

COUNCIL POLICIES AND PROCEDURES

SECTION - G

GRANTS

SUBJECT: Councillors District Activity Fund Number G - 9

APPROVAL DATE: June 9, 2004

PREAMBLE:

Origin: The Councillor's District Activity Fund provides grant funding to each Councillor. The funding is dedicated to each electoral district in the Municipality of the District of Guysborough. The aim of this fund is to provide a simple, effective method of providing small grants to community groups, special events and other municipal purposes. Typically, such requests are received directly by Councillors for modest amounts in support of local fund-raising campaigns, charitable and non-profit initiatives, a special event, an amateur sports team or competition or related to municipal programs and services.

Background: Councillor's often receive requests for help from local community groups that are either ineligible, too small or time-sensitive to be handled in an effective manner by the larger *Community Grants Program* administered under the Municipality of the District of Guysborough Recreation Grants Program. Flexibility is required to address such local requests. Therefore, an amount is allocated in each year's budget for the Councillor's District Activity Fund. A specified amount is allocated to each Councillor.

Members of Council are assisted in record-keeping for fund expenditures by the municipal accounting department. At the end of each fiscal year financial records for the disbursement of funds are forwarded to the Director of Finance/Treasurer for budgeting and public reporting.

The following guidelines are intended to assist members of Council and staff in the appropriate expenditure, record-keeping and reporting of expenses. This information may also be of help in the orientation of new Council members or staff, or in response to residents who have specific questions regarding municipal government expenditures.

Discussion: The following policy and procedures outline how discretionary expenditures from the Councillor's District Activity Fund may be used, record-keeping and reporting requirements. The policy also contains guidance on the roles and responsibilities of the Municipality of the District of Guysborough staff.

TERMS:

A) POLICY

1. **Context:** The Municipal Government Act (1998) provides the broad framework within which policies authorizing the expenditure of public moneys are developed. According to the Act, the Municipality may award a grant or make a contribution to a duly registered non-profit organization, charity, society, club, association, or exhibition.

In general, contributions made under the Councillor's District Activity Fund focus on local activities related to recreation, social welfare, culture, charitable fund-raising by a recognized institution or duly registered community group, community and civic events, an amateur sports club or sports event, environmental protection or a community beautification project, and community-based educational initiatives.

- 1.1 In all cases, the grant funding can only be used for an authorized municipal purpose.
 - 1.2 Contributions made under the Councillor's District Activity Fund are not intended to subsidize the operations of a committee or council of the Municipality of the District of Guysborough.
 - 1.3 Contributions made under the Councillor's District Activity Fund are not intended to compensate or supplement federal or provincial responsibilities in health care, social services, justice, or employment.
2. **Statement of Intent:** The Councillor's District Activity Fund Policy is intended to guide expenditures in accordance with the Terms of Reference for the Grants Program, and legislation regarding spending during government elections.
 3. **Approved Purposes:**
 - 3.1 The Municipal Government Act (1998), Part IV Finance, Section 65, Item (au) states that the Municipality may make a grant or contribution to:
 - (i) a society within the meaning of the *Children and Family services Act*,
 - (ii) a mental health clinic in receipt of financial assistance from the Province,
 - (iii) an exhibition held by an educational institution in the municipality,
 - (iv) a club, association or exhibition within the meaning of *the Agricultural and Marketing Act*,

- (v) any charitable, nursing, medical, athletic, educational, environmental, cultural or social organization within the Province,
- (vi) a registered Canadian charitable organization,

And the Municipality shall publish annually a list of the organization and grants or contributions made pursuant to this clause in a newspaper circulating in the Municipality *(1).

Interpretation: Grants may not be awarded to individual persons or families.

In accordance with Section 57(2) of the Municipal Government Act, a municipality shall not grant a tax concession or other form of direct financial assistance to a business or industry.

- 3.2 A donation to a registered charitable organization or event shall be recognized with a receipt. Individual members of Council shall receive no personal tax benefit. All receipts for such donations are to be submitted to the Municipality of the District of Guysborough.
- 3.3 Emergency assistance to an individual constituent or family is not permissible.

Rationale: Where possible, assistance for social welfare needs should be handled by an institution. Referring personal requests to an independent agency or group within the local community helps in situations when (a) the demand for help exceeds funds available and a judgement must be made as to who can receive assistance, and (b) there is a risk of alleged undue process or conflict of interest.

