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Australian Mercy Fund Project Guidelines

Preamble

There exists in relief and development sector a discouraging “funding hole” that at times makes it almost impossible for some projects amongst the poor and needy to operate. This *funding hole* is often expressed in terms of lack of funding for projects that are either perceived as being too closely related to the institutional church to attract government or private sector funding.

Another area of difficulty in projects obtaining funding lies with their work being deemed to be of a non developmental in nature and, therefore, unqualified to be funded. Whilst it is good and proper to be working with development-based goals it is not always possible to do so and some non developmental projects are formed out of necessity rather than design. These often miss out on necessary funds with which to operate. Such projects could include; feeding programs, orphanages, and other such works whose function is deemed as being “welfare” rather than development based.

In order to address these situations Australian Relief & Mercy Services Ltd (“ARMS”) has formed the Australian Mercy Fund. The Australian Mercy Fund (“AMF”) is a perpetual investment fund that has been set up by to serve and help finance work amongst the poor and the needy. The AMF is open to both formally incorporated Christian Organizations, and to unincorporated Christian based mercy ministry projects.

The operation of the AMF is as follows;

Fund Operation

The AMF is a fund that will remain within the scope of ARMS audit, and under the control of the ARMS Board.

Funds granted to successful projects are transferred to a beneficiary via cheque / Bank draft or telegraphic transfer into a recognised project bank account. A receipt for the amount disbursed shall be obtained for the purposes of the ARMS annual audit. In some cases an email or letter of acknowledging of the receipt of the funds into a project bank account will deemed as sufficient proof of the receipt of funds.

Projects receiving funds from the AMF will be asked to provide a report to ARMS as to how those funds were spent.

Eligibility

The AMF has been founded by ARMS specifically to provide funding to projects that are ineligible to receive funding from other sources because they are too closely related to an institutional Church; are deemed to be too religious in nature; or, are too welfare oriented and do not have a sufficient development base to meet the usual funding guidelines.

Whilst projects that receive other funding are welcome to apply to the AMF, first priority will be given to projects which are unable to receive other adequate funding. Already funded projects will have to wait for the prospect of further funding from the AMF until all other projects in the *first funding round* have been considered.

Once a funding decision has been reached by the Board, the applicant organization will be informed in writing of the decision. Funding decisions are final and cannot be appealed.

Application Process

Applications for funding must be lodged with the National Office of ARMS no later than July 31 in any given year. Applications received after that date will have to wait until the next year’s funding round, unless the application is

deemed by the National Director in consultation with two other Board members to be of an urgent nature and, therefore, exempt from the application deadline.

Applications can be lodged with State offices of ARMS whose responsibility it is to forward such applications to the ARMS National Office as soon as possible.

Applications should be on official ARMS - AMF application form which can be obtained through the ARMS National Office.

As soon as the National Office receives the completed application, a letter of receipt will be sent to the applicant acknowledging the receipt of the application, and, if applicable, requesting any further information needed in order to consider the application.

Funding decisions made by the Board are final and no correspondence will be entered into. Projects refused funding are free to apply in the following year.

Revocation of funding

The Board may revoke funding to a project if;

- a. The funds sent to the project have been or are in danger of being misappropriated or are not being used for the purposes for which they were given.
- b. The project has ceased to exist in the form that it was in when the original application was made.
- c. The project application has been found to be incorrect or untruthful or misleading statements have been made in that application.
- d. A report for the previous year has not been received from that project.
- e. There has been a substantial change in project management or policy that would not be in keeping with the values of ARMS.
- f. No receipt or acknowledgement of the funds transfer has been received.
- g. Project management or staff acting in unethical or illegal ways.
- h. Public or community confidence in the project has been undermined.

Where the Board cuts or revokes funding to a project it will inform that project of that decision by email and will request the immediate return of unspent funds

Dispersal of Funds

Funds dispersed from the AMF may be dispersed according to the following guidelines and in a variety of ways, including:

- a. **Non Interest / Low Interest Loans** – Such loans have an upper limit of \$10,000 and their duration is set by the Board.
- b. **Grants** – For specific projects for which the Board has received formal application.
- c. **Gifts** – No more than \$5,000 to any one project for any 12 month period.
- d. **Ongoing regular grants over a number of years** – The amounts of such grants are decided by the Board. Funding or partial funding can be given for up to 3 years on a single application.
- e. **Emergency funding for crisis situations.** - Where it deems it to be appropriate the Board can empower the National Director in consultation with at least two other Board members to be able to make appropriations of under \$5,000 out of the AMF disbursement fund to emergency relief situations that may occur from time to time. Such appropriations shall be minuted at the next available meeting of the Board.

The Board will require a receipt for each disbursement of funds – together with an audited report that explains how the funds were used.

Funding Priorities.

In order to qualify for assistance from the AMF the project funded / assisted must always directly benefit the poor and the needy. Although these are not exclusive, funding priority will be given in the following areas;

a. Project Funding

Projects that are assisting refugees, internally displaced people, victims of HIV / AIDS, or Malaria, victims of landmines, sexual abuse or community based projects in very poor regions, will be given a higher priority than other applicants.

b. Micro-enterprise development

The Australian Mercy Fund will consider funding for the starting of small banks, revolving door loan schemes or other Micro-Enterprise projects which are assisting the poor and needy to gain skills or develop businesses through which they are providing for their families.

c. Emergency Relief

Grants of up to \$5,000 can be made into disaster situations from funds in the AMF Disbursement Account.

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