



Ministry for the
Environment
Manatū Mō Te Taiao

Sustainable Management Fund

**Guidance for Applicants
(for projects commencing 1 July 2009)**

The purpose of this guide is to help you submit a funding application to the Ministry for the Environment's Sustainable Management Fund (SMF).

Please read the guide carefully to ensure your project supports the SMF objectives. To download an application form follow the steps under "How to apply" at www.smf.govt.nz.

Please note: The SMF is regularly oversubscribed. For example, last year 130 applicants requested \$21m over three years against available funding of \$3.84m.

All applications will be assessed against the SMF funding criteria and objectives, the Ministry's key priorities for the 2009 financial year, and their merit compared with other applications.

Please ensure your project fits these requirements before submitting an application.

Published in October 2008 by the
Ministry for the Environment
Manatū Mō Te Taiao
PO Box 10362, Wellington 6143, New Zealand

ISBN: 978-0-478-33133-2
Publication number: ME 905

This document is available on the Ministry for the Environment's website:
www.mfe.govt.nz

CONTENTS

Introduction	1
Key dates	1
Eligibility	2
Funding available	3
Multi-year funding	4
Ministry's priorities	5
What the SMF does not fund	9
Submitting your application form	10
The funding round process	11
Resources to help you with your application	12
Milestones and funding	13
Step 1: Milestones	14
Step 2: Cash costs	15
Step 3: In-kind contributions	18
Step 4: Estimated project cost	19
Step 5: SMF share of costs	20
Step 6: Balance of costs	21
Step 6 (a): Multi-year funding	21
Step 7: Funding summary	22
Appendix 1: Expenses and allowances	24
Appendix 2: Tips for writing a good application to the SMF fund	25
Glossary of terms	27

INTRODUCTION

The Ministry for the Environment wants to work with you to help make a positive difference to the environment.

The Sustainable Management Fund (SMF) provides funding to support community groups, iwi/hapū, businesses and local government in taking practical actions that produce long-term environmental benefits, as well as encouraging proactive partnerships and promoting community action.

If you have a great idea for a practical community-driven environmental project that directly supports one or more of the Ministry's priorities we would like to know about it.

If you wish to speak to an Adviser in the funding team please call 04 439 7400 or email funds@mfe.govt.nz.

KEY DATES

Date	Event	Who
6 October 2008	Funding round opens (applications invited)	Applicant
22 January 2009	Funding round closes (deadline for applications)	Applicant
February 2009	Application assessment period	Ministry
March 2009	Successful applicants notified to proceed to stage two (letters posted) Unsuccessful applicants notified (letters posted)	Ministry
April – May 2009	Project plan developed	Ministry / Applicant
June 2009	Final approval by SMF assessment panel. Agreement developed	Ministry
1 July 2009	Commencement of successful projects	Ministry / Applicant

These dates are indicative only and may be subject to change.

ELIGIBILITY

To be considered for funding you must be able to answer 'yes' to the following:

- ✓ Your organisation is a legally registered New Zealand entity such as an incorporated society or charitable trust, registered New Zealand business or local government authority¹.
- ✓ Your application will demonstrate adequate capability to deliver a successful project through:
 - strong project management and technical skills
 - access to necessary resources to successfully complete the project (such as office space, internet access, email, telephone and staff skills and experience).
- ✓ Your application is able to demonstrate strong support and involvement from other organisations.
- ✓ Your application encourages and promotes practical community action for the environment.
- ✓ Your application is strictly for the period commencing 1 July 2009. This means that the SMF will not cover any expenses incurred before this date.
- ✓ Your application directly supports one or more of the Ministry's priorities of:



Encouraging sustainable households

Targeting householders to bring about practical action and behaviour change in water use and conservation, waste minimisation, energy efficiency and conservation, transport, and building and renovating.



Sustainable land and water management

Contributing to improved land and water management practices, and directly contributing to practical rehabilitation or enhancement initiatives.



Supporting sustainable business practices

Building the capacity of businesses to address issues such as sustainable business strategies, design and development processes, energy use, water use, transport, and waste management.

¹ Funding is not available to individuals or non-legal entities. If at the time of submitting your application, you are not a legal entity please disclose this to the SMF or seek further assistance at 'Keeping it Legal E Ai Ki Te Ture' www.keepingitlegal.net.nz



Meeting the challenges of climate change

Practical initiatives which increase the capacity of communities to adapt to the effects of climate change and to help understand their vulnerability to climate change impacts.

For detailed information about these categories, including examples of projects likely and unlikely to be considered for funding, refer to **pages 5 to 8**.

FUNDING AVAILABLE

You may apply for a minimum of \$10,000 and up to a maximum of \$200,000 per financial year, for projects that start on 1 July 2009. There is no limit to the number of applications you may submit.

