

**GUIDELINE**

**PB-GL-01 Participatory Budget**

**DOCUMENT APPROVAL**

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# Purpose

This guideline explains how NENA:

* Prepares the NENA National Budget for the co-operative
* Identifies, assesses and decides whether funding sources are appropriate
* Distributes funds raised by NENA activities
* Manages requests and allocation of funds to Hubs and members, both through the budget process and outside of the budget process.

This guideline explains how NENA members and hubs can request funds for NENA activities.

# Role of this and related documents

This guideline is supported by the NENA Constitution and NENA Operational Handbook

NENA’s budget is designed to optimise NENA’s Principles for Working Together approach and supports distributed governance and shared decision making power, as per the Constitution…

The following key ‘cultures’ will be driving NENA’s development

1. Free flowing information
2. Individual autonomy
3. Opportunity for All
4. An atmosphere of trust and respect
5. All share a stake in the outcome.

# Roles and Responsibilities

**NENA members and Hubs** will:

* provide input into the Strategic Plan and NENA Annual Budget
* ensure that funds raised and spent are in accordance with this guideline and the fundraising standards.

The **Participatory Budget Group** will:

* identify and assess potential new funding and revenue options
* work co-operatively with the Board and Hubs to ensure funding is raised from appropriate sources that align with the purpose and primary activities of the co-operative
* coordinate the preparation and approval of the NENA annual budget
* develop, maintain and review budget policies, processes and related documents.
* coordinate requests for funding outside of the annual budget process

The **Strategic Directions Group** will:

* work co-operatively with the Participatory Budget Group to ensure the budget aligns with the strategic priorities of the co-operative
* provide general advice to the Participatory Budget Group about strategic priorities and how that may effect core funding priorities

The **NENA Board** will:

* oversee the preparation of and approve the NENA Annual Budget
* work co-operatively with the Participatory Budget Group to ensure funding is raised from appropriate sources that align with the purpose and primary activities of the co-operative
* seek advice from the Participatory Budget Group

# Raising Funds & Revenue

* 1. **Appropriate fundraising and revenue activities**

NENA raises funds through co-operative activities. Sources of revenue include but are not limited to member fees, event fees and donations.

Funds can be raised by NENA Hubs and members and should:

* Adhere to Fundraising Standards (Appendix A)
* Align with the purpose and primary activities of the co-operative

Fundraising opportunities that may not meet these principles should be discussed with the Participatory Budget Group.

**6.2. Identifying funding and revenue opportunities**

The PBG identifies revenue and fundraising options to deliver the Annual Strategic Plan and other NENA activities.

The PBG provides quarterly advice and recommendations to the NENA Board and Hubs on funding and revenue opportunities.

**6.3. Applying for funding**

All NENA Hubs and Members can apply for funding through grants and similar.

Hubs can seek advice from the PBG to prepare applications for grants and similar.

# Distributing funds raised by the Co-operative

Funds raised by NENA activities are distributed in the following way:

|  |  |  |
| --- | --- | --- |
| **Funds/Revenue** | **Collective Pool** | **Hub Pool** |
| Member fees | 100% | Once core operating costs are met, member recruiting Hubs could receive a portion of member fees |
| NENA Journal | ? |  |
| Hub fundraising activities | 20% | 80% |
| Joint Hub fundraising | 20% | As agreed by the Hubs involved |

A portion of funds raised by Hubs is provided to the Collective Pool as the Cooperative has core operating costs which have priority in the distribution of funds.

Any member can request a distribution review for consideration at NENA’s AGM.

# Financial Risk and Quality Assurance

**8.1. Financial Risk**

Fundraising activities should not be undertaken if they would expose the organisation to significant financial risk.

Major fundraising activities are overseen by the PBG, and the Board and include likely event/activity costs greater than $500.

Standard fundraising activities are managed by the relevant Hub. Standard fundraising activities include event/activity costs of less than $500

A statement estimating income and expenses is to be prepared prior to the commencement of any new fundraising activity to assess financial risk

Fundraising sources and activities that may not meet these requirements must be referred to the PBG for review and the Board for approval.

**8.2. Quality Assurance**

The Participatory Budget Group will undertake audits of fundraising activities as required for quality assurance and continual improvement purposes.

