

THE CORPORATION OF THE TOWNSHIP OF WOOLWICH

POLICY – GRANTS AND SPECIAL ASSISTANCE

DATE: September 13, 2005
SUPERCEDES: August 13, 2002
SUBJECT: GRANTS AND SPECIAL ASSISTANCE

PURPOSE:

The objective of the policy is to ensure that funding allocations are made according to established and common criteria.

POLICY STATEMENT:

The Township of Woolwich recognizes the contribution of voluntary and charitable organizations and individuals to the quality of life enjoyed by the Township. Township Council has adopted a policy with respect to providing financial assistance to these organizations and persons.

POLICY DETAILS:

Legislative Authority in the Municipal Act provides for the making/awarding of grants:

Section 107, Municipal Act, 2001

Despite any special provision of this or any other Act relating to the giving of grants or aid by a municipality, subject to Section 106 (Granting of bonuses for commercial and industrial businesses), a municipality may make grants on such terms as to security and otherwise as the council considers appropriate, to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that Council considers to be in the interests of the municipality.

Definition:

For the purposes of this policy and the awarding of grants and assistance to not-for-profit organizations, the definition of not-for-profit corporations (as defined in the *Not-for-Profit Incorporators Handbook* of the Province of Ontario) is as follows:

“Not-for-profit corporations are incorporated for the purpose of carrying out, without pecuniary gain, objects of a patriotic, charitable, philanthropic, religious, professional, sporting or athletic character. In other words, not-for-profit corporations are engaged in activities that are of benefit to the community. They are incorporated under Part III of the Corporations Act as corporations without share capital.”

This policy recognizes the five (5) types of not-for-profit corporations (also defined within the *Handbook*):

1. General type - this would include such corporations as ratepayers' associations, business or trade associations, community organizations, etc.
2. Sporting and athletic organizations.

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3. Social clubs - these are corporations with objects in whole or in part of a social nature.
4. Service clubs - such as Lions, Rotary, Kiwanis and Optimists.
5. Charities - these would include religious organizations and organizations engaged in carrying out certain good works of benefit to society.

Note: A primary difference between a charity and another type of not-for-profit corporation is that upon dissolution a charity is required to distribute its remaining assets to other charities, not to its members. Other types of not-for-profit corporations may (unless prohibited from so doing in its charter or by-laws) on dissolution distribute remaining assets among members. Also, a charitable corporation, because it usually solicits funds from the public and enjoys certain legal and tax advantages (e.g. under the Federal Income Tax Act) is subject to more stringent reporting requirements than a not-for-profit corporation of another type.

GENERAL PRINCIPLES

a) Township Significance & Need

The organization seeking assistance should ensure Township significance is stated clearly in its purpose for seeking assistance. Township significance includes, but is not limited to, the following:

- An organization serving the municipality of Woolwich;
- An organization that does not duplicate services provided by another agency, by the Township itself or an area municipality;
- An organization that can meet an identified and quantifiable need in the community, as determined by Township Council, and can demonstrate the need for the service.
- The acceptance of any Township grant obligates the organization to allow any citizen of the Township to participate in that organization's activities.
- Organizations should not be in conflict with the other criteria and conditions in this policy.

b) Funding of Organizations and Individuals

- The Township of Woolwich will not fund organizations whose purpose is the responsibility of other levels of government.
- The Township will not provide grants to organizations whose services, in the opinion of Township Council, are better funded through purchase of service agreements.
- The Township will not provide grants to organizations that, in turn, give grants.

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- An organization should be able to demonstrate the need for Township funding and also demonstrate that it has sought funding from other sources including appropriate and applicable fundraising.

c) Recognition of the Township's Contribution

Any organization receiving a grant from the Township will recognize the Township's contribution in any promotional literature which may be prepared by the organization.

d) Use of Funds

Any grant funding approved by the Township must be used for the purposes stated in the organization's application, unless prior approval to change the purpose of the grant is given by Township.

e) Commitment by the Township

The approval of a grant in one year or over several years in no way obligates the Township of Woolwich to future funding for an organization. Meeting all of the conditions for a grant does not obligate the Township to provide a grant to any organization.

f) Organizational Status

For an organization to be considered for a grant from the Township, it must:

- Be managed by a voluntary board of directors who will take responsibility for the receipt and disbursement of funds,
- Be a not-for-profit organization,
- Have a majority of its clients or members as residents of the Township or otherwise provide a significant benefit to the Township; and
- Be committed to the use of volunteers.

ANNUAL OPERATING GRANTS

Council approval is required for annual operating grant requests and applications will be considered during the Township's annual budget approval process. In general:

- The Township will not fund more than 15% of the operating costs for organizations with budgets in excess of \$10,000.00. This is an upper limit for grants, and this limit should not be interpreted as a/the funding level for organizations seeking grants.
- The Township will not provide grants for the purpose(s) of funding or assisting an organization's operating deficit.

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- The Township of Woolwich will not fund organizations whose purpose is the responsibility of other levels of government.
- The annual operating grant must be used for the delivery of programs to a defined target audience and not for existing overhead, administrative expenses, fundraising activities, funding of previous year's deficits, debt charges or capital costs.
- Applications for operating grants must be submitted by the deadline set annually by the Director of Council and Information Services in order to be considered for budget approval. All applications will be reviewed by the Director who will report eligible grant requests to the Committee of the Whole in the first quarter of the year. The Committee of the Whole will make recommendations to Township Council with respect to the awarding of grants. Applications received after the deadline will be forwarded to the Committee of the Whole for consideration, however, the Committee of the Whole reserves the right to deny any application received after the deadline.
- Applications for annual operating grants must include financial statements for the previous year including balance sheet and statement of revenue and expenses. Organizations not normally audited by professional accountants are required to submit an independent review of the statements attesting to the accuracy of the information.