Members of Council who wish to assist cases of individual or family need must do so through a recognized third party (a church, registered charity, or local social agency).

- 3.4 Donations to a local public school Parent-Teacher Association/School Advisory Councils are permissible*(2).

**(1) Includes all forms of grants awarded across all of the Municipality of the District of Guysborough departments, programs, and special projects. This will be tracked by the Department of Finance and reported to Council periodically.*

Such donations may include subsidizing school trips or extra-curricular activities for socially disadvantaged students, Safe Grad Committees, assistance for school teams (sports, science drama, music, art etc.), citizenship or recognition awards, programs which promote social inclusion and personal safety (for example, the League of Peaceful Schools, anti-bullying, anti-violence, anti-racism), public consultations, and minor equipment purchases (such as enhanced school playground or garden provision, safety etc.).

The intent of such donations is to demonstrate support for important educational and social principles, citizenship, and community pride. Assistance to school activities is intended to promote inclusion and to enhance cultural activities for children and youth.

Assistance for the enhancement of school grounds recognizes that in some communities a school property may be the principal facility for community social, athletic or cultural activities. Some schools act as the equivalent of a social centre or recreation facility where no private or municipal facilities exist.

- 3.4 Donations to a local recreational, athletic, environmental, cultural, arts, religious or heritage group are permissible*(3). Funds to individuals participating in a sporting event shall be referred to the Director of Recreation for funding under Programs Grant.
- 3.5 Recipients of public funds administered through the Municipality of the District of Guysborough expected to uphold the Charter of Human Rights and participation should be open to all citizens without undue discrimination.

*2 & *3 *Municipal Government Act (1998), Section 65, Item (au), (v)*

4. **Restrictions on type of Expenditure:**

- 4.1 No department, program, committee, or representative of the Municipality of the District of Guysborough shall solicit a member of Council for District Activity Funds for any funds, program, project or service.

Examples include the purchase or donation of equipment, supplies, service fees, or honoraria. Any such solicitation should be reported to the Corporate, Regulatory & Fiscal Services Committee.

Staff are expected to relay information to members of Council regarding community issues and requests. Such information should be relayed in the form of a written memorandum.

Staff are not expected to encourage individuals or groups in lobbying members of Council.

- 4.2 District Activity Funds are not intended for use in fund-raising activities that are of direct or indirect benefit to a department, program, project, service, or individual of the Municipality of the District of Guysborough.

Examples of such exclusions include calendar sales, funds for staff competitions, cadet corps, benefit events, conferences, scholarships, team uniforms, social events, awards, or sports events.

5. **Restrictions on Expenditures During a Municipal Election Campaign:**

- 5.1 Councillor's District Activity Fund expenditures shall be suspended 3 months prior to Nomination Day in an election held pursuant to Section 54(4) of the Municipal Elections Act.

Once an incumbent has officially declared their candidacy in a government election, use of their District Activity Fund account shall cease. Spending shall resume upon the day a candidate is officially sworn into office as an elected representative.

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

- 5.2 No moneys from the Councillor's District Activity Fund may be spent on an incumbent's election related costs.

Such expenditures are not deemed to qualify as a municipal purpose.

- 5.3 In the event of an incumbent's acclamation to Council access to their District Activity Fund account shall not be suspended.

6. **Record-keeping Requirements:**

- 6.1 Receipts shall be required for all expenditures.
- 6.2 The fiscal year starts April 1st and ends March 3rd. No expenses shall be claimed or reimbursed after March 31st.
- 6.3 There shall be no over-expenditures from the Councillors District Activity Fund.

- 6.4 There is no accrual of funds. Any moneys not expensed and accounted for in any year (by March 31st) shall not be carried forward to the next fiscal year.
- 6.5 Council Members and staff are responsible for making a clear determination if an expenditure is permissible and shall be expected to issue funds in accordance with the appropriate policies of the Municipality of the District of Guysborough .
- 6.6 The authority and responsibility for the administration of the Councillor's District Activity Fund is that of the CAO and/or Director of Finance.
- 6.7 In the case of uncertainty, the authority and responsibility for the determination of a permissible expense is that of the Municipality of the District of Guysborough Corporate, Regulatory and Fiscal Services Committee.
- 6.8 Any dispute regarding the appropriate expenditure of funds shall be mediated by members of the Municipality of the District of Guysborough Corporate, Regulatory and Fiscal Services Committee. This committee comprises representation from Council and municipal staff.
- 6.9 A review of accounts may be conducted at the discretion of the Municipality of the District of Guysborough - Corporate, Regulatory and Fiscal Services Committee requested by Municipal Council and included in the annual Audit of the Municipality of the District of Guysborough.

