



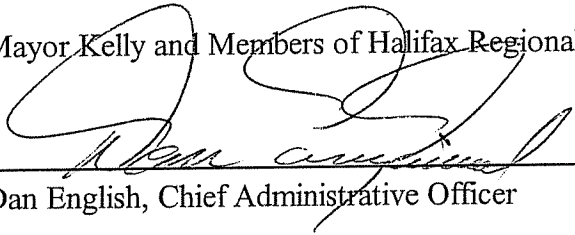
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Halifax Regional Council
May 8, 2007
Committee of the Whole
May 29, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Cathie O'Toole, CGA, A/Director of Finance

DATE: March 5, 2007

SUBJECT: Proposed Revisions to HRM Building Community Funds

ORIGIN

- This report responds to concerns expressed by Council, the Audit Committee, and staff with respect to policy and procedures guiding the expenditure of Councillors' funds.
- February 28, 2006 motion from Halifax Regional Council that staff provide a report outlining specific options for funding support to community initiatives.

RECOMMENDATION

It is recommended that:

1. Regional Council approve the merger of Councillors' discretionary funding programs into one *HRM Building Communities Fund*, effective April 1, 2007, as per the policy and procedures in Attachment 2 of this report.

BACKGROUND

Presently, there are (3) separate funding programs that may be expended on a per district basis under the discretionary authority of the Councillor for that district. In some cases, these funds have been pooled among two or more councillors, or a Community Council. In 2007-08, the combined value of the three programs was \$1,564,000 (see below). Revised policy and procedures are required to ensure a cost-effective investment of these funds, transparency, annual capital work scheduling, equitable access to assistance relative to other municipal grants programs, and the alignment of donations and grants with HRM's mandate or Council's focus areas. These funds are:

- **Discretionary Activity Fund:** (2007-2008 Budget: \$69,000). An annual allocation of \$3,000 per district. Managed under the HRM Grants Program (HRM Finance). This is a donations program and access is restricted to registered non-profit organizations. Donations tend to be small in value (~\$50 to \$250 range) but the distribution high (~500 donations annually). Unspent funds cannot be carried forward into the next fiscal year.
- **Councillors' District Capital Funds:** (2007-2008 Budget: \$920,000). An annual allocation of \$40,000 per district. Managed by the Accounting Division (HRM Finance). Intended to serve smaller municipal capital projects that would not otherwise be a priority in the regular budget process or fall below the \$50,000 threshold. Revised to include capital grants to non-profit organizations. Approximately 50% of expenditures are on HRM-owned assets and 50% on community-owned assets. Funds can only be carried forward into the next fiscal year if the amounts are committed for capital projects for HRM owned assets.
- **Building Communities Fund:** (2007-2008 Budget: \$575,000). An annual allocation to a Community Council for public parks and playgrounds (\$25,000 per district). Managed by the Accounting Division (HRM Finance). Previously committed funds can be carried forward into the next fiscal year because the fund is intended for only HRM assets.

The proposed changes to Councillors' discretionary spending funds are intended to provide:

- a response to concerns raised by members of Regional Council;
- greater flexibility in the allocation of funds between HRM-owned assets, community-owned assets, and donations;
- reduced duplication with centralized municipal grants programs;
- enhanced transparency and accountability.

EXECUTIVE SUMMARY

The following is a summation of the main changes proposed by staff:

- The three (3) discretionary funds be merged into an *HRM Building Communities Fund*. Currently any distinction between 'capital' or 'operating' expenditures is a misnomer, because the majority of expenditures do not meet the established capital threshold (\$50,000).
- The *HRM Building Communities Fund* would be managed by the Accounting Division of HRM

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Finance; the Discretionary Activity currently administered under the Grants Program account M361-8004 would be transferred and consolidated under the Accounting Division also.