CAPITAL GRANTS

A capital grant is defined as a one-time grant to an organization for the purpose(s) of acquiring a physical asset for use by the organization to carry out its programs within the Township. Council approval is required for capital grants and Council may consider a capital grant if:

- The purchase of the asset will benefit the recreational, social and cultural life or the delivery of service to the organization's clients or members,
- The application is made prior to the organization acquiring or committing to the acquisition of the asset,
- The organization has conducted a fundraising campaign and has approached all other sources of potential funding.

In general:

- a) Applications for capital grants must be submitted by the deadline set annually by the Senior Management Team in order to be considered for budget approval. All applications will be reviewed by the Director who will report eligible grant requests to the Committee of the Whole in the first quarter of the year. The Committee of the Whole will make recommendations to Township Council with respect to the awarding of grants. Applications received after the deadline will be forwarded to the Committee of the Whole for

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consideration, however, the Committee of the Whole reserves the right to deny any application received after the deadline.

- b) The application for a capital grant must be accompanied by a complete capital budget showing the sources and uses of funds and an estimation of ongoing operating costs for the project (if any).
- c) The sources of funds should indicate any significant level of funding from other sources. Funding information should distinguish between funds-in-hand, funds pledged but not received, and projected additional funding, and any conditions which could in any way affect the availability of those funds.
- d) The maximum contribution of the Township will be 10% of the cost of the project.
- e) Any anticipated future funding requests to the Township must accompany the capital grant request.

TRAVEL ASSISTANCE GRANTS

Grants for travelling expenses to conferences, provincial/national or international competitions will be considered if there is significant Township benefit from the attendance at such an event. The approval of the Director of Council and Information Services is required.

Criteria for Travel Assistance Grants:

- A provincial, national, or international governing body must sanction the competitive event for which the assistance is being asked.
- The event must be a recognized competition and must not be invitational in nature.
- Residents applying for assistance must be residents of Woolwich, and 18 years of age or younger.
- Assistance will only be available when travel to the site exceeds 300 kilometres one way.
- The individual or group must show an indication that other fundraising efforts have been made.

Limits for Travel Assistance Grants:

The following is a breakdown of the amounts that will be distributed by the Director of Council and Information Services based on requests that qualify:

- a) Provincial Competitions:
 - Individuals – maximum \$100
 - Team – maximum \$30 per competitor to a maximum of \$400

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- b) National Competitions:
Individuals – maximum \$125
Team – maximum \$30 per competitor to a maximum of \$600
- c) International Competitions:
Individuals – maximum \$150
Team – maximum \$50 per competitor to a maximum of \$800

SPECIAL EVENT GRANTS AND SPECIAL ASSISTANCE GRANTS

The Township of Woolwich will award funding to eligible applicants for special events or for special assistance. This funding is intended to assist individuals and organizations for one-time events and occurrences. The Senior Management Team has authority to make decisions for grant amounts up to \$1,000.00. Council approval is required for grant amounts over \$1,000.00.

Criteria for Special Event and Special Assistance Grants:

- Grants for special events or special assistance require that the event or assistance provide significant Township benefit.
- The Township will not consider grants for the purpose(s) of holding fundraising events.
- Organizations requesting these grants are not required to be registered non-profit organizations.

GRANTS-IN-KIND/GRANTS-IN-LIEU

As the name implies, a grant-in-kind/lieu is a grant issued to help offset the cost of a charge that would be levied by the Township. An example of a grant-in-lieu would be the Township waiving development charges. Where an agency requests the Township to provide services, or waive user charges rather than provide a monetary grant, the monetary equivalent of the grant must be calculated and included in the grant application. The calculation of the monetary equivalent must include all costs associated with the provision of the service, regardless of whether the Township would normally charge for the service.

The awarding of a grant-in-kind/lieu is subject to Council approval and any conditions imposed by Council such as proof of insurance, assurance of safety of Township employees and participants in the activity, and indemnification of the Township of Woolwich.

NEW FUNDING REQUESTS

Agencies or organizations requesting grant funding for the first time or requesting funding for new program initiatives must demonstrate the following (in addition to those listed in the General Principles):

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- a) That a genuine and demonstrable need in the Township is being met;
- b) That the service or program is not duplicated by another organization within the Township, regardless of whether or not the Township funds the other organization;
- c) That the Township grant will be used for the delivery of programs to its defined target audience and not for existing overhead, administrative expenses, fundraising activities, funding of previous year's deficits, debt charges or capital costs;
- d) That other sources of revenue have been examined and pursued including consideration of user fees (depending on the ability of the clients / participants to contribute financially to the program).

The Township of Woolwich will not normally consider extending grants to replace financial support previously provided by other funding bodies.

Township Council may or may not decide to receive new funding applications depending on the funds available in any budget year.

APPLICATION PROCEDURE

All grant requests must be submitted to the Senior Management Team on the standardized forms approved by the Director of Council and Information Services.

PAYMENT OF TOWNSHIP GRANTS

In general:

- **Annual operating grants** will be paid at the end of June in the year that they are awarded.
- **Capital grants** will be paid to the organization once the asset has been purchased and payment is due. Where the asset forms part of a larger project which is not yet complete at the time of payment of the grant by the Township, the agency will provide such security or indemnification as may be required by the Township to cover the eventuality that the remainder of the project is not completed.
- **Travel assistance grants, special event grants and special assistance grants** will be paid to the individual or organization upon approval of the Director of Council and Information Services or Council.
- **Grants in Kind/Lieu** will be paid to the individual or organization upon approval of Council.

RELATED DOCUMENT:

Township of Woolwich Grant Application package