

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** June 21, 2019

**SUBJECT:** Capital District and Activity Funds - Administrative Order 2017-009-ADM

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## SUPPLEMENTARY REPORT

### ORIGIN

On August 1, 2017 it was moved that

*Halifax Regional Council*

- 1. Direct the CAO to continue with a review of Grants and Tax relief, using the Guiding Principles outlined in Attachment One; and*
- 2. Adopt Administrative Order Number 2017-009-ADM, Respecting District Discretionary Funds, as set out in Attachment Two, to establish the District Discretionary Fund and repeal the District Capital Fund and the District Activity Fund Policies.*

At that same meeting on August 1, 2017 Regional Council passed

*That the motion be deferred pending a supplementary staff report regarding revising the proposed Administrative Order such that it shall: a) Combine the current discretionary fund and advertising funds into a single operational fund. b) Additionally, allow the current district capital fund to be used to fund projects in publicly accessible areas and facilities with demonstrated community use (gyms, auditoriums, common rooms, shared kitchens, parks) in provincial & federal assets including but not limited to parks, hospital grounds, public schools, and Metro Regional Housing Authority facilities.*

### LEGISLATIVE AUTHORITY

*Halifax Regional Municipality Charter, S.N.S. 2008, c. 39*

7A The purposes of the Municipality are to

- (a) provide good government;

**RECOMMENDATION ON PAGE 2**

(b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and

(c) develop and maintain safe and viable communities.

79A ... the Municipality may only spend money for municipal purposes if

(a) the expenditure is included in the Municipality's operating or capital budget or is otherwise authorized by the Municipality;...

### **RECOMMENDATION**

It is recommended that Halifax Regional Council Adopt Administrative Order Number 2017-009-ADM, *Respecting District Funds*, as set out in Attachment C of the Supplemental Staff Report dated June 21, 2019, to repeal and replace the current District Capital Fund and the District Activity Fund Policies.

### **BACKGROUND**

In 2007 the District Capital Fund Policy was created through a merger of the District Capital Fund and Building Communities Fund. Its two stated primary goals were to complete small-scale projects not included in the annual budget and provide modest donations and grants in support of local neighbourhood volunteer initiatives. The District Activity Fund Policy, a separate policy, was to provide small grants to community groups and special events.

In addition to the District Capital Fund and the District Activity Fund, there are advertising funds budgeted within the Councillor's Support Office. By practice, these funds are spread across all districts and are often used to support small event sponsorships and advertising in district media such as community newsletters, flyers and the like.

In August 2017 staff provided a report to Council that concluded the existence of the two separate funds overcomplicated its administration and that the District Capital Fund was overly restrictive. It recommended the merger of the District Capital Fund and the District Activity Fund. It also noted that the use of District Capital Funds was not always planned for in the Capital Budget, making it difficult for staff to deliver both the full capital budget and the ongoing requests from the Capital District Fund.

Council's debate at that time was around establishing the right balance between ensuring grant funds went towards capital projects with public access while allowing individual Councillors sufficient latitude to determine priorities within their districts. In addition, a separate District Activity Fund could be used to target smaller non-profits and community groups.

The August 2017 Council Report also included information and recommendations on Grants and Tax Relief including recommended guiding principles and a review of grants and tax relief using those principles. Pending this supplementary report, that recommendation has not yet been voted on by Regional Council.

### **DISCUSSION**

The proposed Administrative Order has been re-drafted to continue with two separate funds, the District Capital Fund and the District Activity Fund:

District Capital Fund:

Under the current District Capital Fund, grants may only be made to non-profits and charities and only for items within the “municipal mandate”. If the grant is for real property (land and buildings) the non-profit or charity must either own the property or it must be HRM property that is leased/licensed from HRM or operated on behalf of HRM. This ownership restriction prevents grants to non-profits where the grant might be used for a Provincial or Federal asset. In all cases the public is to have “reasonable access to the facility, service or program at no cost or for a nominal fee”.

Staff’s August 2017 recommendation was to allow grants to continue to be made to non-profits and charities but to remove the restrictions on “municipal mandate”, ownership of the property and on “reasonable access” to the public. The removal of these three restrictions provided individual Councillors with much greater flexibility in making choices on grants:

- “municipal mandate” prevented the use of grants for such items as “social services” or “employment”.
- The “ownership” restriction was frequently in conflict with the purpose of many grants. For instance, non-profits might wish to provide a community service but did not own the property. Under the original August 2017 recommendations, a grant could not be provided to the Federal or Provincial Governments. However, a non-profit or charity which provides a service on Crown property would be eligible for the grant. For example, the non-profit might receive a grant for a sports court on a school but the grant could not be given to the Provincial school board.
- “reasonable access to the facility, service or program” was subject to interpretation and proved difficult to administer. For example, current guidelines suggest that church steps were ineligible for grants but that a church roof could be eligible if used as a community hall. In some instances, a grant might be of benefit to the public even though it was not directly tied to access. Under the original recommendations, there is no requirement for access to the facility, service or program.

The revised recommendation differs in the treatment of grants meant to be used on Federal and Provincial property. In the original August, 2017 recommendations, a non-profit or charity would be eligible for a capital grant for a facility or service on Federal or Provincial land or property without an access test. As drafted in the current Administrative Order recommended by staff, the facility must be “generally accessible to the public with demonstrated community use”. This requirement is extended only to the Federal and Provincial Governments and has been added to prevent municipal property tax funds being used to fund what would normally be the responsibility of those governments. Changes from the current, original and revised recommendations are shown in Table One.