- At year-end Finance staff will reconcile each account and, where appropriate, will record and report any appreciation in the value of HRM-owned assets in accordance with accounting principles and audit requirements.
- A listing of any donations (<\$500) or grants (>\$500) to community non-profit groups shall be compiled by district and reported to the general public in accordance with Chapter 18, Item 65 (au) of the Municipal Government Act (1998).
- The annual budget for the *HRM Building Communities Fund* shall be divided equally among the 23 members of Regional Council. As such, the type and \$-value of award will differ among electoral districts based on priorities identified by the district Councillor(s) and in keeping with Council's priority focus areas.
- Detailed policy and procedure approved by Regional Council guide the Fund's expenditure but with greater flexibility.
- The *HRM Building Communities Fund* is managed by HRM Finance and jointly administered in cooperation with the Councillors' Support Office.
- Compliance guidelines for the approval and scheduling of HRM capital work must be adhered to so as to avoid conflict of interest, increased cost (due to overtime, loss of competitive bidding, or recourse to sub-contracting), and within HRM staff capacity to manage and supervise work to an acceptable standard of workmanship and service.

Some other options were considered and are listed in the alternatives section.

DISCUSSION

The policy objectives desired are:

- equitable distribution of resources;
- compliance with PSAB and FRAM requirements.
- ease of administration;
- inclusion of diversity;
- transparency and accountability;
- no duplication of funding;
- consistency of application;

Staff from several departments¹ were asked to identify the strengths and weaknesses of the current programs and potential solutions. Concerns brought forward by various Councillors over the past 12 months were also

¹Finance, Councillors' Support Office, Transportation and Public Works.

considered, and the main recurring areas for improvement as listed in **Attachment 1** of this report form the basis of proposed revisions. Feedback was collected from a Council caucus meeting on April 3rd, attended by over two thirds of Council. Additional feedback was requested to be sent to Finance via email and with few exceptions, additional feedback was not received. Given the diversity of opinions, it was determined that putting forward a recommendation that best fulfills the stated objectives would be the best way to promote a full and transparent debate.

BUDGET IMPLICATIONS

The total combined budget allocation of \$1,564,000 remains un-changed by the proposed revisions to Councillors' funds. There is no budget impact for the 2007-08 fiscal year.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

1. Regional Council could elect to maintain the status quo.

This action is not recommended: the present system is fragmented and prone to duplication and inefficiencies. A continuation of the status quo could create or perpetuate negative perceptions around the purpose of discretionary funds.

2. Regional Council could amend the proposed policy and procedures.

ATTACHMENTS

1. Areas for Improvement
2. Draft Program Description, Policy and Procedures: HRM Building Communities Fund.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: *Anna Marchand*
Anna Marchand CMA, Manager of Accounting Operations 490-7222

Appendix 1. Areas for Improvement

Municipal Capital Assets: On April 4th, 2000, Regional Council approved the definition of a capital asset. Generally, these are: **assets with total costs greater than or equal to \$50,000 and a useful life of greater than one year.** As the HRM Asset Management Project progresses and HRM incorporates the Public Sector Accounting Board (PSAB) recommendations for tangible capital assets, the threshold for defining a capital asset may be revised, but otherwise the definition of a capital asset should remain the same.

Using HRM's current definition of a capital asset, the Councillor's District Capital Fund of \$40,000 would not qualify unless (a) supplementing a capital project funded in the regular budget process, (b) pooled with other districts, or (c) accrued for an identified purpose ("committed"). In practice, this has led to a number of identified projects with insufficient funding to start or complete. Designated funds are sometimes carried forward for an extended period of time because there are insufficient funds in a department's capital budget to carry out the work and additional funds are not forthcoming from the District Capital fund in successive years.

Community Capital Assets: Initially, the Councillors' District Capital Fund was to be used only for HRM-owned assets. A revision of policy to allow for capital grants to community-owned assets has resulted in a form of alternate grants program. In the absence of restrictions, some community groups receive grants for the same project from several municipal sources ("double-dipping"). This can lead to frustration on the part of those applicants who receive no funding and an under-reporting to the general public of HRM assistance to the non-profit sector. Arguably, a rationalization of grants funding programs could serve to reduce or eliminate duplication and spread capacity over a wider range of applicants/projects.