The SMF will only fund a percentage of your total project cost and you need to secure the balance. The balance may be from other cash or in-kind contributions.

The SMF will fund:

- ✓ A **community group** or **iwi/hapū** up to a maximum of **80 percent** of the total project cost.
- ✓ **Local government** up to a maximum of **60 percent** of the total project cost.
- ✓ A **business** up to a maximum of **50 percent** of the total project cost.

To accurately calculate the SMF percentage of costs, follow the step-by-step instructions starting on **page 13**.

Umbrella organisations

Applications that can demonstrate backing from 'umbrella' organisations such as councils, businesses and established community groups will be viewed favourably in the assessment process. 'Umbrella' organisations will already have experienced staff, governance structures, project management and financial processes in place; all of which are vital to effective project delivery. These are skills that can be transferred to community-level applicants from an 'umbrella' organisation.

'Umbrella' organisations could include service organisations (eg, Lions, Rotary) and national groups (eg, Landcare Trust, Recycling Operators of New Zealand, Royal New Zealand Forest and Bird and the Federation of Māori Authorities) or a local government authority.

The SMF will pay for costs relating to:

- ✓ Personnel
- ✓ Administration
- ✓ Consultants and contractors
- ✓ Rental and leasing of equipment
- ✓ Travel and accommodation
- ✓ Promotion and dissemination
- ✓ Financial and legal expenses
- ✓ Any other costs that do not fall under the categories above, excluding capital costs

The SMF will NOT pay for costs relating to:

- ✗ Capital expenditure
- ✗ Projects more appropriately funded by other government agencies
- ✗ Statutory duties of local government
- ✗ Retrospective/backdated costs
- ✗ Projects that are for financial profit
- ✗ Patents/copyright

For a full list of what the SMF does **not fund** refer to **page 9**.

MULTI-YEAR FUNDING

Applicants who can clearly demonstrate the successful completion of another project using public funding may apply to the SMF for funding for up to three years.

Those organisations that do not have a proven track record in successfully delivering a project using public funding must apply for one year only unless there is sufficient support from an 'umbrella' organisation (as referred to on page 3).

If your application for multi-year funding is successful, then funding for subsequent years will be conditional upon annual SMF assessment panel approval. The SMF assessment panel will assess your project's achievements for the previous year(s) and ensure that it has met its objectives before approving funding for the coming year.

The SMF will not fund the same project for more than three years in duration. The SMF is not a long-term funding source. Applications for long-term projects must demonstrate a strategy to ensure the project is sustainable beyond the period applied for.

See **page 12** for information about seeking other sources of funding.

Note: When preparing your application please note that there is a limited amount of funding for subsequent years. If your project is approved to progress to Stage 2, the panel may decide to reduce the amount of funding you have requested. This may mean altering the scope/scale of your project to reflect any reduced funding.

MINISTRY'S PRIORITIES

Only practical community-driven environmental projects that directly support one or more of the Ministry's priorities will be eligible for funding.

The following four tables provide examples of projects that would be considered for funding and those unlikely to be considered for funding, under each category. The examples are for guidance only and not intended to be fully exclusive.

Category	Encouraging sustainable households	
Purpose	To fund community-based projects that target household decision-makers to bring about practical action and behaviour change in water use and conservation, waste minimisation, energy efficiency and conservation, transport, and building and renovating.	
Examples	<p><i>Likely</i> to be considered for funding:</p> <ul style="list-style-type: none"> – practical initiatives that reduce household waste generation or disposal to landfill; particularly organic waste and electronic and electrical waste – projects to reduce household water use – community-based communal composting, recycling and gardening facilities – direct advice to home builders and renovators to take practical action for sustainability – practical initiatives to reduce car travel – practical initiatives for households focused on energy efficiency and conservation – projects that promote or support Māori household sustainability through Iwi, hapū, marae-based or other Māori organisations – community capability building projects on household sustainability. 	<p><i>Unlikely</i> to be considered for funding:</p> <ul style="list-style-type: none"> – costs associated with Environment Centres – projects that involve the improvement of private land – compliance with planning regulations – making or challenging a resource or building consent application – projects that financially benefit private landowners – projects aimed primarily at schools or school children – projects that are unable to be sufficiently evaluated.
	<p>Note: You may find the Ministry for the Environment's national household sustainability research on New Zealand public sustainability attitudes and behaviours helpful in developing your projects. It is available at http://www.mfe.govt.nz/publications/sus-dev/household-sustainability-benchmark-survey-feb08/index.html</p>	

