



P.O. Box 1749
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Item No.
Grants Committee
November 3, 2014

TO: Chair and Members of Grants Committee

Original Signed

SUBMITTED BY:

Greg Keefe, Director of Finance & Information Technology/CFO

DATE: October 10, 2014

SUBJECT: Community Grants Program: Delinquent Reporting Update 2014

INFORMATION REPORT

ORIGIN

October 3, 2011 – Information Report submitted to the HRM Grants Committee on the status of delinquent reports or reimbursement of a grant issued under the Community Grants Program. The status is to be updated annually.

November 4, 2013 Grants Committee meeting the *Proposed Default Prevention and Management Practice*; recommendations report was discussed and the following was approved:

It is recommended that the HRM Grants Committee forward the following recommendations with respect to default prevention and management for programs administered under the committee's terms of reference to the Audit & Finance Standing Committee:

- All applicants to program's administered under the auspices of the HRM Grants Committee shall be screened for debt to the Municipality;
- Any extension granted to an award recipient shall be limited to one (1) year;
- All recipients of a cash grant, tax exemption, community property sale or lease shall be notified in writing of their obligations and the applicable sanctions for non-compliance.

November 20, 2013 Audit & Finance approved the Grants Committee recommendation as it relates to the Proposed Default and Prevention and Management Practice approved at the November 3, 2013 Grants Committee.

July 21st, 2014 Grants Committee motion to **direct staff to send letters to the list of organizations outlined in Table 3, Attachment 1 (organizations that have not submitted a final report within the required time frame - non-compliance reporting) of the July 2 staff report, requesting final expenditure reporting be provided by August 29, 2014.**

LEGISLATIVE AUTHORITY

HRM Charter (2008), Section 79 (1) (av)

BACKGROUND

As a result of the approval of the recommendations contained in the *Proposed Default Prevention and Management Practice* report the practices have been applied to the Community Grants Program. All organizations that are delinquent in submitting a final report beyond a year since the require reporting deadline have been requested to submit a final report or return the funds to avoid potential sanctions for non-compliance. The most recent notification letters sent via registered mail to all applicable organizations July 22nd had a stated deadline of August 29, 2014, to either submit the required final report or return the funds to avoid "further action by HRM".

Currently there remain nine (9) organizations that have yet to comply with the most recent notification. See Table 1 Attachment 1. In addition, eight (8) organizations have either submitted a final report or issued a refund to the Municipality. See Table 2, Attachment 1.

DISCUSSION

If an organization has not submitted the required final report or refund the Municipality, the current recourse is to deem these organizations ineligible to apply to any grant or contribution program administered under the Grants & Contributions portfolio. Reinstatement of eligibility occurs only if reporting requirements are fulfilled or funds have been returned to the Municipality. Additional administrative measure to retrieve funds or a final report have not been explored.

Possible next steps:

- Maintain status quo. Continue to send reminder notifications and continue to deem organization(s) ineligible to apply to any grant or contribution program administered by the Grants and Contributions portfolio. The current portfolio includes the Community Grants Program, Tax Relief for Non-profit Organizations Program, Less than Market Values Sales and Leases to Non-profit Organizations, Business Improvement District Contribution Fund.
- Extend the ineligibility criteria to other grant and contribution programs / services beyond those administered by Grants and Contributions, Finance & ICT. With the exception of the Administrative Order 2014-007-ADM Respecting Grants to Professional Arts Organizations; Section 12 (e) states: To be eligible for funding the applicant must have "no outstanding reports due to the Municipality", Grants staff are unaware of other internal grant and contribution programs or services that address this issue.
- Seek advice and guidance from the Manager of Revenue in reference to pursuing a collections process.

FINANCIAL IMPLICATIONS

None.

COMMUNITY ENGAGEMENT

Not applicable.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peter Greechan, Community Developer Grants & Contributions, 490-7310

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Report Approved by:

Bruce Fisher, Manager of Financial Policy & Planning, 490-4493

Attachment 1

Table 1. Cumulative List of Organizations Deemed Ineligible as of October, 2014		
Organization	Grant	Year Issued
Beechville Baptist Church	\$500	2007
All Women's Empowerment & Development Association - (partial report submitted)	\$5,000	2008
ABC Housing Cooperative	\$2,000	2009
Dunbrack Housing Cooperative	\$4,000	2009
Riverlake Rugby Club - (partial report submitted)	\$1,500	2009
Stepping Stone	\$4,000	2009
Plutonium Playhouse	\$5,000	2011
DaPoPo Theatre Society	\$2,000	2012
Nova Scotia Youth Orchestra	\$12,550	2013
(9)	\$36,550	

Table 2. Reinstatement of Eligibility in 2014. Reporting/Repayment Received.		
Organization	Grant	Year Issued
Halifax West Community Theatre Association	\$5,000	2006
Maritime Muslim Academy	\$10,000	2009
Aeolian Singers	\$2,500	2010
Eastern Front Theatre	\$5,000	2011
Eastern Shore Forest Watch	\$1,744	2012
Windsor Junction Community Centre Society	\$10,000	2012
Phin Performing Arts Society	\$2,000	2013
S.S Atlantic Heritage Park Society	\$1,377	2013
(8)	\$37,621	

Note: Although the delinquent reporting and/or refunds identified in this report represent only a fraction of all grants issued since 2006, accounting for default is an established risk management practice and informs policy development.