Discretionary Donations: The Discretionary Activity Fund complements the centralized *Community Grants Program* in that it enables councillors to support local volunteer projects that would be ineligible, time-sensitive, or too small to be funded from the larger program². However, the volume of requests relative to capacity (\$3,000) has led to pressure to use the District Capital Fund for small items that, albeit they might last more than one year, they do not meet the \$50,000 threshold, are not HRM assets, and are not recorded as capital expenditures or assets.

Scheduling Capital Work Projects: A lack of consistency in submitting timely requests for work funded under the District Capital Fund and/or the current Building Communities Fund has resulted in scheduling problems for projects. Inefficient scheduling leads to cost increases, work delays, and reduces capacity assigned to capital projects approved through the regular capital budget process. While policy can set a deadline (for both councillors and staff) its' consistent application is the only reliable solution to this problem.

Policy and Procedures: While there are detailed policy and procedures approved for the Discretionary Activity Fund, comparable guidelines do not exist for the District Capital Fund or the present Building Communities Fund. A lack of policy, and turnover in personnel (both councillors and staff) increases the risk of inconsistency, error, and frustration in policy and procedures.

² The Discretionary Activity Fund issues an average of 500 donations a year, a volume that exceeds the Grants Program's ability to serve.

HRM Building Communities Fund: Draft Policy and Procedures

The *HRM Building Communities Fund* is a centralized program that provides partial or full funding to HRM capital projects or community non-profit groups at the discretion of the district Councillor. All expenditures from the *HRM Building Communities Fund* are identified by individual members of Regional Council who assess the respective merit of projects, priority relative to council's objectives, and the amount or type of expenditure (ie. an internal transfer, or a donation or grant). The program is jointly administered by HRM Finance and the Councillors' Support Office.

The *HRM Building Communities Fund* has two primary goals:

- To complete small-scale HRM projects not included in the annual HRM departmental operating and capital budget process.
- To provide a simple and responsive method of providing modest donations and grants in support of local neighbourhood volunteer initiatives.

Annually, the total budget allocation for the program is distributed evenly among the 23 electoral districts.

The following policy and procedures outline how expenditures from the *HRM Building Communities Fund* may be used, record-keeping and reporting requirements. The policy also contains guidance on the roles and responsibilities of applicants, HRM staff, and elected officials.

A. POLICY

1. Context

The purpose of HRM Building Communities Fund Policy is to guide expenditures and reporting in accordance with the Municipal Government Act (1998), HRM Financial Policy, HRM Ethical Code of Conduct and Conflict of Interest Guidelines, and applicable legislation and by-laws.

2. Statement of Intent

- Contributions made under the auspices of the *HRM Building Communities Fund* are for the benefit of residents and are not intended to **benefit an individual**, private interest, private property, business, professional or occupational association, or activities outside the mandate of the municipality.
- Contributions are not intended to subsidize the operations of an HRM Standing Committee of Council, an HRM advisory committee, or an ad hoc committee.

- Contributions made under the auspices of the *HRM Building Communities Fund* are intended for projects that fall within the municipality's mandate in program and service delivery. Funds are not intended to replace, supplement, or compensate the loss of federal or provincial funding or to assume responsibilities in areas such as but not limited to health care, social services, justice, employment, the armed forces, or international aid.

Rationale: *The HRM Building Communities Fund is financed from the general tax rate; the payment of property taxes, fees and fines is not a discretionary expenditure on the part of the public and as such, revenues levied are for the provision of municipal services. In principal, therefore, donations and grants to non-profit groups funded through municipal revenues are intended to be located within the geographic boundary of HRM and for purposes aligned with the municipality's mandate.*

Interpretation: *A donation or grant may be made to an organization such as but not limited to an educational institution, service club, sports club, daycare, church, or social service agency in circumstances where the benefit of public funding is not restricted to a specific membership or affiliation. The aim of the Fund is to realize a benefit to the general public; it is therefore expected that the public have reasonable access to the facility, service, or program at no cost or for a nominal fee. Further, it is expected that recipients of grants or donations paid from the general tax rate shall originate and be located within the geographic boundary of HRM.*

- Contributions shall not be made to a political party or affiliate thereof.