Category	Sustainable land and water management	
Purpose	To fund projects that contribute to improved land and water management practices, and directly contribute to practical rehabilitation or enhancement initiatives.	
Examples	<p><i>Likely to be considered for funding:</i></p> <ul style="list-style-type: none"> – communities developing and implementing practical initiatives for sustainable land or water management – implementing tools that assist iwi to fulfil their kaitiaki responsibilities and play a proactive role in land or water management – coordination of community freshwater management activities with councils and national sector organisations – projects initiated by community groups to 'adopt a local area' for improved land or water management outcomes within their region or catchment – supporting organisations developing networks that encourage community involvement in water management – communities developing and implementing localised monitoring programmes to assess the state of their land, fresh water or coastal marine areas. 	<p><i>Unlikely to be considered for funding:</i></p> <ul style="list-style-type: none"> – farm environment planning (more appropriately funded through the Sustainable Farming Fund) – purely awareness-raising activities that do not support practical implementation – proposals that target a limited number of rural or urban property owners – proposals that financially benefit private landowners.

Category	Supporting sustainable business practices	
Purpose	To fund projects which build the capability of New Zealand businesses enabling them to deliver sustainable business practices at a strategic and practical level. This includes addressing issues such as sustainable business strategies, design and development processes, energy use, water use, transport, and waste management.	
Examples	<p><i>Likely to be considered for funding</i></p> <ul style="list-style-type: none"> – projects to build capacity of business to deliver sustainable business practices through professional development activities – innovative projects to promote and develop the adoption of sustainable business initiatives within hard-to-reach groups such as: small and medium sized enterprises, rural business, and businesses of different ethnicity – capacity building projects with existing industry groups, sectors or associations to deliver support to business on the implementation of sustainable business practices – businesses educating consumers about sustainability issues including water, waste, transport, renewable energy, energy efficiency and climate change – practical in-house capability programmes for businesses to improve sustainable business practices – projects that investigate and implement effective ways of reducing and diverting priority wastes from landfill, such as construction and demolition waste, organic waste, e-waste and product specific initiatives – practical projects which involve the design and development of new and innovative products or technologies which use a whole of life-cycle approach. 	<p><i>Unlikely to be considered for funding:</i></p> <ul style="list-style-type: none"> – compliance with the NZ Packaging Accord – projects that are wholly or predominantly for the development of a website or toolkit – commercial development – projects that include funding to meet an organisation's 'normal' responsibility for the sustainable management of resources under their control.

Category	Meeting the challenges of climate change	
Purpose	To fund practical initiatives which increase the capacity of communities to adapt to the effects of climate change and to help understand their vulnerability to climate change impacts. Preference will be given to climate change adaptation proposals.	
Examples	<p><i>Likely</i> to be considered for funding</p> <ul style="list-style-type: none"> – projects that help communities to understand their vulnerability to the physical impacts of climate change – adaptation projects that increase the capacity of communities to adapt to the physical impacts of climate change – projects which enhance cooperation between communities to deal with the physical impacts of climate change – practical solutions to the challenges that the physical impacts of climate change pose for urban living, including urban form, urban design and urban infrastructure – community-level initiatives to reduce greenhouse gas emissions from transport that focus on providing information to people on ways they can change their behaviours. 	<p><i>Unlikely</i> to be considered for funding:</p> <ul style="list-style-type: none"> – purely awareness-raising activities that do not support practical implementation – projects which result in structural approaches to climate-related hazard risk management (eg, flood walls) – proposals that financially benefit private landowners – small-scale renewable energy projects – carbon offsetting projects that might benefit commercially from carbon markets.

WHAT THE SMF DOES NOT FUND

The SMF is unable to consider applications that may include, but are not limited to, the following:

Research	<ul style="list-style-type: none"> – Academic costs or research aimed at supporting the attainment of a qualification. – Duplication of demonstration projects or pilot studies. – Fundamental or strategic research. (The SMF may pay for the development and implementation of existing knowledge.)
Reports / websites / toolkits	<ul style="list-style-type: none"> – Costs associated predominantly with the development of a report, for example, Iwi Management Plans; best practice documents and Codes of Practice. (Proposals that include their practical implementation are acceptable.) – Funding that is wholly or predominantly for the development of a website or toolkit.
Capital expenditure	<ul style="list-style-type: none"> – The purchase of capital items. (Lease expenses will be eligible for support.)
Support from other Government agencies	<ul style="list-style-type: none"> – Projects that are clearly the responsibility of government agencies. This includes project outputs to be used specifically for the development of central government policy. – Statutory duties of local government (ie, activities which councils are required to do by law), for example, local government planning, resource consent approval, or monitoring functions.
Retrospective costs	<ul style="list-style-type: none"> – Retrospective / backdated costs (ie, costs incurred before an Agreement being signed, or 1 July 2009, whichever is the latter).
Financial profit	<ul style="list-style-type: none"> – Venture capital or commercial development such as setting up or developing business activities, marketing a new idea or making a financial profit. – Projects that financially benefit private landowners.
Operating costs	<ul style="list-style-type: none"> – Normal operation costs (ie, funds to meet an organisation's 'normal' responsibilities for the sustainable management of resources under their control. This includes buying materials and equipment that are normally part of an organisation's responsibility for managing their property/day-to-day business.
Other	<ul style="list-style-type: none"> – Patents / copyright (ie, products / outputs which will not be freely available for public use for non-profit purposes). – Set-up costs (ie, registration charges, legal fees and recruitment costs). – The SMF will not fund the same project for more than three years in duration.

