

POLICY MANUAL



TITLE: Funding Requests Policy
DATE: April 14, 2014
AUTHORITY: Council
DEPARTMENT: Communications

1. POLICY STATEMENT

The Town of Fox Creek Funding Requests Policy provides local non-profit groups with funds, gifts or gifts-in-kind for events or projects that enhance and enrich our community. The Chief Administrative Officer makes funding decisions based on local needs, community vision, strategic priorities and available funds in consultation with other departments.

2. REASON FOR POLICY

1. To set out regulations that are consistent, fair and equitable to assure accountability of public funds and liabilities transferred by subsidy, loan, loan guarantee, or grant to non-profit organization.
2. Corporate sponsorships are issued for the following reasons:
 - To provide guidance and procedure to the Town of Fox Creek when responding to requests for funding community events.
 - To provide a tool to allow consistent and informed decisions on applications.
 - To promote and ensure accountability of public funds contributed to events.
 - To minimize and/or eliminate municipal contributions in the form of gifts-in-kind services wherever possible.
 - To ensure that municipal contributions are made based upon reasonable and quantifiable facts and projections.

3. DEFINITIONS

1. For the purpose of this Policy;

Council shall mean the elected members who comprise Town Council as elected from time to time.

Non-Profit Groups shall mean those groups with a current non-profit incorporated status as defined by the laws governing such bodies in the Province of Alberta.

Policy shall mean a statement of the Town’s intention in certain areas of its responsibility for guidance when action is being taken in those areas. Policies shall be approved by Council.

Procedures shall mean instructions on how to carry out the intent of a Town policy.

Project is defined as one of the following:
a. A renovation, improvement or expansion of the organization's facility; or
b. A *special event, an acquisition of equipment, and in special situations, the development of a building.

*the Town will NOT provide loans or grants for political functions, or events where certain sectors of the resident population are prohibited from attending or participating.

Town shall mean the municipality of the Town of Fox Creek.

4. OPERATING SUBSIDIES

1. An Operating Subsidy will only be considered on the following conditions:
 - Seed funding to establish or re-establish an organization on a one-time basis only; or
 - The operating of a Town owned facility, or a facility jointly managed by the organization and the Town; and

5. FUNDING GUIDELINES

1. This Policy shall be bound by the following guidelines:

5.1 Grant of \$1000.00 - \$2500.00:

- a. Applications for grants of less than \$2500.00 (two thousand five hundred) will be considered, provided sufficient funds are available in the current year's budget. However, applicants are encouraged to submit applications prior to December 15 of any year to enhance the success of the application.
- b. Applications must be received in writing, including verification that the request has been made by virtue of a motion duly passed at a general or board meeting of the organization. The letter of application should also note the organization's incorporation number.
- c. Organization's receiving grants of \$2500.00 or less, must agree to provide the Town upon request, copies of receipts verifying the use of such funds. Where the funds are to be used for more than one purpose, the organization must agree to provide the Town with a financial statement within sixty (60) days of the conclusion of the organization's fiscal year.
- d. The Town shall not consider the approval of loans under \$2500.00

5.2 Grants and Loans \$2501.00 to \$50,000.00

- a. Application for grants or loans in section 5.2 must be presented in writing no later than December 15 of any year, to be considered in the following year's budget. Only in extreme circumstances will a loan or grant in section 5.2 be considered during the current operating year of the Town.

- b. Applications must be received in writing including verification that the request has been made by virtue of a motion duly passed in accordance with the organization's Bylaw, and note the date of the passing of the motion. The application must also note the organization's incorporation number.
- c. Recipients of loans or grants totally \$2501.00 to \$10,000.00 must provide the Town a financial statement of their operation and capital expenditures for the year in which the funds were received, within sixty (60) days of the completion of the organization's fiscal year. Such financial statements are to be provided annually until the loan is repaid in full.
- d. Recipients of loans or grants in excess of \$10,000.00 must provide the Town a financial statement of their operations and capital expenditures prepared by an independent accountant, for the year in which the funds were received. Receipt of such financial statements must be within sixty (60) days of the completion of the organization's fiscal year. Such financial statements are to be provided annually until the loan is repaid in full.
- e. Loans must be repaid in accordance with a schedule set out by the Town, with the term not to exceed five (5) years from the date of which the loan was received by the group.