<b>Table One - Grants for Real Property - Eligibility by Recipient and Ownership or Lease of the Real Property</b>			
	<b>Current Policy</b>	<b>August 2017 Recommendation</b>	<b>Revised Recommendation</b>
To Non-Profit/Charity, used for their Property	Eligible, if public access	Eligible	Eligible
To Federal/Provincial Government, used for their Property	Ineligible	Ineligible	Ineligible
To Business	Ineligible	Ineligible	Ineligible
To Non-Profit/Charity, used for Property leased from another Non-Profit, Charity or HRM	Eligible, if public access	Eligible	Eligible
To Non-Profit/Charity, used for leased Private Property	Ineligible	Ineligible	Ineligible
To Non-Profit/Charity, used for Federal/Provincial Property	Ineligible	Eligible	Eligible if "generally accessible to the public with demonstrated community use"

As in the August 2017 recommendation, the District Capital Fund may also be used for the municipal capital budget or for goods and services. Capital items must be submitted in sufficient time to prepare the capital budget. Funds may not be used for land purchases. Operating items may be provided in consultation with the Director of the Business Unit providing the service. Grants for business would not be allowed as they are prohibited by the HRM Charter.

The CAO remains responsible for all administrative aspects of the program including any required negotiations or contractual arrangements. Forms and deadlines will be supplied separate from the Administrative Order.

District Activity Fund:

Under the current District Activity Fund, grants may be made to non-profits and charities including those non-profits that are not registered societies. Grants to Parent-Teacher Associations are specifically permitted.

Grants may be made for a maximum \$500 including to those non-profits that are not registered societies. In addition, funds may be used for advertising with non-profits and charities. Such advertising could take the form of ads in newsletters, flyers, facilities or the like. Grants for business would not be allowed as they are prohibited by the HRM Charter.

Advertising Budget:

In addition to the District Capital and District Activity Funds, the Councillor's Support Office maintains a budget of \$83,300 for advertising (E200-6911). This budget is often used to support advertising in local districts and support small event sponsorships and is used to purchase advertising in both non-profit organizations and for-profit businesses. The revised Administrative Order allows such expenditures to be made from the District Activity Fund, provided that the funds are paid to a charity or non-profit. If Regional Council wishes, all or a portion of the funds in the Councillor's Support Office could be moved from its current budget into the District Activity Fund. The District Activity Fund, however, may not be used to purchase advertising or other goods and services from business, such as newspapers.

**FINANCIAL IMPLICATIONS**

There are no financial implications to this report.

**RISK CONSIDERATION**

No additional or new risks have been identified.

**COMMUNITY ENGAGEMENT**

No community engagement was undertaken.

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental considerations.

### ALTERNATIVES

1. Regional Council could transfer part or all of the advertising budget from the Councillor's Support Office to the District Activity Fund. This is not recommended as the funds have been approved in the 2019-20 budget. Transferring funds partway through the fiscal year will make year-end budget to actual comparisons more difficult. In addition, it includes funds intended for purchasing advertising and other activities from business, which would not be allowed under the District Activity Fund. Should Regional Council wish all, or part of the funds transferred, that could be done in the 2020-21 Budget.
2. Regional Council could request amendments to the proposed Administrative Order 2017-009-ADM.
3. Regional Council could not adopt the AO – The existing Administrative Order places restrictions on grants related to “municipal mandate”, ownership of property and to ensure the public has “reasonable access to the facility, service or program”. These restrictions have proven difficult to interpret and administer, thereby causing a number of potential grants to non-profits to be arbitrarily rejected.

### ATTACHMENTS

- Attachment A - HRM District Capital Fund Policy and Procedures (June 19, 2007)  
Attachment B - Councillors' District Activity Fund: Policy and Procedures (October 7, 2003)  
Attachment C - Administrative Order Number 2017-009-ADM respecting District Funds

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared and Approved by: Original Signed  
Bruce Fisher, MPA, CPA CMA, Manager of Financial Policy  
and Planning, 902.490.4493

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ATTACHMENT A

11.1.5



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Halifax Regional Council  
July 31, 2007

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
Dan English, Chief Administrative Officer

Original Signed  
Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services  
and Strategy

**DATE:** June 19, 2007

**SUBJECT:** District Capital Fund Policy

**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 that support community initiatives.
- February 28, 2006 motion from Halifax Regional Council that staff provide a report outlining specific options for funding support to community initiatives.
- May 29, 2007 Committee of the Whole motion that the District Capital Funds and the Building Communities Funds be merged and that they operate in the same manner as current procedures.

**RECOMMENDATION**

- It is recommended that Council approve the merger of the District Capital Fund and the Building Communities Fund April 1, 2008 into a single fund called District Capital Fund.
- That Council approve the attached policy effective immediately, with sections related to the merging of the funds to become effective with the 2008/09 budget year.

## **BACKGROUND**

In May 2007 staff brought forward proposed changes to the operation of the Councillors' three funds aimed at supporting community initiatives (District Activity, District Capital and Building Communities Funds). The proposal was intended to provide greater flexibility in the allocation of funds between HRM-owned assets and community-owned assets. The pros and cons of the proposed changes and the draft policy were discussed by Councillors at two Committee of the Whole sessions.

Staff was asked to come back to Council with a revised policy based on the motion passed by Committee of the Whole to combine the District Capital and Building Communities funds into one fund. The District Activity Fund is to remain separate and to continue under the previously approved policy, however administration of the fund has moved from the Grants Program to the Accounting Division of Finance which will enable Finance to provide improved customer service.