SUBMITTING YOUR APPLICATION FORM

We prefer that you email your completed application form to applications@mfe.govt.nz by Thursday 22 January 2009.

Alternatively, you may post or deliver your application to the Projects and Partnerships team, Ministry for the Environment, Environment House, 23 Kate Sheppard Place, Thorndon, PO Box 10362, Wellington 6143 by Thursday 22 January 2009.

Applications received after Thursday 22 January 2009 are unable to be accepted.

- ✘ Please do not send extra attachments or supporting material as only the application form will be assessed.
- ✘ Please do not bind your application if you are submitting it in hardcopy format.
- ✓ The Ministry may verify information contained in the application form with other government agencies.

THE FUNDING ROUND PROCESS

Stage 1	
6 October 2008	Funding round opens.
22 January 2009	Funding round closes.
↓	All applications received are initially checked to ensure they meet the eligibility criteria. Applications that do not fit the criteria will not be assessed further.
February 2009	Eligible applications are assessed by the SMF assessment panel. The recommendations of the assessment panel are then submitted to the Chief Executive for approval to proceed to Stage 2.
↓	
Stage 2	
March 2009	All applicants, approved to progress to Stage 2, will be contacted by an Adviser who will assist you in preparing a detailed project plan which will be considered by the assessment panel in June. This invitation does not commit the Ministry to provide funding.
↓	Please note the assessment panel may decide to reduce the amount of funding you have requested. This may mean altering the scope/scale of your project to reflect any reduced funding.
June	To achieve final approval of funding, the assessment panel must be satisfied that your project plan will deliver the outcomes outlined in your application and that the information provided is true and correct.
↓	Once the assessment panel has given their final approval, an Agreement will be developed for signature by the Ministry for the Environment, and by your organisation, to take effect on 1 July 2009.
Stage 3	
1 July 2009	Commencement of successful projects.

RESOURCES TO HELP YOU WITH YOUR APPLICATION

When applying for funding, a well presented application, which strongly aligns with the funding criteria and is written in a way that is clear and concise, will stand the best chance of success. **Appendix 2 on page 25** provides tips on writing a good application to the SMF.

For a list of funding resources available from other government departments refer to our website www.smf.govt.nz

The following on-line resources may also be useful when applying for funding, seeking further support or helping you to plan your project.

<p>Community Resource Kit Aims to help small or emerging community and voluntary groups, especially those just setting up or undergoing change.</p>	<p>www.community.net.nz 04 916 3300</p>
<p>Funding Information Service Funding information for voluntary organisations, iwi and community groups.</p>	<p>www.fis.org.nz 04 471 8900</p>
<p>Keeping it Legal Free resource to help community groups understand and meet their legal obligations.</p>	<p>www.keepingitlegal.net.nz 04 385 0981</p>
<p>Grants Online Enables visitors to complete online applications to Community Organisation Grants Schemes (COGS) and/or Lottery Grants Board.</p>	<p>www.cdgo.govt.nz 0800 824 824</p>
<p>The Fundraising Institute of New Zealand Dedicated to promoting philanthropy and excellence in ethical fundraising.</p>	<p>www.fundraising.org.nz</p>
<p>The Clearing House Provides research and other resources to people and organisations involved in tangata whenua, community and voluntary sector research.</p>	<p>www.communityresearch.org.nz</p>
<p>Technology New Zealand Provides business information online about a range of government agencies and departments.</p>	<p>www.biz.org.nz</p>

MILESTONES AND FUNDING

Please read the following step-by-step instructions thoroughly before completing Section 4 of the application form.

The purpose Section 4 “Milestones and funding” of the application form is for the SMF assessment panel to get a clear understanding about the milestones for the first year of the project, and if applicable, a summary of Years 2 and/or 3.

Note: It is important that you keep a record of all your workings so you are able to explain this breakdown should funding be successful. You may be well experienced in project/budget planning or a complete novice. Either way, it is important to ensure that you plan your project well ahead of the application closing date of 22 January 2009. Remember, all figures, although estimates, need to be as accurate as possible based on your careful planning and budgeting.

If your application is accepted to Stage 2, an Adviser will work with you to prepare a more detailed project plan for submission to the SMF assessment panel for final approval.

If you are applying for multi-year funding please ensure you refer to ‘Multi-year funding’ on **page 4**.