3. Allocation of Funds

- 3.1 A minimum of 75% of the annual Fund allocation by District must be spent on HRM-owned or community-owned assets. The term assets includes infrastructure, land, buildings, equipment, signage and fixtures. For the purpose of this Fund the project does not have to meet the HRM definition of capital in terms of value.**

Interpretation: *The inclusion of community-owned assets recognizes that in some electoral districts the local population is too small to sustain a government owned and operated facility (eg. sports field, playground, park, community hall, wharf etc) and the needs of residents are served by the non-profit sector.*

- 3.2 As part of the regular annual budget process Members of Regional Council are asked to develop a list of projects they wish to see undertaken in their district. Staff are to provide timely notice of any projects not recommended for inclusion so that they may be identified and scheduled under the *HRM Building Communities Fund*.**
- 3.3 Members of Regional Council shall identify any HRM projects funded through or with the assistance of the *HRM Building Communities Fund* within 30 days of Council's approval of the annual operating and capital budgets.**

4. Approved Purposes

- 4.1 Non-Profit Organizations:** The Fund may be used for a donation or project-specific grant to a duly registered non-profit society or federally registered Canadian charity in accordance with clause 4 of the HRM Building Communities Fund Policy and Part IV Finance, Section 65, Item (au) of the Municipal Government Act (1998).

Interpretation: Donations and grants cannot be awarded to for-profit or private enterprise, individual persons or families.

It is recommended that non-profit groups in receipt of a donation or grant be registered societies under the Nova Scotia Societies Act or a registered charity under the federal Income Tax Act. However, at the discretion of the councillor, a volunteer group that is not registered as a society with the Nova Scotia Registry of Joint Stocks may receive a donation or grant if the organization is long-standing, has a formal constitution and by-laws, convenes regular meetings of the membership, and keeps appropriate financial records. In effect, the group operates in a manner consistent with that of a society or charity. It is further recommended that a maximum of 10% of the fund be used for the purpose of making small (under \$500) general donations without a specified use for the donation.

- 4.2** If a grant to a non-profit organization is to be used for real property (land or building) the recipient organization must be the owner or joint owner of the property as registered with the Nova Scotia Registry of Deeds, or, the recipient organization is the operator of HRM-owned real property under contract through an authorized facility management agreement, lease agreement, or license currently in effect for a minimum term of 5-years.

Rationale: HRM has a vested interest in realizing a cost-effective return on the investment of public funds. Such grants are not intended solely to enhance the value of the property for the purpose of sale or disposal.

Interpretation: A 'standard' lease agreement is for a term of 5 years. The value of any grant should be commensurate with the term of tenancy (ie. excludes month-to-month leases or a lease of less than 5 years) so as to achieve a reasonable return on public funding.

- 4.3** Property that is leased from a party other than HRM is not eligible for funding of construction, repairs or improvements to the leased property.

Rationale: Public money shall not be invested in a private or government asset.

Interpretation: Donations and grants cannot be awarded to property owned by commercial, business, industrial or institutional interests, property owned by the federal or provincial government, private property, or property acquired through adverse possession.

- 4.4** A non-profit organization can only apply to one HRM grants program in any one fiscal year; for example, to the HRM Building Communities Fund, or Community Grants Program, or Festivals & Events Grants, or Trails Capital Grants etc.

Interpretation: Presently, an HRM property tax subsidy or rent subsidy are not considered a project-specific grant and are therefore not included in Item 4.4.

4.5 Municipal Capital Projects: Funds may be used for an HRM departmental project for the purchase, construction, expansion or repair of an HRM-owned asset.

Note: Excludes preventive maintenance and recurring operating costs that should be included in a departmental annual operating budget. The term asset includes infrastructure, land, buildings, equipment, signage and fixtures.