## **DISCUSSION**

In accordance with a motion passed by the Committee of the Whole on May 29, 2007 the Councillors' District Capital Funds and the Councillors' Building Communities Funds have been merged into one account. A revised District Capital Funds policy has been drafted and is presented as Attachment A.

Consolidation of the two funds will be implemented in two phases:

1. **Administratively** combine the two funds under one policy and develop procedures and guidelines to govern expenditures;
2. Combine the **actual budget** from both accounts as part of the 2008/09 budget.

Highlights of the revised policy and procedures are:

- Effective for the current fiscal year, the funds will remain separate as approved in the 2007/08 capital budget, however the sections of the policy guiding application, expenditures and reporting will become effective with the approval of this report's recommendations;

- Able to expend funds on HRM owned assets or on non HRM assets through donations or grants to community groups, provided the projects fall within the municipality's mandate as outlined in section 65 of the MGA, the public has reasonable access to the facility, service or program, and that they operate within the geographic boundary of HRM;

- Community groups requesting funding must operate as a Society or in the same manner as a society (i.e., are long standing and have formal constitution/by-laws). Requests from community groups must be in writing, and accompany the application form completed by the Councillors' office;

- Projects being carried out by HRM business units will have their costs reimbursed up to the amount of the Councillor's commitment once the project is complete. Such reimbursement will not include

salary and wage costs for HRM staff incurred for the project, as those costs are already funded within the business unit's budget;

- Funds may continue to be combined to support Community Council initiatives;
- Funds may be carried forward to the next fiscal year provided they are committed before fiscal year end.

**BUDGET IMPLICATIONS**

The total combined budget allocation of \$1,495,000 for 2007/08 remains unchanged with 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**

Regional Council could amend the proposed policy and procedures.

**ATTACHMENTS**

1. Draft Program Description, Policy, Procedures and Guidelines: HRM District Capital Fund.

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.

Report Prepared by: Anna Marchand, CMA, Manager Accounting Operations 490-7222

Financial Approval by: Original Signed  
Catherine Sanderson, CMA, Senior Manager, Financial Services 490-1562

Original Signed  
Report Approved by: Cathie O'Toole, CGA, A/Director of Finance 490-6308

# Attachment 1

## Briefing Report

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### HRM District Capital Fund: Draft Policy and Procedures

The *HRM District Capital 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 District Capital 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 District Capital 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 District Capital 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 District Capital Fund Policy is to guide expenditures and reporting in accordance with the Municipal Government Act (1998), Public Sector Accounting Board Standards, 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 District Capital 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 District Capital 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 District Capital 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 Funds may be spent on either 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, at the discretion of the Councillor, be scheduled under the *HRM District Capital Fund*.**

- 3.3 Members of Regional Council shall identify any HRM projects funded through or with the assistance of the *HRM District Capital Fund* as early in the fiscal year as possible in order for the operational business units to plan and schedule work.**

#### **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 District Capital 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.

- 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 asset.*

*Interpretation: Donations and grants cannot be awarded to property owned by commercial, business, industrial or institutional interests, private property, or property acquired through adverse possession. Incremental or "top-up" funding is available through District Capital. Donations or grants shall not normally be awarded to property owned by the federal or provincial government, however support of regional trails on provincial or federal lands is allowable provided there is not duplication of funding from the Trails Capital Grants.*

- 4.4 A non-profit organization can only apply to one HRM grants program in any one fiscal year for the same budgetary item; for example, to the HRM District Capital 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 District Capital 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** Funds may be carried forward to the next fiscal year provided they have been committed to specific projects, either internal or external (community group).

**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 (e.g., do not raise the necessary funding) the commitment may be released and the funds committed to another project.

## **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 events<sup>1</sup>. 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 service<sup>2</sup>.**

***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.

**6.3 No member of HRM staff shall solicit a member of Regional Council for personal sponsorship<sup>3</sup>.**

***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 *District Capital 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.**

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<sup>1</sup> 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).

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

<sup>3</sup> 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.

**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 District Capital Fund* shall be suspended during a municipal election campaign and for Councillors who have been officially nominated in a provincial or federal election, or a by-election.

**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.*

- 8.2** No monies from the *HRM District Capital Fund* may be spent on an election related cost, including those of the incumbent.
- 8.3** The date of suspension of the *HRM District Capital 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 District Capital 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 District Capital 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.

9.4 Additional guidelines on what constitutes eligible versus ineligible expenditures are provided in Appendix 3.

### 10. Financial Record-Keeping Requirements

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

*Rationale: There is no over-expenditure of the Fund. Funds committed to a project may be carried forward, however any un-expended and/or un-committed balance remaining at year end shall be included in the general operating surplus/deficit.*

10.2 Donations or grants require a receipt issued by the recipient organization in the name of Halifax Regional Municipality. Registered charities are required to provide an official tax receipt in the name of Halifax Regional Municipality.

10.3 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 section 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 District Capital 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 District Capital 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 District Capital 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).

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 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 policy.