MILESTONES

Step 1

Outline up to six milestones

Table 1 of the application form asks you to clearly outline **up to six** milestones for the period 1 July 2009 to 30 June 2010 (ie, Year One of the project only).

- A **milestone** is a measurable event that indicates a significant development or a key achievement at a specific stage in the project.
- Milestones provide a measurement showing that tangible progress has been made on the project and ensure validation allowing the project to move on to the next step if the milestone is met or take corrective action if the milestone is not met. For example, ‘the working-bee has been held with 100 volunteers planting 5000 native trees’.
- Each milestone must have a due date associated with it; this is the date by which the milestone will be fully completed so you can submit a claim to the Ministry for payment.
- During the project, it is possible to work on more than one milestone at once however the due dates do have to be in chronological order. Often there may be dependencies, so that one milestone can't be reached, or started, until another one is finished.
- Funding is paid in instalments tied to the achievement of each milestone.

Other examples of milestones may be as follows:

- *The steering group has been established and Terms of Reference have been agreed and signed.*
- *Five waste minimisation workshops involving 150 participants have been held.*
- *An inventory of planting success in Area 1 has been completed.*

CASH COSTS**Step 2****Calculate the estimated CASH cost of each milestone**

Once you have outlined your milestones and their due dates the next step is to work out the estimated **cash** cost of each milestone.

When developing your application for funding it is imperative that you budget accurately as these are the figures that the SMF assessment panel will review and give provisional approval on.

All cash costs must be exclusive of GST.

Note: Government funding is a taxable activity. As such, if you are conducting a taxable activity and your annual income exceeds \$40,000 per annum, your organisation will need to be registered for GST.

The SMF grant is exclusive of GST therefore all costs you provide in your application must be stated exclusively which means we will pay GST additional to the amount of the fund.

You will be able to offset the GST on any goods and services you buy against this. If you are not registered for GST then you will bear the full cost of GST on goods and services you purchase in relation to this project. Registering is a relatively straightforward process which can be completed online at www.ird.govt.nz or by contacting the Inland Revenue Department on 0800 377776.

All cash costs must fit under the categories outlined below. There are no set figures for calculating your cash costs however they must be representative of current market rates (especially personnel).

When considering the larger costs of the project, the use of appropriate procurement methodology is required (ie, tendering for consultants).

Categories	Description
Personnel	The employment costs (wages/salaries) of all the people directly involved in the project.
Administration	Includes office expenses, rents / lease, insurance, postage, couriers etc. Only include costs not covered by the personnel costs above, and only those that relate specifically to the project.
Consultants and contractors	Third parties you have sub-contracted to work on the project (eg, environmental consultancies, Crown research institutes).

Rental and leasing of equipment	Includes cost of renting or leasing equipment (eg, digger hire).
Travel and accommodation	Specific travel and accommodation costs related to the project (eg, mileage allowance, air travel, hotel accommodation and out-of-pocket expenses). Refer to Appendix 1 for a list of travel and accommodation expenses and allowances that you may reasonably incur.
Promotion and dissemination	Expenses that relate to production, printing and publication of articles, documents and videos, providing workshops, seminars, field days and associated costs such as advertising.
Financial / legal expenses	Financial expenses incurred solely in relation to project costs and costs relating to legal expenses.
Other	Any other costs associated with the project which do not fit under the categories listed above. Note that these costs must not be for the purchase of capital equipment.

Some examples of calculating cash costs may be as follows:

Personnel

You need to employ a part-time co-ordinator working 20 hours per week @ \$25 per hour over 12 months. Therefore, the estimated cash cost would be \$26,000.

Consultants and contractors

It may be necessary to engage a consultant or contractor to deliver the project. If so, you would have to research their hourly rate (exclusive of GST) in order to calculate an accurate cost. For example, a consultant may quote you \$120 per hour (exclusive of GST) for working 10 hours per week for 10 weeks. Therefore the estimated cash cost would be \$12,000 (exclusive of GST).

Travel and accommodation

If your project includes travel you will need to research flight costs, accommodation costs and other expenses to ensure accurate budgeting. For example, four flights from Wellington to Auckland at \$500 return (exclusive of GST) would be an estimated cash cost of \$2,000 (exclusive of GST).

You may use a private vehicle for business relating to the project and mileage (petrol) may be claimed at 62 cents per km. For example, the distance from Auckland to Hamilton is 126 km therefore the estimated cash cost to the project would be \$78.10.

Promotion and dissemination

Your project may include the publication of a brochure. If so, you will need to research the costs of design, printing, distribution etc (exclusive of GST) in order to calculate an accurate estimated cost.

Note: Funding is strictly for the period commencing 1 July 2009. Expenses that are incurred before this date are not eligible for reimbursement by the SMF.