4.6 HRM Community Councils: The Fund may be expended in support of initiatives put forward by a duly convened HRM Community Council. Such funds may be combined with other HRM electoral districts for collaborative use by two or more Community Councils for municipal purposes in accordance with the roles and responsibilities of the Community Council.

Rationale: By cost-sharing Community Councils could undertake a project on a scale to serve residents of several communities.

Interpretation: The type of Community Council cost-shared initiative that could be funded under the HRM Building Communities Fund includes but is not limited to:

a park or trail that encompasses several communities within different electoral districts or a facility capital upgrade in one district to host a tournament or event that will draw participants or spectators from across districts or the region.

public surveys, asset mapping, strategic planning, feasibility studies, design fees or technical plans, program evaluation, a non-recurring workshop, a conference, public meeting, or public consultation regarding a municipal government service or a community event.

5. Carry Forward of Funds

5.1 Only funds committed to an HRM-owned capital project, or community-owned property, may be carried forward to the next fiscal year. The balance on any unspent funding (ie. the project is completed under budget or the funds are not utilized for that project) shall be deposited to Capital from Operating to fund other HRM projects.

Note: A maximum of 25% of the Fund can be expended in the form of donations or grants to non-profit organizations. Funds cannot be accrued for this purpose.

5.2 If a commitment or contribution made to a project that relies on third party funding such as volunteer fundraising or a government grant proves not to be feasible (ie. lacks the necessary funding) the unspent money shall be deposited to a Capital from Operating account or, with Regional Council's approval, may be assigned to a capital project that is viable. Such funding must be identified with a specific project to be carried forward to the following fiscal year.

Interpretation: Any movement of funds from one capital project to another, or to a new project, requires Regional Council's approval.

6. Restrictions on Type of Expenditure (Use of Funds Not Permitted)

6.1 Assistance to an individual, family or private interest is not permitted.

Interpretation: Individual beneficiaries are not recognized under the Municipal Government Act (1998), Section 65, such as requests for personal assistance in the payment of bills or fines, the purchase of goods and services, or sponsorship of individuals in fundraising events¹. The purchase of goods for an equipment loan program is permitted provided that, notwithstanding reasonable restrictions with respect to personal safety and care of assets, such resources are made available to the general public for free or at nominal cost.

A donation or grant may be made to a non-profit organization formed for the purpose of emergency assistance or to a non-profit organization with a formal, designated fund used exclusively for the purpose of assisting disadvantaged persons. For example, HRM Kids, a trust fund etc. Academic scholarships are not eligible for funding.

6.2 No HRM department, program, facility, committee, or representative shall solicit a member of Regional Council for a donation, grant or in-kind contribution to an HRM program, project, or service².

Interpretation: Staff are expected to refer information to members of Regional Council regarding community issues or requests in an appropriate manner (ie. a written memorandum or an email) but not to participate in soliciting applications. No member of staff shall provide a prospective applicant preferential consideration.

Staff are expected to cost projects in accordance with established budget guidelines. Under-budgeted projects are not to be submitted by staff with the assumption that the balance of funding or cost over-runs shall be funded by the Building Communities Fund. In such circumstances, rectifying a budget short-fall or delay in project completion is the responsibility of staff.

6.3 No member of HRM staff shall solicit a member of Regional Council for personal

¹ Examples include payment of taxes, fees or fines, purchase of food or clothing (including team or individual uniforms), payment of utility bills, sponsorship of individuals participating in a recurring fundraising event for an international, national, or provincial program or service, home repairs, equipment purchase for an individual (eg. sports equipment) or equipment repairs (including private vehicles).

² Examples include calendar production or sales, publications, staff competitions, cadet corps, benefit events, conferences, social events, awards, or sports competition.

sponsorship³.

Interpretation: Staff have privileged access to information and may exert influence in municipal decision-making that could be perceived as an unfair advantage or a conflict of interest.

- 6.4 Following completion of a project, the applicable HRM department(s) shall submit a report of costs incurred for materials, equipment rentals, overtime etc to HRM Finance who will allocate the *Building Communities Fund* to the project up to the amount committed and authorized by the Councillor. Charge-backs for regular HRM staff time (ie. salaries or wages) is not eligible for funding. Such expenses are part of the regular departmental operating budget.