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.**

*Interpretation: The information listed above is the minimum requirement for processing a request.*

- 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 (Appendix 1) must be authorized (signed) by the Councillor and the Manager of the Councillors' Support Office.**

*Interpretation: Failure to complete the form will result in its return to the Councillors' Support Office and delays the processing of an award. 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. A sample report is shown in Appendix 2.**

### **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.

**Application for District Capital Fund**



**Application Deadline: on or before March 31 each year**

PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

<p>1. Name of Community Group or Project:</p>  <p>Registration No. _____</p>	<p>2. Contact Person:</p> <p>Name: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Fax: _____</p>
<p>3. Payment to:</p> <p>Name: _____</p> <p>Address: _____</p>	<p>4. Requested by:</p> <p>Councillor: _____</p> <p>District: _____</p> <p>Date: _____</p> <p>Signature: _____</p>
<p>5. Brief description of purpose of donation:</p>   	
<p>6. Cheque Requisition:</p>  <p>Date: _____</p>	<p>7. Payment Issued:</p>  <p>Date: _____</p>

**Please include the following information with this form.**

- Attach any correspondence, e-mail, invoice, receipt or materials provided by the applicant. Attach to cheque requisition form.
- Requests from HRM departmental staff, HRM representative, an HRM Standing Committee or Committee of Regional Council are not eligible for donation. A record should be kept of such requests and filed along with notice of ineligibility.
- An HRM Community Council may apply either separately or jointly for a project.
- Donation to individuals, business, industry, commercial or private enterprise are not permissible. Payment can be made directly to a service provider (Box 3) on behalf of a community group or project (Box 1).

**Donations and grants cannot be awarded after end of fiscal year, March 31st.**

Appendix 2.

Sample Reporting: District Capital Fund

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

## Appendix 3

# Guidelines

### Priorities

- ✓ Local Residents
- ✓ Volunteer groups (self-generated revenues, no paid staff)
- ✓ Non-recurring initiatives
- ✓ Neighbourhood volunteer capacity building
- ✓ Neighbourhood events that provide opportunities for social gathering, unstructured interaction and relationship building among residents

### Eligible

- ✓ Land owned by HRM and operated by HRM staff - includes, for example, sports fields and sports courts, trail on public land, park, playground, outdoor events plaza, picnic or rest area, cemetery or graveyard, parking lot.
- ✓ A public amenity owned and operated by HRM staff - includes, for example, public washroom, wharf, canteen, gazebo, etc.
- ✓ Publicly owned streets and roads, including sidewalk, pathway, stairway, bridge, curb, gutter, road surface, drainage, trees and landscaping, traffic calming interventions, permanent fixed signage, street lighting, street markings, directional signage, etc.
- ✓ Fixtures located within an HRM-owned building or site. Includes, for example, playground equipment, seating/bleachers, waste receptacles, fixed ornamental lighting monuments, statuary, permanent public art (e.g., mural, sculpture), permanent fixed signage, fencing and gates, public address system.
- ✓ Major equipment permanently located on property owned by HRM and operated by HRM staff. Includes, for example, scoreboard, bleachers, floodlights, public announcement system.
- ✓ A building owned and operated by a registered non-profit community group, including one-time assistance with the retirement of debt on the asset.
- ✓ Land owned and operated by a non-profit group. Includes, for example, sports field and sports court, trail on land owned by the community group, playground, park, cemetery, graveyard or burial ground.
- ✓ An amenity owned and/or operated by a non-profit group and available to the general public. Includes picnic area, washroom, wharf, fixed permanent signage, etc.
- ✓ The applicant shall be in good standing with HRM and shall not have debt or legal claim outstanding.

- ✓ The applicant demonstrates the ability to maintain the equipment and associated operating costs.

### Ineligible

- ◆ Generic national, provincial, or international organizations or recurring fundraising campaigns (e.g., medical research, international aid)  
Examples not eligible: Red Cross, Dalhousie University, Canadian Cancer Society
- ◆ Donations to individuals  
Examples not eligible: includes 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 (e.g., sports equipment) or equipment repairs (including private vehicles).
- ◆ Donation to business, commerce, or industry  
Examples not eligible: All commercial enterprises and activities
- ◆ Private property  
Examples not eligible: NSPI light pole installed on private property, either the cost of installation or monthly charges
- ◆ Investment in shares  
Examples not eligible: All
- ◆ Wages, honoraria, stipends, or personal financial incentive  
Examples not eligible: stipend paid to volunteer firefighters to paint the community hall; labour cost of HRM staff to complete a playground project where the staff resources are available in-house (i.e., business unit is already funded for the staff positions)  
Examples of eligible: labour costs inherent in a contract for work (e.g., landscaping company hired to maintain flower beds at the local community centre)
- ◆ Professional development, conferences, trade shows  
Examples not eligible: volunteer firefighter competitions, to pay transportation/tuition/expenses for a university student to attend a summer seminar
- ◆ Congregational activities  
Examples not eligible: fundraising to replace choir gowns, church steps or support for a mission  
Examples of eligible: Church Hall serves as the local Community Centre and fundraising is undertaken to replace/repair the roof

ATTACHMENT B

9.3.1



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Halifax Regional Council  
October 7th, 2003

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
Councillor Russell Walker, Chair/HRM Grants Committee

**DATE:** November 18, 2002

**SUBJECT:** Councillors' District Activity Fund: Policy and Procedures - Revisions

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**ORIGIN**

At the Regional Council meeting of December 12, 2002, policy and procedures were approved to guide expenditures issued under the Councillors' District Activity Fund. In accordance with Section 8, Continuous Renewal Clause, the policy and procedures were to be reviewed after one year to assess scope, relevance, and effectiveness. The policy and procedures require amendments to reflect the transfer of the Grants Program portfolio from the Office of the Deputy Chief Administrative Officer to HRM Financial Services, which took effect August 2002.

**RECOMMENDATION**

It is recommended that Regional Council:

1. Approve the revised Councillors' District Activity Fund: Policy and Procedures as detailed in Attachment 1 of this report;
2. Approve implementation of the revised Policy and Procedures effective April 1st, 2003.

