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1. General information about the Building Financial Capability Grants 2023

What are Building Financial Capability services?

Building Financial Capability (BFC) refers to a range of MSD-funded services and products that help people and whānau to improve their financial wellbeing.

BFC providers deliver a range of support services including one-on-one and group financial mentoring, and phone and online support through MoneyTalks.

Why do Building Financial Capability services need more funding?

The cumulative impact of the pandemic, cost-of-living increases and the increasingly complex nature of financial hardship and debt have driven demand for BFC services.

BFC services are facing pressures to manage existing demand within their current funding and we expect the economic impact of recent weather events will likely exacerbate this.

What is being offered to support BFC providers?

The 'Building Financial Capability Grants 2023' programme is being set up to deliver a funding boost of \$3m. This will provide one-off time limited funding to providers of BFC services for use by 30 June 2023.

What is the source of this funding?

The funding boost of \$3m is being met from underspends within an existing Community Support Services appropriation. The funding has been reprioritised due to the flooding, Cyclone Gabrielle and the cost of living pressures.

Which organisations are eligible for funding?

Current MSD-funded providers delivering financial mentoring, MoneyMates, Kahukura, Debt Solutions and the national financial helpline MoneyTalks, are eligible to apply (conditions apply).

BFC providers across all of New Zealand are eligible for support. The regions of Northland, Auckland, Tairāwhiti, Bay of Plenty, Waikato, Hawke's Bay, and the Tararua District are priority areas.

Are regions experiencing the worst effects from the recent severe weather being prioritised?

Yes. The six regions of Northland, Auckland, Tairāwhiti, Bay of Plenty, Waikato, Hawke's Bay, and the Tararua District have been identified as priority areas and will be allocated a larger proportion of the available funding.

Why are less affected regions also eligible for grants?

All regions are feeling cost-of-living impacts, compounded by the weather events. Experience from major emergencies such as the Christchurch earthquakes is that financial impacts on individuals and whānau spread far beyond immediately affected areas.

How is the funding being distributed?

Various levels of grants have been designed:

- \$2.025m for BFC Financial Mentor services working in the priority areas
- \$0.625m for BFC Financial Mentor services in other areas of New Zealand
- \$0.350m for other BFC providers, including the national financial helpline MoneyTalks, Debt Solutions, and BFC Plus services for clients with complex needs.

Will this funding increase support disabled people?

Disabled people are more likely to earn less income than non-disabled people. The proposal to increase funding to BFC services will help support disabled people and their whānau who are experiencing hardship or financial pressures.

How does this funding align with the Ministry's Community Support response?

The \$3m 'Building Financial Capability Grants 2023' provide additional funding dedicated to the financial capability sector.

These grants are additional to Government's \$11.5 million [Community Support Package](#) for people affected by the recent floods and Cyclone Gabrielle.

If there is additional demand can the grants be scaled up?

MSD expects the \$3m funding will be sufficient to cover all applications for additional demand from now until 30 June 2023.

2. Information for Grants applicants

How should providers apply for the BFC Grants 2023?

Applicants must have an MSD contract to provide BFC Services in the 2022-23 financial year.

Applicants must use the 'Building Financial Capability Grants 2023' application form on the MSD website, with all required sections completed.

All applications must be sent to the Financial Capability inbox:
financial_capability@msd.govt.nz

What is the deadline for applications?

Applications must be received by MSD by **5.00pm 30 April 2023**.

What happens if providers decide not to apply for a grant?

Application is at providers' discretion, and some might not apply. MSD has discretion to decide how to distribute unallocated funding, if any.

Providers should send an application form, so their intentions are clear. The box at the top of the form should be ticked to confirm they will not apply.

Providers may not request that grants they decline are repurposed or reassigned to other providers.

Can providers apply for less or more than the standard grants?

No. To streamline the application process, providers may not negotiate their grants up or down from the agreed rates of \$25,000, \$12,500, and \$10,000.

Can providers with multiple core contracts apply for multiple grants?

No. If every BFC core contract was eligible for a grant, that wouldn't be fair. To preserve equity, the principle that each BFC core provider is only eligible for one grant has been applied.

Similarly, BFC Plus providers are eligible for only one \$10,000 grant per contract, not one grant per FTE Kahukura. Microfinance providers are eligible for one grant.

Two exceptions are discussed below.

Are BFC Plus providers eligible for both the core and BFC Plus grants?

Yes, if BFC Plus providers also have BFC core contracts. Twelve dual providers of BFC Plus and BFC core are eligible for \$25,000 or \$12,500 plus \$10,000.

Are providers inside of collective (fund-holder) contracts eligible for grants?

Yes. Four providers inside collective (fund-holder) contracts are eligible. All four are in priority areas and are eligible for \$25,000 each. These providers should use the special application process outlined in the grants Terms and Conditions.

3. Further information

These FAQs will be updated with any additional questions and answers received while applications are open.

If these don't cover your question, contact the MSD Building Financial Capability team: financial_capability@msd.govt.nz