuring a donor fulfils their gift pledge and that the organisation fulfils its obligation under the gift pledge.
- Individual giving donations are recorded in Raiser's Edge.

Corporate Partners

- The value, intent and format of any corporate partnership will be confirmed in a partnership contract.
- Corporate Partnerships will be reported at the full value of the partnership (for the term of the agreement) at the time of the agreement.
- Corporate partnerships will typically include both cash and in-kind.
- In most cases a partnership will include funding for a tied purpose, in cases where there is no restriction on the purpose of the gift the Foundation will hold the funds in the RTP Reserve until a purpose has been determined.



- The cash component of a corporate partnership will be receipted into the Public Fund in accordance with the ATO and REO Guidelines
- Some corporate partnerships will be received by the Foundation through an international charity partner which may attract some administration handling costs
- GBRF staff assume the primary point of contact with corporate partners and are responsible for managing the contract to ensure that milestones for payments are met and received
- Corporate Partnerships are recorded in Raiser's Edge.

4.2 Non-Administration Partnership/Donor expenses

Stewardship or retention expenses are costs that are incurred following receipt of the gift and are associated with fulfilling the partnership agreement or ensuring the donor or partner is fully engaged with the project and the cause for the duration of their gift term and beyond.

The nature and quantum of these costs are dynamic and in the case of major gifts or corporate partnerships, tailored to the gift and donor/ partner requirements. These expenses are determined as part of the gift solicitation process and quantified during the development of the gift agreement or contract

It is important to note that except for corporate partnerships, stewardship and retention expenses carry no material value otherwise they would negate the tax deductibility of the donation. Having no material value does not mean they bear no cost to the organization. For example, a major donor who advises they would like to witness their project in action will incur travel and accommodation costs for the Foundation to host such a trip. A donor may wish for six monthly progress reports and in some cases for this report to have been reviewed by a qualified accountant. In other examples there may be bespoke communication generated to promote the partnership. In addition to these tactical expenses, there are resourcing expenses tied to staff who manage relationships beyond the gift's receipt.

The kinds of expenses included in this are:

- Partnership marketing and communication
- Donor, partner, employee engagement activities
- Partner reporting
- Account management of partnership (for high quantum corporate partnerships)
- Travel and meetings
- Gift processing or bank costs (ie currency conversion)

The Foundation will allocate funds to fulfil these activities from the gift revenue with funds remaining being distributed to the project/s. This is in line with standard charity practice.



Appendix 1

Cash – money, cheques, foreign currency or gifts made by credit card.

Co-contribution – an investment (either in cash or in-kind) by the contracted partner to a project funded by the RTP.

Corporate Partnership – a formalised partnership between an organisation or collective and a not for profit to deliver fundraising and project objectives for the benefit of the cause and whereby a tailored package of strategic benefits are delivered to the partner from the charity in return for a cash and or in-kind contribution.

Deductible Gift Recipient (DGR) – an entity or fund that can receive tax deductible gifts

Donation - the unconditional voluntary transfer of money, goods or services to community organisations, institutions, government entities, or individuals, in which the donating organisation is not obliged to receive anything in return.

Donor Stewardship or Retention: activities that foster relations between a donor or partner and the charity which can include communication, reporting, engagement and events with the aim of fulfilling the donor gift intentions and to retain that donor for ongoing giving.

In-kind Contribution (or gift) – a contribution generally defined as non-financial gifts of materials or long-lived assets. Gifts-in-kind might include real estate, artwork, equipment, software, printed materials or food etc.

Major Gift – a donation whereby the quantum and nature of the gift is considered transformative in its impact to the organisation or supported program, In the Foundation's circumstance, we recognise major gifts as being above \$1M.

Pledge – a promise or commitment to make a gift in the future, that can be paid in single or multiple instalments.

Restricted or Tied Gift – a gift to be offered with specific intent or project placed by the donor on its use.

Unrestricted or Untied Gift – a gift that is offered with no restrictions on its use.

Unsolicited Gift – a gift that has not gone through a Prospect Management phase, but has been offered directly to the GBRF without solicitation.