## BACKGROUND

The Councillors' District Activity Fund is managed under the HRM Grants Program portfolio, Financial Services, and administered by staff of the Councillors' Support Office, Administrative Services. The Fund provides modest cash grants to community groups, most of which would either be ineligible for the HRM *Community Grants Program* or too small to be well-served by the program's decision-making process and time-frame.

The Policy and Procedures for this program are intended to guide Regional Council and staff on types of eligible expense, record-keeping, and reporting. In accordance with the Municipal Government Act (1998) these policies and procedures should be reviewed every three (3) years. See: **Attachment 1**.

## DISCUSSION

### *1. Scope, relevance, and effectiveness of current Policy and Procedures.*

Since their inception, the Policy and Procedures improved understanding of the purpose of such grants and have eliminated the issue of payment to individuals (Item 3.2). In the past, such payments were occasionally issued on compassionate grounds to assist persons in crisis: these funds are now issued through recognized charitable organizations who can also provide appropriate referrals to social service agencies or local support services.

In general, record-keeping has improved but Grants Program staff have recommended a modification to the regular cheque requisition form to identify the purpose of the donation, not simply the recipient organization. This information is used for reporting in the *HRM Grants Program Annual Report*. A schedule of codes has been circulated to staff of Financial Services, the Councillors' Support Office, and Grants Program to provide consistency and clarity. The listing of codes is included in **Attachment 2** of this report.

Overall, the Policy and Procedures have resulted in improved and timely reporting to the Grants Program and are deemed sufficient and effective. The only exception to this finding is the solicitation of funds by HRM departmental staff or contractual parties. A copy of this report has been circulated to Directors of HRM departments and the applicable contractual parties for information.

### *2. Housekeeping Revisions.*

The following changes are recommended:

#### 1. Policy, Item 6.9.

"Authority for the inter-departmental transfer of funds from the Grants Program to the Councillors' Support Office is that of the [Office of the Deputy CAO] or his/her delegate".

Replace "Office of the Deputy CAO" with Director, HRM Financial Services..

2. Policy, Item 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".

Replace "....every two(2) years" with every three (3) years.

3. Procedures, add the following two clauses:

Item 2.7 Requests concerning expenditures from the Fund should be fulfilled within five (5) working days. Staff shall inform the party requesting information regarding the Fund, or a specific district, that the applicable Councillor(s) shall be notified of the request.

Item 2.8. Staff are required to inform a Councillor, or Councillors, of requests for information in a timely manner and to supply a copy of the information to be released prior to public disclosure.

The addition of these two clauses is intended to make clear to staff and the general public that information is available and accessible but that the respective Councillor is advised as a matter of courtesy.

4. Section 5. Restrictions on Expenditures During a Municipal Election Campaign, add reference to the "HRM Discretionary Spending During Municipal, Provincial or Federal Elections: Policy and Procedures" (2003).

The new guidelines provide comprehensive assistance to candidates, incumbents, and staff with respect to discretionary spending during an election or by-election and supercede the "Councillors District Activity Fund: Policy and Procedures" (2000).

### **BUDGET IMPLICATIONS**

None. The Councillors' District Activity Fund budget allocation remains un-changed for 2003-04.

### **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 other relevant legislation.

The applicable legislation is the Municipal Government Act (1998), and the Councillors' District Activity Fund: Policy and Procedures (2000).

**ALTERNATIVES**

None recommended. The proposed amendments reflect only a change in the departmental location of the Grants Program portfolio and to incorporate the MGA requirements.

**ATTACHMENTS**

1. Councillors' District Activity Fund: Policy and Procedures. (Revisions shown in bold type).
2. List of Codes for Donation by Type of Activity, October, 2002. (Revisions shown in bold type).

Additional Copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208

Report Prepared By: Peta-Jane Temple, Coordinator, Grants Program

Approved By:

Original Signed \_\_\_\_\_

Bruce Fisher, manager, Financial Planning 490-4493

## Councillor's District Activity Fund: Policy and Procedures

### Origin

The Councillors' District Activity Fund provides financial resources to the Councillor of each electoral district in Halifax Regional Municipality. The aim of this fund is to provide a simple, effective method of providing small grants to community groups and special events. 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, or an amateur sports team or competition.

### Background

Councillors 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 *HRM Grants Program*. Flexibility is required to address such local requests. Therefore, an amount is allocated in each year's budget for the *Councillors District Activity Fund*: a specified amount is allocated to each Councillor for use *in their district*.

Members of Council are assisted in the record-keeping of fund expenditures by staff of the Councillors' Support Office. At the end of each fiscal year financial records for the disbursement of funds are forwarded to staff of the *HRM Grants Program* for accounting, budgeting, and public reporting.

The following guidelines are intended to assist members of Regional 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 Councillors' District Activity Fund may be used, record keeping and reporting requirements. The policy also contains guidance on the roles and responsibilities of HRM staff in the Councillors' Support Office, Financial Services and the HRM Grants Program.

# HRM Councillors District Activity Fund: Policy and Procedures

## A. POLICY

### **1. Context**

The Municipal Government Act (1998) provides the broad framework within which policies authorizing the expenditure of public monies 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 Councillors' 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 Contributions made under the Councillors' District Activity Fund are not intended to supplement HRM departmental budgets in program and service delivery.
- 1.2 Contributions made under the Councillors' District Activity Fund are not intended to subsidize the operations of an HRM Standing Committee or a Committee of Council.
- 1.3 Contributions made under the Councillors' 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 Councillors' District Activity Fund Policy, is intended to guide expenditures in accordance with the Terms of Reference for the Grants Program, HRM Finance Policy, 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,

but the total of the grants so paid in a fiscal year shall not exceed one per cent of the taxes for general municipal purposes levied by the Municipality for that year;

*Interpretation:* grants may not be awarded to commercial or private enterprises; grants may not be awarded to individual persons or families; the total value of grants awarded by the Halifax Regional Municipality in any given fiscal year cannot exceed 1% of the property tax assessment<sup>1</sup>.