Rationale: The intent is to prevent “double dipping” or cost-overruns.

7. Restrictions on Expenditure Authorization

- 7.1 No request for funding or cheque requisition shall be processed or issued without the authorization of the Councillor(s) indicated by their signature upon the payment requisition.

Rationale: Individual members of Regional Council are responsible for the expenditure of funds allocated to their electoral district and must be aware of the value, purpose, and timing of each expenditure.

- 7.2 In the event that a member of Regional Council is unable to provide their personal signature they may designate in writing an alternate from among their peers to serve in this capacity for the period of time specified by the Councillor.

Rationale: A member of council might be absent for an extended period of time due to illness, short-term disability, compassionate leave, a leave of absence etc and their constituents should not be disadvantaged. A member of staff is not authorized to serve as a designate in this capacity.

8. Restrictions During a Municipal Election

- 8.1 Expenditures from all categories of funding under the *HRM Building Communities Fund* shall be suspended during a municipal election campaign.

Rationale: The intent of this restriction on spending during an election campaign is to avoid allegations of irregular election spending among candidates or conflict of interest.

Interpretation: If a project is in progress the work shall proceed and committed funds may be spent.

³ Examples include participation in a fundraising event that requires individual sponsorship, the purchase of goods and services on behalf of an individual, educational or professional development, scholarship or bursary, or support to a society or enterprise of which that staff member is a participant or affiliate.

- 8.2 No monies from the *HRM Building Communities Fund* may be spent on an election related cost, including those of the incumbent.
- 8.3 The date of suspension of the *HRM Building Communities Fund* shall be set as the official date for the closure of candidacy.

Rationale: This date is in accordance with provincial election regulations.

Interpretation: Once an incumbent has officially declared their candidacy in a government election use of their district allocation from the Fund shall cease.

- 8.4 Expenditures from the *HRM Building Communities Fund* may resume upon the day a candidate is officially sworn into office as an elected representative of Regional Council.
- 8.5 In the event of an incumbent's or candidate's acclamation to Regional Council access to the district allocation of the *HRM Building Communities Fund* shall resume.

9. Appeals

- 9.1 Members of Regional Council and staff are responsible to make a clear determination of eligibility and shall issue funds in accordance with the appropriate HRM financial policies. Assistance in the interpretation of policy is available from HRM Finance.
- 9.2 Appeals shall be considered on the basis of (a) new information unavailable at the time of application, (b) an error in the application of policy and procedures, or (c) a request to amend policy.
- 9.3 Any dispute regarding the eligibility of a recipient or project eligibility shall be mediated by a Deputy Chief Administrative Officer or the Chief Administrative Officer.

10. Financial Record-Keeping Requirements

- 10.1 The fiscal year starts April 1st and ends March 31st. No expenses incurred after March 31st shall be reimbursed after the fiscal year end.

Rationale: There is no over-expenditure of the Fund. Any un-expended and/or un-committed balance remaining at year end shall be included in the general operating surplus/deficit. Only funds committed to an identified capital project may be carried forward.

- 10.2 All donations shall be acknowledged by a formal receipt from the recipient organization and submitted to HRM Finance by the organization, the Councillor, or the Councillors' Support Office.

- 10.3 All tax receipts issued by the recipient of a donation or grant shall be in the name of Halifax Regional Municipality.
- 10.4 All grants over \$500 shall be acknowledged with proof of payment in accordance with the purpose and terms of funding. Such documentation shall be submitted to HRM Finance by the organization, the Councillor, or the Councillors' Support Office within 30 days of the fiscal year end.
- 10.5 An audit of accounts may be made at the discretion of the HRM Audit Committee or Business Systems & Control Group.

11. Reporting Requirements

- 11.1 An itemized annual report of expenditures by electoral district shall be the responsibility of HRM Finance.
- 11.2 An annual list of expenditures shall be made available to elected officials, HRM staff, and members of the general public.