Such a review shall assess the accuracy of record-keeping and compliance with approved policy and procedures in an unbiased and professional manner.

7. **Reporting Requirements:**

- 7.7 An annual reporting of itemized expenditures by electoral district shall be the responsibility of the Director of Finance.
- 7.8 The annual list of expenditures shall be made available to elected officials, municipal staff, Auditors and members of the general public.

8. **Continuous Renewal Clause:**

- 8.1 This policy shall be assessed after one (1) year of implementation to evaluate its scope, relevance, and effectiveness. Thereafter, the policy shall be reviewed every two (2) years or upon request to reflect substantive changes in legislation or municipal policy and priorities.

8.2 Responsibility for policy review and revision shall be that of the CAO and Director of Finance.

8.3 Recommended changes to policy shall be forwarded to Council by the Corporate, Regulatory & Fiscal Services Committee for approval.

B) PROCEDURES:

1. Roles and Responsibilities:

Financial Services: Staff of The Municipality of the District of Guysborough shall be responsible for processing the payment of awards, monitoring appropriate expenses, the maintenance of financial records including all original receipts, invoices, and cheque requisitions, the compilation of a list of annual expenditures by electoral district and shall oversee the auditing of accounts as required.

Councillors Support : Staff shall be responsible for the orientation of new members of Council and staff, shall provide direct assistance to members of Council in completing payment requisitions, and shall maintain records of expenditures for members of Council.

Note: the original invoices and receipts are sent to Accounting Department. The files maintained by the Councillors are duplicates and only provide for convenient access to information.

2. Procedures:

2.1 Cheque requests for payment of an invoice, or a grant to a community organization are completed by municipal staff and sent to accounting department.

Note: prepaid expenses which do not conform to the guidelines for eligible expenses may be declined reimbursement.

2.2 Cheque requisitions should include the appropriate documentation ie. an invoice, or a receipt for pre-payment (sales slip, credit card slip, letter, invoice). The originals are to be attached to the cheque requisition and are retained in the files held by Accounting Department. Photocopies of these forms should be made by staff for Councillors.

2.3 Any tax receipts issued by community non-profit groups and charities for donations made using public funds should be submitted to the Municipality of the District of Guysborough These receipts are to be maintained by the Accounting Department.

- 2.4 At the end of each fiscal year and as part of the regular reporting process for the Municipality of the District of Guysborough, the accounting department prepares a list of expenditures by polling district. One copy of this listing is to be sent to the Corporate Regulatory & Fiscal Services Committee and one copy is to be sent to each Councillor. This information will assist individual Councillors in tracking their discretionary expenditures.
- 2.5 The Councillor's District Activity Fund will be included in the annual audit and requests for a more detailed review will be evaluated by the Municipality of the District of Guysborough Audit Committee. Such an audit shall check for complete and appropriate documentation, compliance with policy, the fair and consistent application of policy, accurate reporting, and any other issues determined relevant by the audit team.

Councillors District Activity Fund

Affidavit

I , _____ Councillor for District # _____ in the Municipality of the District of Guysborough do hereby apply for monies from the District Activity Fund in the amount of \$ _____, payable to _____ under Section _____ of the MGA.

I do hereby declare that as Councillor I am dealing at an arms length regarding the above transaction: and;

- 1. Funds are not used to subsidize Committees of Council*
- 2. Funds are not used to compensate or supplement federal or provincial responsibilities in health care, social services, justice or employment.*
- 3. Funds are not to be used for any commercial or private enterprise.*
- 4. Funds are not awarded to individual persons or families.*
- 5. Funds are not used for use in any fundraising activities that are of direct or indirect benefit to any department, program, project, service, or individual of the Municipality of the District of Guysborough.*
- 6. Funds are not used for any personal gain*

Signed: _____

(Councillor)

Approved: _____

(CAO/Director of Finance)

Date: _____