3.2 Funds may be expended in support of a duly convened Community Council. Such funds may be combined with other HRM polling districts for collaborative use by several Community Councils for municipal purposes as outlined in Section 65 of the Municipal Government Act.

*Rationale:* by sharing the costs and pooling resources Community Councils can organize an event or program on a scale to serve residents of several communities.

Such funds may be used for constituency surveys, needs assessment surveys, asset-mapping exercises, public opinion surveys, strategic planning, feasibility studies, and public consultations regarding a municipal government service.

3.3 Donations may be made to established, registered charities

3.4 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 HRM.

3.5 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.

Individual beneficiaries are not recognized under the Municipal Government Act, Section 65. 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).

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<sup>1</sup>Includes all forms of grants awarded across all HRM departments, programs and special projects.

**3.6 Donations to a local public school Parent-Teacher Association are permissible<sup>2</sup>.**

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, arts, 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 principle facility for community social, athletic or cultural activities. Some schools act as the equivalent of a social centre or recreational facility where no private or municipal facilities exist.

**3.7 Donations to a local recreational, athletic, environmental, cultural, arts, or heritage group are permissible<sup>3</sup>.**

**3.8 Recipients of public funds administered through Halifax Regional Municipality are expected to uphold the Charter of Human Rights and participation should be open to all citizens without undue discrimination.**

**4. Restrictions on Type of Expenditure**

**4.1 No HRM department, program, committee, or representative shall solicit a member of Council for District Activity Funds for any HRM 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 Grants 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 an HRM department, program, project, service, or individual.**

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.

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<sup>2</sup>*Municipal Government Act (1998), Section 65, Item (au), (v).*

<sup>3</sup>*Municipal Government Act (1998), Section 65, Item (au), (v).*

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

- 5.1 Councillors' District Activity Fund expenditures shall be suspended during a municipal election campaign; the date of cessation of spending shall be set as the official date for the closure of candidacy as per the **HRM Discretionary Spending During Municipal, Provincial or Federal Elections: Policy and Procedures (2003)**. This date is in accordance with Provincial and Federal election regulations.

*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 monies from the Councillors' 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 Regional 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 If a Councillor uses a personal credit card, cash, or a personal cheque to pre-pay an expense on behalf of a District Fund applicant an invoice and/or receipt and the name of the beneficiary should be submitted for reimbursement.

Approval must be in place to ensure reimbursement.

- 6.3 The fiscal year starts April 1<sup>st</sup> and ends March 31<sup>st</sup> of the following year. No expenses shall be claimed or reimbursed after the fiscal year cut off of March 31<sup>st</sup>.

There shall be no over-expenditures from the Councillors' District Activity Fund.

- 6.4 There is no accrual of funds. Any monies not expended and accounted for in any year (by March 31<sup>st</sup>) 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 HRM financial policies. Assistance is available from staff of Financial Services and the Grants Program.

- 6.6 The authority and responsibility for the administration of the Councillors' District Activity Fund is that of the Grants Committee.

- 6.7 The authority and responsibility for the determination of a permissible expense is that of HRM Financial Services.

Staff of the Grants Program and the Councillors Support Office are expected to obtain guidance

in decision- making from the HRM Director of Financial Services or his/her designate.

- 6.8 Any dispute regarding the appropriate expenditure of funds shall be mediated by members of the Grants Committee. This committee comprises representation from Regional Council, the public, and HRM staff.

If a dispute regarding the Councillors' District Activity Fund is to be debated by the Grants Committee such proceedings shall be held "In Camera" for the purpose of protecting the privacy of individual recipients.

- 6.9 Authority for the inter-departmental transfer of funds from the Grants Program to the Councillors' Support Office is that of the **Director, HRM Financial Services** or his/her designate.
- 6.10 A review of accounts may be conducted at the discretion of the Grants Committee or as requested by HRM Financial Services and included in the annual HRM audit.

## **7. Reporting Requirements**

- 7.1 An annual reporting of itemized expenditures by electoral district shall be the responsibility of the Grants Program.
- 7.2 The annual list of expenditures shall be made available to elected officials, HRM staff, and members of the general public.
- 7.3 The *Grants Program Annual Report* shall include an itemized list of expenditures for the Councillors' District Activity Fund. Access to this information may also be made available by electronic means such as the HRM Web Site.

## **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 three (3) years or upon request to reflect substantive changes in legislation of municipal policy and priorities.
- 8.2 Responsibility for policy review and revision shall be that of the HRM Grants Program.
- 8.3 Recommended changes to policy shall be forwarded to Regional Council by the Grants Committee for approval.

## **B. Procedures**

### **1. Roles and Responsibilities**

#### *Grants Program:*

The Grants Program, through a standing Committee of Council (the Grants Committee) shall seek the approval of Council for the Fund's annual budget through the regular HRM business planning and budget process. Staff of the Grants Program are responsible for maintaining policy and procedures for the Fund, shall publish a listing of disbursements from the Fund in the *Grants Program Annual Report*, and shall respond to staff or public inquiries.

#### *Financial Services:*

Staff of HRM Financial Services 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 for inclusion in the *Grants Program Annual Report*, and shall oversee the auditing of accounts as required.