Interpretation: In addition to individual formal reports to Regional Council full disclosure of expenditures shall be posted publicly on the HRM web site.

- 11.3 In accordance with Chapter 18, Item 65 (au) of the Municipal Government Act (1998) a list of all donations and grants to community non-profit organizations shall be sent to a newspaper that circulates throughout the region within 30 days of the fiscal year end.
- 11.4 Staff shall notify a Councillor of any request for information.

Rationale: In part this policy is a simple courtesy; because awards under the HRM Building Communities Fund are at the discretion of the district councillor they are best positioned to explain the details of the project and the value of any publicly funded assistance.

- 11.5 The provisions of the Municipal Government Act (1998) shall be followed with respect to freedom of information and the right to privacy (FOIPOP). The standard protocol directs the initial inquiry to departmental staff. If the request is not met to the satisfaction of the applicant, or not routinely available, the request shall be forwarded to the Director of Finance. Any grievance should be directed to the FOIPOP Coordinator of HRM who shall be responsible for the review and resolution of requests.
- 11.5 The *HRM Building Communities Fund* shall be included in the annual audit and requests for a more detailed review will be evaluated by the Business Systems & Control Group. Any such audit shall check for complete and appropriate documentation, compliance with policy, the fair and consistent application of policy, accurate reporting, and other issues determined relevant by the audit team.

B. PROCEDURES

1. Roles and Responsibilities

The *HRM Building Communities Fund* is managed by HRM Finance and administered jointly with the Councillors' Support Office.

Applicant: Non-Profit Organization:

All requests shall be made in writing and include the name of the registered non-profit society or charity, the purpose of the donation or grant, the amount requested, and contact information to include civic mailing address, telephone number (email or fax if applicable), and relation to the group (ie. a member of the Board of staff member authorized to act on behalf of the group). All donations shall be acknowledged with a formal receipt issued by the society or charity. All grants in an amount of \$500 or more shall be acknowledged with a formal report on expenditures and the status of the project (eg. a progress report or final report) and submitted to HRM Finance within 30 days of the fiscal year end (ie. by April 30th). See: Appendix 1 and Appendix 2 Forms.

Any request for funding from a non-profit organization received by a member of HRM shall be referred to the applicable Councillor or Community Council members in writing including contact information. In such circumstances, staff shall not provide any indication of the Fund's status (ie. balance or accrual), eligibility, or probability of funding and amount. Such information is to be provided solely by the district Councillor or Community Council.

HRM Business Unit: Project Confirmation:

All funds committed towards a capital project from the Fund shall be approved by departmental staff (ie. costed and scheduled) and confirmed in writing to the Councillor(s). Unscheduled work may be included as low priority or deferred to a subsequent fiscal year subject to the availability of internal resources or external sub-contractors.

HRM Finance:

Staff of HRM Finance manage the program and administration is in collaboration with the Councillors' Support Office. All requests for project support or for a commitment of funds toward capital projects managed and funded under an HRM department, grants, and donations are processed and payments issued in accordance with established financial policies. The maintenance of financial records, including all original receipts, invoices, cheque requisitions, and application forms are filed in the central records system. This department also compiles an annual list of awards to external agencies for publication in a regional newspaper and prepares a statement of accounts in the form of quarterly/annual reports to Council.

HRM Finance shall monitor compliance with the minimum allocation of funds to HRM-owned or community-owned assets (ie.75%).

HRM Finance shall oversee any internal or external audit of accounts as required.

Councillors' Support Office:

Staff of the Councillors' Support Office are responsible for the orientation of new members of Regional Council and HRM staff to the program. This office shall provide direct assistance to the public (applicants) and members of Regional Council in completing the program application form and any applicable documentation. Cheque requisitions are sent to HRM Finance for transfer or payment by cheque with the applicable support material attached.

The Councillors' Support office shall maintain duplicate records.

Note: The original request, invoices, and receipts are sent to HRM Finance. The financial records maintained by the Councillors' Support Office are copies and retained only for convenient access to information.

