

Mount Martha Community Enterprises Limited

Community Investment Policy

Background

Mount Martha Community Enterprises Limited ("MMCE") was founded to provide Banking services to the Mount Martha and district community based on a belief that communities that work together for a mutual purpose, can really make a difference. The Mount Martha **Community Bank®** Branch proudly supports our local community through the provision of a Community Investments Program (sponsorship and grants) provided for local not-for-profit organisations, clubs, activities, initiatives and events.

Recognising the expectations of our shareholders and those of the wider community, the Community Investments provided by Mount Martha **Community Bank®** Branch will seek to advance not only the long term interests of the community group receiving the funding, but also those of MMCE through recognition and support received in return for providing the specific sponsorship or grant.

A longer-term goal of the MMCE Board is to include investment in Strategic Partnerships in the Community Investment program when MMCE achieves profitability and fulfils its objective of re-investing 80% of the profits made back into the community through the Community Investment program.

Each year the MMCE Board in its Annual Business Plan including the Annual Budget, determines the amount to be made available to the Community Investment program in the next financial year and establishes a target allocation between sponsorships and grants.

Policy

The Mount Martha **Community Bank®** Branch Community Investment Program provides assistance to:

- Carry out projects that benefit our local community
- Encourage community participation in activities that build a sense of community
- Organisations and activities targeting environmental sustainability, youth and community programs, health and well-being in the first instance, however organisations and activities addressing other areas of community need will also be considered where that need is demonstrated and it is felt that Mount Martha **Community Bank®** Branch support will make a difference

Each year, the Mount Martha **Community Bank®** Branch receives a large number of applications for support. The high demand for sponsorship from the community necessitates a balanced and considered approach within the constraints of the Community Investment budget, funds for which come from the Market Development Fund. It is the responsibility of the Board to ensure that this balanced and considered approach is applied consistently when each application for support is considered.

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There are 2 main types of funding available to community organisations under the Mt Martha Community Investment Program:

- Sponsorship – this plays a valuable role in financially supporting local community organisations and in promoting the Mt Martha **Community Bank®**; and
- Grants – these recognise the important role community programs play in positively shaping our local community. We provide financial support for community programs that will have a positive impact on our local community (e.g. employment, health, safety, transport etc.)

The majority of funding made by MMCE will be in the form of a sponsorship which is defined as:

- The purchase of tangible potential rights and benefits associated with an event, activity or organisation, which results in increased awareness of the Mount Martha **Community Bank®** brand, communication of the Company's key messages and ultimately an increased customer base.

Sponsorship is not advertising, hospitality or return of favour and does not include the following:

- Donations - support provided with no benefits required;
- Contra (value or goods in kind) - where the bank's products or services are provided in lieu of, or as well as, cash for the payment of a sponsorship; and

The sponsorship we provide and the partnerships we develop must be promoted to increase awareness of the **Community Bank®** brand and/or products and services and to provide a financial return on investment to our **Community Bank®** branch by increasing the customer/business base. It is our expectation that community groups receiving our support will actively support us and act as advocates for our **Community Bank®** branch and business.

Sponsorship is used to enhance our key message as a community-based organisation, to improve our image within the broader community and to maintain or develop further relationships with our communities and groups, whilst encouraging members of our communities to support us with their banking business.

The sponsorship we provide must align and be consistent with Bendigo Bank's corporate image and identity as a community based organisation. Community organisations with which staff and Directors of MMCE are associated may be eligible for sponsorship funding if there are justifiable community benefits and tangible returns to Mount Martha **Community Bank®** Branch are advanced. Appropriate declarations of conflict of interest must be made when any such sponsorships are discussed and any staff member or director who declares a conflict of interest is to leave the room when voting occurs.

Bendigo Bank reserves the final right of veto on all sponsorships that carry the Bendigo Bank name and/or logo.

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Eligible Community Investment requests

Funding will only be provided to organisations. These organisations must:

- operate in the Mount Martha district;
- be of a not-for-profit nature;
- maintain an active banking status with Mount Martha Community Enterprises Ltd.

Non-eligible Community Investment requests

- Political organisations.
- Events or programs which denigrate, exclude or offend minority groups
- Events associated with gambling or which require the use of weapons
- Events that create environmental hazards or a hazard to the community
- Programs that do not reflect community standards
- Programs sponsored by competitors
- Any events, activities or groups that the Board of Mount Martha Community Enterprises Limited does not consider appropriate will not receive the Company's support

Community Funding Applications

Applications must be in accordance with the MMCE Community Investment Guidelines, underpinned by the following stipulations:

- Applications are to be submitted twice yearly in March and September, although the Board of MMCE may agree to accept an ad-hoc application;
- All organisations must complete and clearly address all criteria included in the MMCE Application Form, which must be signed by an authorised official of that organisation
- Organisations must be in a sound financial position and must provide copies of annual reports which include financials, if deemed appropriate, and demonstrate that there is a designated and well-planned use for funds sought
- All requests for a specific sponsorship or grant or community amounts for a specific purpose will be inclusive of GST
- ATO requirements will apply to all sponsorship applications:
 - Applicant groups must supply an ABN if registered
 - Groups which do not have an ABN must be exempt from income tax and will be asked to complete the ATO 'Statement by a Supplier' form, NAT 3346 as part of their funding application
 - If applicant groups do not supply an ABN or complete a 'Statement by a Supplier' form, the Company is required to withhold 46.5% of any funding greater than \$75
 - If the Company is required to withhold, it must undertake the following:
 - Report and pay the withheld amount to the ATO using the Company's activity statement
 - Complete a *PAYG payment summary – withholding where ABN not quoted* (NAT 3283), providing a copy to the supplier as soon as possible after payment
 - Keep a copy of the payment summary with the Company's records
 - Complete a *PAYG withholding where ABN not quoted – annual report* (NAT 3448)

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Community Funding Assessment

The MMCE Board Marketing Committee will evaluate funding requests and provide recommendations to the Board for approval. The amount of funding granted will be at the discretion of the Board.

- In assessing applications, consideration will be given to the desirability of providing support to a wide range of community organisations, balanced against the benefits expected to accrue to the branch
- Where a staff member or Director is a participant on the board or committee of an organisation seeking funding, this person is to absent themselves from any decision-making discussion regarding approval of the funding proposal to avoid conflict of interest. Any such conflicts of interest should be declared and recorded in the Company's Register of Interest
- Where entertainment is a part of a funding package with the value of \$2000 plus, a register will be maintained of all persons attending the function for fringe benefit taxation purposes

Community Funding Annual Review

The Marketing Committee on behalf of the MMCE Board will annually:

- Undertake a review of any funding which has been approved for greater than one year, to ensure that the organisation is deemed to be continuing to meet the qualifying criteria and the commitment given in the initial application
- Evaluate the tangible benefits realised from all funding provided to form a view and identify those shown to be successful in promoting the growth of MMCE and are worthwhile continuing.

The annual review should be carried out using the Evaluation Forms returned by clubs/organisations at the completion of their funding.

Provision of Funding

The availability of funding will depend on the financial situation of the **Community Bank®** at the time.

Funding approved will be provided by Mount Martha **Community Bank®** Branch under the MMCE Board's approved procedures and funded from the agreed sources including:

- The Market Development Fund (MDF)
- Company (after-tax) profits
- Other tailored arrangements, typically, but not restricted to, loans with negotiated conditions