



# CORPORATION OF THE TOWN OF COBOURG

**Division:** Corporate Services

**Effective Date:**

**Department:** Finance

**Approval Level:** Council

**Policy Title:** Municipal Community Grants  
- Administration

**Section #** 3-2  
**Policy #** FIN-ADM1

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## Purpose:

The purpose of this policy is to provide decision making criteria for use by members of Council when responding to requests for grants. The fundamental goal of this policy is to achieve consistency, fairness and demonstrate due diligence with respect to proper use of public funds when grants are involved.

## Policy

The Town of Cobourg may, at the discretion of Council, provide direct monetary grants to programs, charities, causes, local boards and agencies that:

- a) Extend or compliment the community services provided by the Municipality, deemed to be in the best interests of the inhabitants of the Town of Cobourg.
- b) Are seen to be of significant value to a wide segment of the citizens of Cobourg.
- c) Benefit the community by assisting the arts, culture and social well-being of the community and its citizens.

## **1. LEGISLATIVE AUTHORITY**

- 1.1 Pursuant to Section 107 of *the Municipal Act, 2001* Council has the legislative authority to provide grants as follows:

*"Despite any provision of this or any Act relating to the giving of grants or aid by a municipality, subject to Section 106, 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."*



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## 2. GOVERNING PRINCIPLES:

- 2.1 The primary purpose of this policy with respect to the use of funds from taxation and other non-tax revenue sources is to provide municipal services in an accountable and responsible manner.
- 2.2 The Town may, at the discretion of Council, provide grants in the form of in-kind services, or in exceptional circumstances a waiver of standard fees, where by doing so could benefit the quality of life for citizens in the community.
- 2.3 In general, the Municipality will not directly contribute to charities, individuals, causes or programs because in doing so the Town would be using tax revenue for a purpose other than that for which it was primarily intended and would be at risk of interfering with the individual taxpayer's right to support charities, causes or programs of their choice.

## 3. TYPES OF GRANTS

- 3.1 The various types of grants and funding options awarded under this policy are as follows:

### **Community Project:**

- 1. One-time assistance for the start-up of an organization/project, not including a capital project; or
- 2. Funds for a short-term undertaking with a start-up and completion date, not including a capital project.

**Operating:** Grants defined as operating funding will assist with the general operating expenses of an applicant, including administrative costs and program-related expenses.

**In-kind Contributions:** Grants are based on the provision of Municipal property/facilities, materials or resources to an applicant, and do not include the provision of cash funds to, or on behalf of, the applicant.





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**Special Events:** One-time or first-time events that are of cultural, historical, social, environmental, or recreational significance to the community and which may include the participation of more than one organization. Pursuant to the Special Events Policy each applicant must submit a grant application request to Council each year if looking for support from Council for the Special Event.

**Community Event:** a recurring event that Council has determined provides some significant benefit to the community, and is open to all members of the public.

**Parking Permit:** a request for parking permits which allows for free parking or a reduced rate of motor vehicles in various municipal lots, and on occasion granting parking at specific metered locations for free.

## 4. BASIC PRINCIPLES:

- 4.1 The following outlines basic principles that must be met and demonstrated by each applicant in order for consideration of grant approval from the Town of Cobourg Municipal Council:
- a) assist organizations which have demonstrated a desire to help themselves;
  - b) promote and enhance the well-being of the Town and its citizens;
  - c) ensure that the requested service, activity or program is open to the community;
  - d) encourage more active involvement in community organizations, programs and activities;
  - e) ensure that the funds will be administered by a competent body and that there is an adequate administrative system of review and oversight implemented with groups or organizations making requests;
  - f) Ensure that a proper system of accountability is developed and maintained between the community group and/or organization requesting and receiving approval from Town of Cobourg Council.





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## 5. FUNDING ELIGIBILITY

**“Incorporated Not-for-profit Organization”** shall mean an adjective used to describe an applicant(s) who meets one or more of the following requirements:

- a) is registered in Ontario as a non-profit corporation by the applicable provincial or federal authority or ministry; or
- b) Is a community organization or group that returns 75% or greater of its net proceeds to the community for the community's benefit.

5.1 An applicant organization must meet the following general criteria in order to be considered for a Town of Cobourg grant:

- i. There can only be one grant request per organization/project per year that will be considered which may have multiple components and fall under more than one grant classification;
- ii. Organization must be in existence for a minimum one (1) year before being considered for a grant.
- iii. Has a Volunteer Board, consisting of a three (3) or more members;
- iv. Grant applicants should be able to demonstrate active fundraising efforts to support the continuation of a program, project or service. The Town of Cobourg grant should never be considered as the only source of funding for the applicant;
- v. Funding requests can be defined as events/projects/programs that support, sustain, promote, inform, educate, celebrate, preserve, and/or provide access to the arts, culture, environment, heritage, and recreation and/or health activities;
- vi. Copies of most recent Financial Statements and the current year's budget must accompany the request;
- vii. Financial assistance consideration is based on budget revenues and expenditures in the year for which the assistance is requested;





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- viii. Requests for financial assistance for events of municipal, provincial or national significance which are expected to bring economic and public relation benefits to the Town of Cobourg;
  - ix. Granting of assistance in any one year or over several years is not to be interpreted as a commitment to future years funding; and
  - x. The applicant organization must spend grant funding on the sole purpose for which it was awarded within the current fiscal year.