#### *Councillors Support Office:*

Staff of the Councillors' Support Office shall be responsible for the orientation of new members of Council and HRM 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 Financial Services. The files maintained by the Councillors' Support Office are duplicates and only provide for convenient access to information.

### **2. Procedures**

- 2.1 Cheque requests for payment of an invoice, reimbursement of an out-of-pocket pre-payment by a Councillor, or a grant to a community organization are completed by staff of the Councillors' Support Office and sent to Financial Services

*Note:* pre-paid 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 Financial Services. Photocopies of these forms should be made by staff of the Councillors' Support Office and filed for reference.
- 2.3 Any tax receipt issued by community non-profit groups and charities for donations made using public funds should be submitted to HRM. These receipts are to be forwarded to Financial Services by the Councillors' Support Office.

- 2.4** At the end of each fiscal year as part of the regular reporting process for HRM, Financial Services prepares a list of expenditures by polling district. One copy of this listing is to be sent to the Grants Committee and one copy is to be sent to the Councillors' Support Office.

Staff of the Councillors' Support Office are responsible for circulating this information report to all members of Council. This information will assist individual Councillors' in tracking their discretionary expenditures.

- 2.5** Staff of the Grants Program are responsible for making this information available to the public through the *Grants Program Annual Report*. The information may also be posted on the HRM Web Site.
- 2.6** The Councillors' District Activity Fund will be included in the annual audit and requests for a more detailed review will be evaluated by the HRM Revenue and Process Audit group. Such an 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.
- 2.7** Requests concerning expenditures from the Fund should be fulfilled within five (5) working days. Staff shall inform the party requesting information regarding the Fund, or a specific district, that the applicable Councillor(s) shall be notified of the request.
- 2.8** Staff are required to inform a Councillor, or Councillor(s), of requests for information in a timely manner and to supply a copy of the information to be released prior to public disclosure.

Approved: December 2002  
Revised: April 2003

## Attachment 2

Attachment 2. List of Codes for Councillors' District Activity Fund Donation by Type of Activity		
Code Number	Category	Description (Examples of group or activity)
1	Sport and Recreation	Amateur sports teams, local sports clubs, community-owned recreation facilities, trails, community sport or recreation programs for children and youth.
2	School	Primary, junior high, high school, college or university. Student trips, PTA, band equipment, fairs, special events, fund-raising projects, concerts, graduations, student awards.
3	Social	Emergency assistance through food, clothing or furniture bank, community feeding program, day care, parent resource centre, emergency shelter or hostel, non-profit fund-raising campaign.
4	Youth	Local youth groups such as Boys & Girls Club, 4H, Boy Scouts, Girl Guides, Big Brothers and Big Sisters, local youth centre, youth program, youth conference.
5	Church	The term 'church' includes "place of worship", religious and faith groups, congregational activities, church camp site or facility.
6	Seniors	Seniors social activities, seniors facilities, organizations, events and conference hosting.
7	Heritage	'Heritage' includes historical attractions, interpretation centres, heritage organizations, historical societies, community-owned heritage property, publications, promotional materials, conference hosting, fund-raising campaigns. <b>Excludes privately-owned heritage property.</b>
8	Events	Local community or neighbourhood celebrations or anniversaries, town crier, float, pins and flags, promotional items.
9	Health	A fund-raising campaign or event organized by a recognized non-profit health organization, hospital, clinic, event.
10	Public Safety	Local community or neighbourhood initiatives such as Neighbourhood Watch, volunteer rescue, ski patrol, animal rescue. <b>Excludes HRM Police Services, RCMP, HRM Fire Services, EMO programs and services funded under contract or eligible through a departmental budget.</b>
11	Environment	Community Clean-Up, anti-Litter campaign, tree planting, community garden, streetscape beautification, gardening groups, environmental education, events, land conservation, wildlife protection.
12	Arts	Arts organization, fund-raising campaign, event, community program, exhibition, community-owned arts facility.
13	Other	Local residents' association, tenants group, advocacy organization, homeowners association, service clubs.
14	Misc.	Requires confirmation of eligibility from Grants Program staff.

# ATTACHMENT C

## ADMINISTRATIVE ORDER NUMBER 2017-009-ADM RESPECTING DISTRICT FUNDS

**WHEREAS** the Council of the Halifax Regional Municipality wishes to provide a simple and responsive method of providing financial support to non-profit organizations in the community through discretionary grants provided by district councillors, and to supplement funds that are provided for in the Halifax Regional Municipality Operating and Capital Budgets;

**BE IT RESOLVED AS AN ADMINISTRATIVE ORDER** of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 29, as amended, as follows:

### Short Title

1. This Administrative Order may be known as the *District Funds Administrative Order*.

### Interpretation

2. In this Administrative Order,
  - (a) "Council" means the Regional Council of the Halifax Regional Municipality;
  - (b) "Municipality" means the Halifax Regional Municipality;
  - (c) "non-profit organization" means:
    - (i) a nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within Nova Scotia; or
    - (ii) a body corporate with the purpose of promoting or beautifying a business district.
  - (d) "registered charity" means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act.
  - (e) "registered non-profit organization" includes a non-profit organization that is:
    - (i) a society incorporated pursuant to the *Societies Act*, R.S.N.S. 1989, c. 435;
    - (ii) a non-profit co-operative incorporated pursuant to the *Co-operative Associations Act*, R.S.N.S. 1989, c. 98;
    - (iii) a non-profit corporation incorporated pursuant to the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23; or
    - (iv) a non-profit organization otherwise incorporated under an Act of the Nova Scotia Legislature or Parliament of Canada;

## **Purpose**

3. The purpose of this Administrative Order is to enable members of Council to better support the community through:

- (a) the provision of grants to any non-profit organizations and registered charities; and
- (b) the allocation of funds to HRM capital projects, or to goods or services provided by the Municipality.