Project allocation

If your organisation is involved in other activities/projects (besides the SMF project) some costs may be difficult to allocate directly to a project (eg, rental, electricity, administration). In these cases you may claim a proportion of costs equivalent to the time your organisation will devote to the SMF project. It is important that you are able to explain this breakdown at the project planning stage.

Cost recovery

Projects funded by the SMF are not permitted to generate a profit for an organisation; however aspects of your project may be self-funding. For example, if an output of your project is to produce a booklet, you may consider charging money for the booklet on a cost-recovery basis. If this type of situation applies to your project, you will need to estimate the income which would be generated from sales.

Reporting requirements

If you are successful in obtaining SMF funding, there are a number of reporting and compliance tasks that you are required to undertake which will involve a time commitment. Please ensure you consider this when calculating your costs.

IN-KIND CONTRIBUTIONS

Step 3

Calculate the estimated IN-KIND contribution of each milestone

Many organisations obtain support in forms other than money. This type of support is referred to as 'in-kind', that is assistance in the form of time or resources *donated* to the project. For example, you may be able to share office space, or obtain free photocopying from a local business.

Note: In-kind contributions can count towards the remaining proportion of total project cost.

The in-kind contributions for each milestone will need to be calculated using the following two categories:

- personnel (eg, wages/salaries)
- project support (eg, venue hire).

For '**personnel**' you must calculate the in-kind contribution using one of two **set rates** as outlined below.

Rate A: \$75 per hour

For technical and scientific expertise or professional advice. This covers, for example, council officers, engineers, consultants and accountants.

Rate B: \$20 per hour

For general labour costs, administrative support and those not covered by Rate A.

For example:

Personnel (Rate A: \$75 per hour)

- A scientist may provide their professional advice on a technical matter. Normally, they would charge an hourly rate however they have agreed to provide their expertise to your project without charge. If they provided 5 hours of advice per week, over a 12-month period (using the set in-kind personnel rate of \$75 per hour) the in-kind contribution would be \$19,500.

Personnel (Rate B: \$20 per hour)

- A local business may provide administrative support, such as typing, to the project. Normally they would charge an hourly rate however they have agreed to provide their expertise to your project without charge. If they provided 15 hours of administrative support per week, over a 12-month period (using the set in-kind personnel calculation of \$20 per hour) the in-kind contribution would be \$15,600.

For '**project support**' you calculate the estimated figure that you expect the contribution to be (eg, free use of a workshop valued at \$1,000). This figure should be valued at the lowest possible market rate and may include:

- meeting or workshop contributions such as room or hall hire, and catering, or
- free use of significant capital equipment or facilities such as construction machinery.

For example:

- A local company may provide your organisation with some office space. Normally, the office space may be let at \$450 per month however the company has agreed to allow your organisation to use the space free of charge. Therefore over a 12-month period the in-kind contribution would be \$5,400.
- A local hire company has agreed to support your project through providing a rotary mower. Normally, they would charge \$300 per day for the rental however they have agreed to allow your organisation to use it free of charge. Therefore by using the rotary mower five times over a 12-month period the in-kind contribution would be \$1,500.

ESTIMATED PROJECT COST

Step 4

Calculate the estimated project cost

Now that you have accurately calculated both the cash costs and the in-kind contribution for each milestone, by adding them both together you will arrive at the estimated project cost (excluding GST) for the year commencing 1 July 2009 to 30 June 2010.

SMF SHARE OF COSTS

Step 5 Calculate the SMF share of costs

The SMF can only fund a percentage of your estimated project cost and you need to secure the balance. The balance may be from other cash or in-kind contributions. The SMF will fund:

- A **community group** or **iwi/hapū** up to a maximum of **80 percent** of the total project cost.
- **Local government** up to a maximum of **60 percent** of the total project cost.
- A **business** up to a maximum of **50 percent** of the total project cost.

For example:

- If your total project cost is \$58,000 and you are a community group then you can seek up to a maximum of \$46,400, excluding GST (80% of the total project cost) from the SMF. You will then have to secure the balance of \$11,600 (either in cash or in-kind support) from other sources.
- Alternatively, if you are a business (using the same total project cost as above) then you can seek up to a maximum of \$29,000, excluding GST (50% of the total project cost) from the SMF. You will then have to secure the balance of \$29,000 (either in cash or in-kind support) from other sources.

Note: The percentages listed above are 'up to a maximum of'; this means you may seek funding from the SMF up to the agreed percentage (for your type of organisation) but may not exceed the agreed percentage.

BALANCE OF COSTS**Step 6 Confirm cash income and in-kind**

Now that you have calculated the estimated project cost for Year One of the project, as well as the share of funding that you will request from the SMF, you will need to ensure you can secure the balance through other cash income and in-kind. You will need to specify both the cash income sources and the in-kind sources on the funding summary (Table 4) of the application form.