2. Application Procedures

- 2.1 All requests from external parties shall provide the registered name of the organization, mailing address, contact information (name, telephone, fax or email), brief description of project, and value of request. See Appendix 3 Forms.**

Interpretation: The information listed above is the minimum requirement for processing a request. Failure to complete the form will result in its return to the Councillors' Support Office and delays the processing of an award.

- 2.2 All requests shall be recorded on a standard application form and original documentation attached, including a copy of the written request from the intended recipient and a cheque request or internal transfer form. The applicable form must be authorized (signed) by the Councillor and the Manager of the Councillors' Support Office.**

Interpretation: Incomplete or unsigned forms shall not be retained by HRM Finance and are to be returned to the Councillors' Support Office with directions.

3. Reporting Procedures

- 3.1 Quarterly and at the end of the fiscal year HRM Finance will prepare a statement of all accounts, itemized by electoral district, and a copy is sent to the Councillors' Support Office for distribution to members of Regional Council. These reports shall also be provided to Council as part of the Quarterly Finance report.**

- 3.2 Staff of HRM Finance are responsible for making the year- end statement available**

to the general public.

4. Continuous Renewal Clause

- 4.1 This policy shall be evaluated after one (1) year of implementation to evaluate its scope, relevance, and effectiveness. Thereafter, the policy shall be reviewed every three (3) years or upon request to reflect substantive changes in legislation or municipal policy.
- 4.2 Responsibility for the review of policy shall be that of HRM Finance.
- 4.3 Recommended changes to policy or procedures shall be made by HRM Finance for the approval of Regional Council.

Appendix 1.

Sample Reporting: Donation

For the purpose of the *HRM Building Communities Fund* a donation is an amount **under \$500**.

Annual Report: Building Communities Activity Fund Donations to Non-Profit Organizations 2006-2007					
District Number. Name of Councillor					
HRM Alignment	Organization	Fundraising Initiative	Purpose of Fundraising	Value of HRM Donation	Amount Raised by Group
Recreation	Minor Softball Association	One-time local campaign	Equipment Purchase	\$250	\$1,200
Recreation	Loon Lake Scout Troop #42	One-time local campaign	Dock repairs	\$50	\$700
Events	Willow Woods Residents Association	Annual event	Remembrance Day Veterans Lunch	\$100	\$400
Community Safety. Events	Belcher High School	Annual event	Safe Grad Dance	\$150	\$700
Recreation: Active Transportation	Friends of Diddy Park & Trail	One-time campaign	Directional Signage	\$200	\$3,200
Culture: Heritage	Beacon Manor Museum	Annual campaign	Christmas Tea & Craft Sale	\$50	\$800
	6			\$800	\$7,000

Appendix 2.

Sample Reporting: Grant

For the purpose of the *HRM Building Communities Fund* a grant is an amount over \$500.

Annual Report: Building Communities Activity Fund Grants to Non-Profit Organizations 2006-2007					
District Number. Name of Councillor					
HRM Alignment	Organization	Fundraising Initiative	Purpose of Fundraising	Value of HRM Grant	HRM Share of Total Cost
Recreation	HRM Minor Baseball Foundation	\$25,212.70	Scoreboard and public address system	\$5,000	19%
Recreation	Wee Piggy Daycare	\$10,030.56	Adaptive equipment for disabled children's playground	\$6,200	62%
Community Safety	Dingle Homeowners Association	\$7,240	Neighbourhood watch signage	\$5,000	69%
Culture: Heritage	Upper East Quoddy Heritage Society	\$10,780.10	Roof repairs to heritage barn	\$6,000	55%
Events	Conrad Road Residents Association	\$12,140.66	Small events plaza	\$9,000	74%
Culture: Arts	Manor House Theatre Company	\$720,000	Addition to community theatre auditorium	\$42,000	6%
Recreation	Breezeway Canoe Club	\$415,000	Replacement dock and septic tank	\$55,000	13%
	7	\$1,200,404.02		\$128,000	