

How funding for the scheme works

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A breakdown of each council's CCS allocation

We will notify you of your annual allocation by 1 August of each year.

The total allocation received by each local council consists of:

- a base grant of \$15,000
- an allocation of \$0.60 per head of population in the relevant area (based on the most recent census information)
- a GST component.

The base amount and allocation per head is reviewed approximately every 3 years, and is agreed on by Creative New Zealand's council. Creative New Zealand will notify you in writing before any changes take place.

CCS payments to local councils:

Each local council receives two six-monthly payments, in August and February, to fund the Creative Communities Scheme in their area.

These payments will be credited to your council automatically - you don't have to apply or take any other specific steps to get them.

Creative New Zealand will notify you by email when each payment is made, and will send you a Buyer Created Tax Invoice (BCTI) for your council's records.

When funds must be spent

All funds you receive under the Creative Communities Scheme should be allocated to applicants in the financial year (1 July to 30 June) in which you received the funds.

No funding allocations should be made before you are advised of your annual allocation and receive the funds.

If you allocate too much or not enough in a financial year

You are expected to commit your CCS funds by the end of the financial year. However, we allow you to roll over up to 15% of unspent funds to the next financial year. All rolled-over funds must be allocated within the first funding round of the new financial year.

If the amount of unspent funds is more than 15% of your annual allocation, you will be required to return the remaining unspent funds (above the 15% of rolled-over funds) to Creative New Zealand. If this is the case, we will send you an invoice for these funds in July of the following financial year.

If you allocate more funds to CCS applicants than you've received from Creative New Zealand, you will need to cover this overspend. You can't use next year's allocation to cover it.

Administrative Costs

Creative New Zealand expects you to meet any costs you incur in administering the scheme. This includes (but is not limited to):

- staffing costs, photocopying and other administrative costs
- costs associated with convening the assessment committee, eg catering, reimbursement of travel costs and/or fees
- in-house promotion costs, eg placing CCS information on the council website or on council noticeboards

Funding to promote the scheme

You are responsible for promoting the scheme in your Community. Up to 10% of your annual CCS allocation can be used for promotion costs. This funding for promotion **cannot** be used to cover administration costs.

Dealing with GST

CCS payments to councils include GST

Payments to you under the Creative Communities Scheme include GST paid on top of the allocated amount.

Successful applicants who are GST-registered will receive GST in addition to the amount that they've been granted.

Any GST that is not passed on to GST-registered applicants should be dealt with according to your council's (or third party's) usual GST obligations.

GST in applicants' budget figures

If an applicant is GST-registered, they must provide a budget that is GST-exclusive.

If an applicant **isn't** GST-registered, their budget should include GST.

GST in third-party agreements

If the scheme operates under a third party that isn't GST-registered, the third party and the local council need to make arrangements so that successful applicants who are GST-registered can receive the GST component of their grant.

Managers should make sure that all agreements with third parties are consistent with and comply with the GST requirements explained above.