Step 6 Multi-year funding**(a)**

Only complete this step if you are applying for multi-year funding.

Complete Table 2 and/or 3 of the application form by briefly summarising the project and the estimated project cost for the year. You will need to carry out the same process for calculating the estimated costs of both Years 2 and/or 3; however we do not require a breakdown of milestones at this stage.

Note: If your application for multi-year funding is successful, then funding for subsequent years will only be made available upon annual SMF assessment panel approval. The SMF assessment panel will assess your project's achievements for the previous year(s) and ensure it has met its objectives before approving funding for the coming year.

For detailed information about multi-year funding refer to **page 4** of the guide.

FUNDING SUMMARY

Step 7

Complete the funding summary table

Now that you have completed all the steps outlined above you are ready to complete the funding summary (Table 4) for each year that you are applying for funding.

Estimated project cost (A)	The total amount the project will cost you to complete in both cash costs and in-kind contributions.
Funding sought from the SMF (B)	The amount of funding you are seeking from the SMF.
Balance (A-B) = (C)	The difference between the estimated project cost (A) and the funding sought from the SMF (B).
Cash income (D)	All other sources of cash funding (excluding SMF) that your organisation will be providing, or receiving from other sources to carry out the project. You should only include income that has already been approved (or applied for). Confirmation of funding in writing will be requested before 1 July 2009.
In-kind (E)	<p>Your in-kind figures will automatically match that of your in-kind contributions. Refer to Step 3 when you calculated your in-kind contributions.</p> <p>For example, if XYZ company is providing free use of their meeting room valued at \$500 per day then the in-kind figure you list on the funding summary will also be \$500.</p> <p>Alternatively, if a scientist agreed to provide his or her technical expertise at \$75 per hour (personnel set in-kind rate) for 10 hours per week over 12 weeks then the in-kind contribution of \$9,000 would match the in-kind figure that you list on the funding summary.</p>
Total cash and in-kind (D + E) = (C)	This figure should equal the balance (C) once you have subtracted the funding sought from the SMF (B) from the estimated project cost (A).
SMF share of costs (F)	This is the percentage of the estimated project cost that you are seeking from the SMF.

An example of how to complete the funding summary table is below:

	Year One FY 2009/10
Estimated project cost (A)	\$125,000
Funding sought from the SMF (B)	\$93,750
Balance (A – B) = (C)	\$31,250
Cash income – Forest and Bird	\$10,000
Cash income – Lower Hutt Lions Club	\$4,000
Cash income – Lower Hutt City Council	\$12,500
Total cash income (D)	\$26,500
In-kind – XYZ organisation	\$2,000
In-kind – Friends of the Valley River Inc Soc.	\$2,750
Total in-kind (E)	\$4,750
Total cash and in-kind (D + E) = (C)	\$31,250
SMF share of costs (F) <i>(funding sought from the SMF (B) divided by the estimated project cost (A) x 100</i>	75%

APPENDIX 1: EXPENSES AND ALLOWANCES

The SMF funding covers expenses reasonably incurred in providing services or undertaking projects. Furthermore the terms and conditions state:

***Use SMF funding correctly:** must only use the funding for proper purposes and within the scope of the project. In particular, personal expenses with regard to travel and accommodation must be reasonable and expended by the Contractor only. Mini-bar and alcohol expenses are not covered by the funding.*

The following information pertains to the reasonable use of government funds.

Air travel

The Ministry encourages non-flexible fares as often there is little or no difference between buying two non-flexible fares and paying for a fully flexible fare, hence making the risk of cancellation worthwhile. The Ministry encourages the purchase of the cheapest fares (unless there are valid reasons for not buying these). **International air travel is not covered by the fund.** Where alternatives to travel are available, such as video conferencing or teleconferencing, please use these.

Travel expenses

Actual and reasonable expenses (on receipt) for meals and other incidental expenses while on out-of-town business for the purpose of the SMF project may be claimed.

Accommodation

The Ministry allows up to \$140 per night (GST exclusive) for accommodation in New Zealand.

Taxis/parking

Taxi costs may be reimbursed if used as part of the project. Applicants are required to provide receipts for taxi fares and/or parking costs. If supporting documentation cannot be provided, the charge will not be reimbursed.

Phone calls

Contractors should ensure the cheapest option is used for making calls. Personal calls are not covered by the SMF funding. Project-related calls are reimbursed upon receipt of supporting documentation. Calls charged to hotel bills are often extremely expensive and should be avoided, where possible.

Mini-bar

Mini-bar charges are a personal expense and, therefore, cannot be charged back to the Ministry as part of the accommodation bill.