These audits will be undertaken jointly with the relevant Hub and any ‘cooperative wide’ learnings will be shared with other Hubs

The Participatory Budget Group will prepare and present an annual report on audits undertaken and outcomes

# Preparing NENA’s Annual Budget

**8.1 Budget overview**

NENA’s Annual Budget outlines the financial and operational goals for NENA. It helps NENA to allocate resources, evaluate performance and formulate plans. It aims to support delivery of the NENA Strategic Plan and includes the core NENA operating costs and funding agreed for NENA Hub and Member priority actions and activities.

NENA’s Annual Budget refers to the national budget. It does not include individual hub budgets and related processes. It is noted that Hubs may have their own strategies and plans that don’t align with, and sit outside of the Collective ones.

**8.2. Budget process**

NENA’s Annual Budget is developed through a participatory framework with the Hubs, progressed with the assistance of the Participatory Budget Group.

The process is as follows:

|  |  |  |
| --- | --- | --- |
| Phase | Action | Responsible |
| Annual Strategic Plan Developed & Approved | Strategic Plan informs the budget. | Strategic Directions Group |
| Budget Nominations | Input and nominations sought from Hubs and Members for NENA’s Annual Budget  The PBG opens nominations each year. Nominations are completed using the online form.  To nominate an item for the budget NENA members and hubs must complete the nomination form by the specified date. | Co-ordinated by the Participatory Budget Group |
| Review and Assess Budget Nominations | Collate and assess budget nominations against the Strategic Plan and other criteria. | Participatory Budget Group |
| Determine Priorities | Option A: PBG determine priorities  Option B: PBG determine priorities then refine based on Hub and member feedback  Option C: Members & Hubs determine priorities through participatory process | Co-ordinated by the Participatory Budget Group |
| Prepare NENA Budget for approval | Prepare budget and papers for Board | Participatory Budget Group |
| Approve NENA Budget | Approve Budget | NENA Board |

**8.3 Budget items**

In the likelihood that insufficient funds are available for all prioritised events/activities, Members and Hubs and the Participatory Budget Group will classify items into:

|  |  |
| --- | --- |
| **Budget classification** | **Budget action** |
| Approved | Budget approved and payment approved. Within the predicted revenue stream. Additional approval from the Board not required. Regular payment plans can be established. |
| Approved pending available funds. | Recognised as legitimate budget item. If funds are available these items will be approved as per priority determination. |
| Not approved | Not approved for annual budget. |

**8.4. Requesting monies outside of the budget process**

NENA members & Hubs can request funds outside of the Hub nomination process by completing and submitting the online ‘Extraordinary Fund Request Form’ to the Participatory Budget Group. The PBG will review the request and decide whether to approve, approve pending funds or not approve.

# Holding and distributing monies

NENA funds are held in the NENA Bank Account.

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Method for holding and distributing HUB monies TBC pending Open Collective trial.

# Disputes relating to PB matters

Disputes relating to Participatory Budget Process and/or Group will be managed in accordance with *The NENA Constitution* *Rule 2.8 Dispute Resolution*.

All efforts will be made to maintain peaceful and stable working relationships among members and Hubs, but where conflict arises, the [Code of Conduct](https://www.neweconomy.org.au/about/governance/code-of-conduct/) and [Constitution](https://www.neweconomy.org.au/wp-content/uploads/2018/12/NENA-Constitution_2018_Final-Version.pdf) will assist with conflict resolution.

# APPENDIX A

# Fundraising Standards

## Introduction

The NENA Board Hubs and Members are committed to ensuring that funds are ethically sourced and fundraising activities are carried out in an ethical manner.

## Purpose

The purpose of this document is to identify NENA’s position on fundraising practice and to document the standards expected in raising funds from the community.

## Standards

NENA’s guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

* Fundraising activities carried out by NENA will comply with all relevant laws.
* Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
* All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the organisation’s stated mission and purpose.
* All personal information collected by NENA is confidential and is not for sale or to be given away or disclosed to any third party without consent.
* Nobody directly or indirectly employed by or volunteering for NENA shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
* No general solicitations shall be undertaken by telephone or door-to-door.
* Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of NENA
* Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical. The Board may from time to time identify industries, companies and organisations specifically excluded from making financial contributions to NENA