## **Part I – District Activity Fund**

### **Establishment of District Activity Fund**

4. There is hereby established a District Activity Fund.
5. The District Activity Fund budget shall be established annually as part of the municipal budget process.
6. The total budget allocation for the District Activity Fund budget shall be distributed equally among the districts of Council annually.
7. Funds must be spent within the fiscal year in which they are allocated and may not be carried forward.
8. Individual councillors may authorize expenditures from the funds allocated to them, subject to the requirements established by this Administrative Order.
9. The purpose of the District Activity Fund is to provide small grants to any non-profit organizations and registered charities for local initiatives, including by way of advertising with such entities.

### **Grants**

10. A request for a grant under this Part may be from:
- (a) a registered non-profit organization;
  - (b) a non-profit organization; or
  - (c) a registered charity.
11. The maximum amount that may be given to a non-profit organization that is not registered is five hundred dollars (\$500.00).

## **Part II – District Capital Fund**

### **Establishment of District Capital Fund**

12. There is hereby established a District Capital Fund, the purpose of which is to provide for a grant to any non-profit organization or charity, or to provide funding for HRM projects that are in the HRM departmental operating or capital budget, or proposed by the councillor.

13. The District Capital Fund budget shall be established by Council annually as part of the municipal budget process.

14. The total budget allocation for the District Capital Fund budget shall be distributed equally among the 16 districts of Council annually.

15. Funds in the District Capital Fund may be used as follows:

(a) for the provision of grants to any non-profit organizations and registered charities; or

(b) for allocation toward HRM capital projects, or to the provision of goods or services by the Municipality.

16. Funds shall remain within the fund until spent or rescinded by Council, and may be carried forward to the following fiscal year.

17. Individual councillors may authorize expenditures from the funds allocated to them, subject to the requirements established by this Administrative Order.

#### **Grants**

18. A request for a grant under this Part may be from:

(a) a registered non-profit organization;

(b) a non-profit organization; or

(c) a registered charity.

19. The maximum amount that may be given to a non-profit organization that is not registered is five hundred dollars (\$500.00).

20. A grant may be given for either capital or operating purposes.

21. A grant for capital purposes may be used by the recipient on land or buildings that are owned by:

(a) the registered non-profit organization or registered charity;

(b) the Municipality; or

(c) the Crown, where the land or buildings are generally accessible to the public with demonstrated community use.

22. Subject to budget, a grant may be given in any amount.

### **HRM Capital Projects**

23. (1) Subject to subsection (2), councillors may allocate funds from the District Capital Fund to a municipal asset that is part of a project in the HRM Capital Budget or is proposed to be added to the HRM Capital Budget.

(2) District Capital Funds may not be used for the acquisition of land by the municipality.

### **Municipal Goods or Services**

24. The allocation of funds to the municipality for the provision of goods or services the municipality may provide shall be done in consultation with the Director of the department of the municipality that will be using the goods or providing the service.

## **Part III - General**

### **Elections**

25. (1) Subject to subsection (2) the authorization of expenditures from the District Funds shall be suspended for councillors offering as a candidate in a municipal, provincial, or federal election as follows:

(a) for an ordinary or special municipal election, from the date the councillor files his or her nomination papers to the date the councillor is sworn into office;

(b) for a provincial by-election or general election, from the date the writ is issued until the return on the writ is completed; and

(c) for a federal by-election or general election, from the date the writ is issued until the return on the writ is completed.

(2) Where an incumbent councillor is acclaimed in an ordinary municipal election, the councillor may resume making expenditures from the District Funds as of the date of his or her acclamation.

26. Nothing in section 25 shall be taken to limit the ability to carry out expenditures already authorized prior to that date.

### **Administration**

27. The District Activity and Capital Funds shall be managed by the Finance Department and administered jointly with the Councillors' Support Office.

28. The Chief Financial Officer, or designate, shall develop procedures to support the timely and transparent administration of this Administrative Order, which shall include:

(a) accounting and authorization procedures and requirements;

(b) reporting procedures that ensure all commitments and expenditures are fully

transparent and publicly available;

(c) deadlines for the inclusion of proposed items in the HRM Capital Budget; and

(d) all forms and application requirements, both for councillors and non-profit organizations.

29. This Administrative Order does not authorize a councillor to:

(a) negotiate the terms of a contract;

(b) enter into an employment contract on behalf of the municipality;

(c) commit the municipality to fund the future operating costs of new assets; or

(d) undertake any administrative function that would otherwise be the responsibility of the Chief Administrative Officer.

### **Transition and Repeal**

30. This Administrative Order shall come into force upon adoption by Council.

31. All expenditures authorized in accordance with the District Capital Fund Policy and District Activity Fund Policy and Procedures, but not paid prior to the coming into force of this Administrative Order, shall continue to be processed and paid in accordance with the District Capital Fund Policy or District Activity Fund Policy, pursuant to whichever they were authorized in accordance with.

32. The District Capital Fund Policy adopted by Council on July 31, 2007, and the District Activity Fund Policy and Procedures adopted by Council on December 12, 2002, and all amendments thereto are repealed.

Done and passed by Council this XX day of XXXXXXXX, 2019.

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Mayor

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Municipal Clerk

I, Kevin Arjoon, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on \_\_\_\_\_, 2019.

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Kevin Arjoon, Municipal Clerk