Use of private motor vehicle

You may use a private vehicle for business relating to the project. Mileage may be claimed at 62 cents per km, as per the 'Mileage rates for employee reimbursement and self-employed people' on the Inland Revenue website. Where travel is undertaken in a personal vehicle, the assumption is that the individual travelling is principally responsible for insurance coverage. The Ministry will not be liable for any costs incurred in the event of an accident under these circumstances.

APPENDIX 2: TIPS FOR WRITING A GOOD APPLICATION TO THE SMF FUND

When applying for funding, a well presented application, which strongly aligns with the funding criteria and is written in a way that is clear and concise, will stand the best chance of success. The funding round process is time consuming – both in applying and in getting a final decision so by following the tips below you can ensure you get the best out of your application.

Remember — assessment is based primarily on the written application – make it self-explanatory.

A useful tool to have when applying for funds is a funding timeline that documents the critical steps involved in getting the application completed on time. Work backwards from the closing dates to set deadlines for the major tasks associated with making an application, then tick off each task as it is completed².

First and foremost

- Check the funding criteria and the Ministry's key priorities; only apply for funding if you meet these criteria. Make a note of the ways in which your organisation or project meet the criteria.
- Read 'what the SMF does not fund' in the guide. If your proposal contains any of these exclusions it will not be accepted.
- Plan ahead. Diarise the application opening and closing dates and allow plenty of time to prepare the application, taking into account the Christmas holiday period.
- Discuss your proposal with the appropriate people in your organisation to ensure strong support and assistance in writing the application.
- Verify legal requirements. Are you an incorporated society or charitable trust? Are you registered for GST?

² Community Resource Kit (Version 1 / October 2006).

Preparing the application

- Write in Plain English. Plain English writing is clear, concise, well structured, and appropriate to the reader. Use precise, straightforward language that is familiar to your readers and appropriate to their needs; avoid jargon, clichés, tired or overused phrases; write so your readers understand what you want them to know, or to do, the first time they read your words; make sure layout and presentation support readability³.
- Prepare a budget – list all items of anticipated income and expenditure. Note any other sources of funding you have approached for this project. Check that the figures add up and make sure that you've used the same set of figures right through the application. Ensure the funding requested is realistic in terms of the project budget. Don't overstate how much funding you will need – but don't underestimate it either.
- Make a list of all the information you need to collect to answer the questions.
- Make a note of information you already have that will help you to complete the form. Look at other funding applications you've made.
- Answer all the questions. If you're not sure about a question, first refer back to the guidelines and, if you're still uncertain, then contact us to ask for assistance as to what kind of information we are looking for.
- Ask yourself: have you made clear what you want to do, why you want to do it, and how you'll know if you're doing it well? Be explicit – don't presume that a panel member reading your application knows anything about your proposal.

Reviewing your application

- Check the application for spelling and grammar and Plain English. Use normal-sized fonts, plenty of white space and paragraphs so it gives the appearance of being easy to read.
- Arrange peer review. Ask someone who's not familiar with your project to read the application and see if it makes sense to them.

Submitting your application

- Get your application in well before the closing date – don't wait until the last minute.
- We will acknowledge all applications submitted within two weeks of the closing date. If you haven't heard from us please get in touch.

³ Plain English Professional Writing Services (www.plainenglishwriting.com).

GLOSSARY OF TERMS

Adviser	A Ministry employee who is your main contact for the duration of your project.
Agreement	Any legally enforceable promise or set of promises made between parties.
Applicant	The legal entity making an application for funding from the SMF.
Central government	The legislative and executive arms of the Government, ie, Parliament and its offices, Cabinet and the State Services.
Deliverable	Something tangible that you provide in order for the Ministry to assess that the task has been fully completed to the Ministry's satisfaction.
Dissemination	Distribute information.
Expenditure	All costs (both cash and in-kind) associated with the project.
Evaluation	To examine and judge the value / worth (ie, statistical analysis, measures).
Governance	The processes and systems by which an organisation or a society operates (ie, decision-making processes, voting procedures).
GST	Goods and Services Tax.
Income	All contributions (both cash and in-kind) received for the project.
In-kind	Where an individual or entity donates personnel time or resources to the project.
Intellectual property	Any material, processes, formulae, information and anything that results from the project.
Legal entity	An individual or organisation that is legally permitted to enter into an Agreement.
Monitoring	To keep track of systematically; with a view to collecting information.
Outcomes	The long-term effects or actual changes that will result from your project.
Outputs	Goods and services delivered / produced in a given timeframe.
Overheads	Indirect costs of operations associated with the project.
Partners	An individual or organisation contributing to the project and with a vested interest in the project.
Personnel	Staff in your organisation working on the project.
Stakeholders	Individuals, groups or organisations that are affected by or have an interest in the project, or both.
Sub-contractors	Staff you have sub-contracted from another organisation to work on the project.
The Ministry	The Ministry for the Environment.
The Minister	The Minister for the Environment.