5.3 Grants and Loans in Excess of \$50,000.00

- a. Applications for grants or loans in excess of \$50,000.00 will not be considered unless funds have been included in the capital budget of the Town.
- b. Applications will not be considered for operational costs.
- c. Applications for such grants or loans will be prioritized by Council on the basis of three (3) to five (5) year capital plans, and will not normally be approved in the year in which the application is received.
- d. Applications for funding will only be considered where the project is deemed to be a partnership or jointly managed between the applicant organization and the Town.
- e. The applicant agrees to provide the Town with an audited statement of the fiscal year of the organization in which loan or grant funds are received. The applicant agrees to provide the audited statement annually throughout the term of the loan.
- f. The repayment period (term) of any loan shall not exceed ten (10) years.
- g. Applications must be received in writing, with the same requirements applicable in Sections 5.1 and 5.2 above.
- h. Loans or grants will not be granted in excess of 50% of the project cost.
- i. To receive a loan or grant, the applicant organization will be required to establish a separate project bank account, and place all grants, donations and contributions raised for the project therein. All capital and contract expenditures must be drawn on this account.

5.4 Loan Guarantees

- a. Loan guarantees will only be considered as a last resort.
- b. In order to attain a loan guarantee, it will be necessary for the applicant to provide the Town with a letter from the lending financial institution requesting the need for the guarantee.
- c. The Town will not provide a loan guarantee for a loan that has a term greater than ten (10) years.
- d. A loan guarantee will only be considered where the loan is to be applied to the construction of a new building or facility, or a major addition to a building or facility.
- e. A loan guarantee will be considered only when the amount being borrowed is less than fifty (50) percent of the total project cost.
- f. Accountability requirements as outlined in Section 5.3 apply to loan guarantees.
- g. A loan guarantee for a loan of less than \$20,000.00 will not be considered.
- h. The budget amount of the actual guarantee will be capped in accordance with the actual contract or budgeted price of the project.

6. GENERAL

1. Interest rates on loans will be set by Town Council.
2. Grants and loans must be used specifically for the project or purposes for which they were applied for.
3. Excess funds granted must be repaid to the Town, and cannot be assigned to other non-profit organizations by the recipient.
4. In all applications, the Town must be in receipt of a current list of the organization's executive or board members, and a copy of the organization's bylaws.
5. Agreements will be in breach and voided for any of the following reasons:
 - a. Misappropriation of funds to projects, equipment, or uses not specified in the approved application.
 - b. Assignments of the funds to other parties; or
 - c. Non-compliance with all other terms or conditions of the policy; or
 - d. Non-compliance of the organization to attain permits as required by law in construction or development of a project; or
 - e. Failure on the part of the organization to fulfill duties and obligations as set out within its approved bylaws

6. Applications for loans, grants or loan guarantees as previously referred to, must sign a statement acknowledging that non-compliance as outlined in this policy constitutes default, and will result in forfeiture of the agreement.
7. In the event of forfeiture, all funds expended to the organization must be repaid immediately to the Town.
8. Non-compliance may result in the Town refusing to accept future applications from the organization.
9. The lending and granting of funds are pursuant to limitations established under the Municipal Government Act.
10. The Town reserves the right to add, amend or change this policy as may be required.

AUTHORITY

The Chief Administrative Officer is responsible for the administration of this program and for the approval of funds or in-kind donations under \$1000.00.

Funding requests of over \$1000.00 will be evaluated by Town Council for a possible funding source in accordance with the guidelines set out above.

A Set budget amount will be included in the yearly operational budget for the Town. Administration will have the authority to work within the set budget.

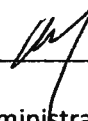
The Chief Administrative Officer is responsible for the administration of this program.

Administration shall have the authority to establish the format of application forms, the minimum documentation required to be submitted by the applicant and application deadlines.

Accepted by Resolution # 191-14 on this 25 day of April 2014.



Jim Ahn
Mayor



Roy Dell
A/Chief Administrative Officer