## 6. FUNDING INELIGIBILITY

6.1 The following are not eligible to apply for a Municipal Community Grant in the Town of Cobourg:

- i. An Organization that acts as a funding body, **or makes grants to another organization**;
- ii. Commercial Businesses, For-Profit Organizations or individuals;
- iii. An organization that is the responsibility of a higher level of government, education, or precluded under the Municipal Act;
- iv. Grants cannot be used:
  - To cover deficits of the Organization;
  - To fund an Organization's debts; and
  - To fund activities that serves primarily the membership or purposes of religious or political organizations
- v. An Organization who receives 75% or greater of their funding from the Federal or Provincial government would disqualify the Organization from any Municipal grant or a reduction in the amount of the grant that is awarded.
- vi. Organizations who have received funding and failed to provide financial statements and financial verification report as to the success of the previous year and specifically with respect to the allocation of grant funds, will not be eligible for grant funding until such time proper documentation is remitted and evaluated.





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- vii. Unless special circumstances warrant, consideration will not be given to requests for grants from recreational sport groups (with the exception of minor sports organizations); furthermore grants will not be approved to sponsor an individual athlete or team for a competition or to subsidize participation in a sports event.
- viii. Board of Directors shall not in any way benefit from receiving a municipal grant, and there shall be no personal gain from any member of the governing board of the Organization.

## 7. APPLICATION

- 7.1 Requests for direct monetary grants will be considered as part of the annual budget deliberation process.
- 7.2 Applicants must complete the Municipal Grant Application Form 1 attached to this policy as Schedule "A" and delivered to the Treasurer no later than October 31<sup>st</sup> of the year preceding the year in which the grant is being requested.
- 7.3 Other requests for waiver of fees and in-kind donations may be granted in exceptional circumstances at other times during the budget year in writing to the Municipal Clerk by requesting delegation status at a Council Meeting for approval by Council.
- 7.4 Municipal Council has the sole authority to approve Community Grants, and Council will not approve any grant application which does not promote and improve the cultural, social, and economic well-being of the Community, and any grant not in-line with the municipal values.

## 8. GRANT REVIEW PROCESS

- 8.1 All completed applications for Community Grants that are received by the October 31<sup>st</sup> deadline will be forwarded to the Council as part of the annual budget deliberations for review and consideration.





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- 8.2 All applications for Community Grants shall progress through the following process after the deadline for submissions:
1. Initial Review Committee Municipal Staff.
  2. Deputy Mayor and Council Coordinator Review.
  3. Council Budget Meeting Review of Municipal Community Grants.
- 8.3 When considering grant applications during budget deliberations, Council will evaluate applications in terms of basic principles and funding eligibility principles outlined in the Municipal Grants Policy on the prescribed Application Form. Any further information needed and will be gathered from any group during the annual budget deliberations. The final recommendations based on the total grant allocation and approval of individual grants for that year.
- 8.4 Recognizing that unique and beneficial "Special Events" may also arise from time to time outside the timelines noted in this policy, applications for Special Events grants received after the grant deadline shall be forwarded directly to Council for consideration.
- 8.5 Applications for in-kind non-financial assistance will be forwarded to the respective department for review with a report to be presented to Council for consideration and approval.
- 8.6 Groups submitting grant applications determined to be ineligible for funding shall be notified, in writing of Council's decision following approval of the Town's annual operating budget.





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## 9. MUNICIPAL COMMUNITY GRANT BUDGET

- 9.1 The Town of Cobourg shall allocate each year to eligible organizations as a whole who met all eligible requirements the total amount of grant funds that was awarded to organizations in the previous year's operating budget and taking into consideration the adjustment of the price of living for that current year.

## 10. REPORTING

- 10.1 Each Applicant Organization must complete Form 2- the Municipal Grant Report Form attached to this policy as Schedule "B" in order to report on how the funding was spent, along with Financial Verification Report in support of funds that were used, the impact the funding achieved and the volunteer hours that were contributed to the community by the organization. This report must be submitted to the Town within three months after the program/ project/event, or by September 30<sup>th</sup> of the following year.

### Definitions:

"In-Kind Contributions" grants are based on the provision of municipal property/facilities, materials or resources to an applicant, and do not include the provision of cash funds to or, on behalf of the applicant. While cash funds are not provided in relation to In-Kind Grants, it is recognized that such grants will involve either an expense or loss of revenue for the Town.

"Organization" means an organization based within the boundaries of The Corporation of the Town of Cobourg, which is created primarily for a charitable object or purpose, is operated as not-for-profit and whose activities are deemed to be in the best interest of the inhabitants of the Town of Cobourg.

### Scope:

This policy applies to all members of Town of Cobourg Council when evaluating and processing requests for Community Grants and Donations where Town of Cobourg funds are involved.





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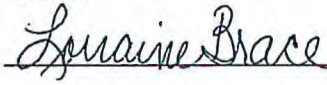

## Administration:

This policy shall be implemented and administered by the Treasurer when responding to application requests, and subsequently to the Members of Council of the Town of Cobourg when responding to requests for Community Grants.

## Cross References:

Policy #

Procedure #

Resolution # 385-14	Revision Description:	Signature/Municipal Clerk: 	Council Approval Date: July 14, 2014
# 487-15	Revised Sections to expand the content of the Policy and to include an application form.	Signature/Municipal Clerk: 	November 18, 2015
#	Revised provisions to expand the content of the Policy specifically ineligibility and to include a Municipal Grant Report Form.	Signature/Municipal Clerk: 	June 26, 2017