

Ring-Fencing of Funds and Property

Introduction

This policy is intended to provide clarity on the funds and property that will be ring-fenced upon the transition of Playcentre into an amalgamated entity. When funds and property are ring-fenced upon transition, this policy outlines how these funds will be managed for use in the geographical area previously served by a Centre or Association or for the specific purpose that it was intended.

Principles

- The overall objective of Playcentre Aotearoa is to maximise the benefits of assets to service as many centres and enrolled children as possible.
- One of the key intended benefits to the amalgamation of Playcentre, is to allow for efficiency in the management of the entire organisation and reducing administration for the centres so they can focus on play with the children.
- Playcentre Aotearoa will act as custodian of funds and assets for the benefit of tamariki and their parents, not only for now, but also into the future.
- Financial pressures are alleviated for those areas that do not have sufficient funds to the extent that there is a surplus.
- There are circumstances where Playcentre will have an ethical or legal obligation to use funds granted/gifted to the entity in the manner that it was granted/gifted.

Policy

- Centres will retain their individual bank accounts and continue to manage those funds to fundraise for their Centre, and pay their operational expenses.
- On a National basis, the over-riding principle is to manage Playcentre Aotearoa funds and properties based on national strategic priorities without limitation to a geographical area. The purpose of this is to ensure that all hubs and centres are given a chance to flourish, and that funds are used with maximum impact.
- Playcentre will respect the need for certain funds to be ring-fenced, for example, where a grant was provided for a specific reason in a certain geographical area then there is a fiduciary duty to ensure it is spent in the manner that it was intended.

Ring Fencing of Funds on Transition

- On transition to legal amalgamation, Regional Managers apply to have a certain amount of funds or property ring-fenced. A specific reason will need to be provided for the ring-fence to be granted; for example,



a grant was received by an Association for a specific purpose, that the Association has not yet managed to implement.

- Ring-fencing of funds and property will only be granted in limited circumstances.
- In relation to properties, where there is sufficient demand for the use of buildings, then they are not likely to be sold. Where there is insufficient demand, as determined by the General Manager in consultation with relevant staff and the affected community, then any proceeds from the sale of buildings will be used for the benefit of Playcentre as a whole, and its enrolled tamariki.
- Any sale of land or buildings will need approval of the Trustee Board, consistent with “Delegated Authorities Policy and Schedule dated March 2017”.
- In relation to grants/gifts, ring-fencing of funds will only be granted where there are conditions applied to the original grants/gifts for it to be used in a certain community. Grants/gifts that are given to Playcentre, without conditions that it is used in a geographical area, will not be ring-fenced to a community, as the funds will still be used for Playcentre purposes.

Ring Fencing of Funds on an Ongoing Basis

- A grant/gift may have a condition applied that it is used for a certain purpose, eg children’s equipment, or IT equipment, then these funds will be ring-fenced for that purpose.
- Certain funding received for a specific purpose will be ring-fenced, eg Māori or Pacifica Initiatives, Learning Support (Special Needs), Professional Learning Development, Tertiary Education Funding (from Tertiary Education Commission).
- In the circumstances that ring-fencing has been approved, but there is insufficient demand for the use of the asset, then the national body will consult with the Centre/s affected before taking any further action, including discussions with the grantor/giftor in relation to their conditions.

Where Playcentres go into Recess/Closure

- Playcentre Aotearoa shall hold all assets of the Playcentre in trust for an agreed period of up to two (2) years; if during the recess period there is community interest in reforming the Playcentre, and the Trustee Board grants approval for reformation, the assets held in trust shall be handed over to the new group (para 5.5.2 of Playcentre Aotearoa Constitution);
- if after the agreed recess period no group has expressed a desire to reform, the Playcentre will be deemed closed and Playcentre Aotearoa shall retain the assets unless a formal commitment to return some or all of the assets to its community exists (para 5.5.3 of Playcentre Aotearoa Constitution);

Where Playcentres are wound up, closed or disaffiliated

- any assets shall revert to the national body in the absence of any agreement to the contrary (para 12.2 of Playcentre Aotearoa Constitution).





Examples of Ring-Fencing

An Association has been bequeathed their building from an estate with the expressed wish that the building be used in the community for the purposes of Playcentre. This property will be ring-fenced to remain in the community.

An Association has received a grant from an organisation to purchase play equipment for the children. These funds will be ring-fenced for the purposes of purchasing play equipment for children nationally.

Funding has been received from a Ministry or Agency for a Māori Initiative. This funding will be ring-fenced for that purpose.

Associations or Centre members have performed fundraisers to contribute to their Roopu funds and this has not been spent at the time of transition. These funds will be ring-fenced for that purpose.

Funding received from a Ministry or Agency for the purposes of Professional Learning Development (PLD) or Tertiary Education. This will be ring-fenced for that purpose.



Application Form for Ring-Fencing Funds or Property

This form should be completed by Regional Managers who determine there are reasons for any property or funds be ring-fenced for a certain purpose or geographical area.

Name of Person Completing Form: _____

Contact Number or Email Address: _____

Playcentre/Association Name: _____

Address: _____

Phone No: _____

What is the Property or Fund being requested to be ring-fenced?:

What is the value of the property or fund?

What are the conditions of grant/gift of property or funds?

What is the evidence of the conditions of grant/gift of property or funds in support of the application of ring-fencing? (Please attach any relevant documents. Thank you.)



Please return the completed application form (and attachments) to:

Marina Cook

Chief Financial Officer

Email: cfo@playcentre.org.nz

Phone: 027 808 6672

