

Attachment 1



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 9
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SECTION: FINANCIAL ADMINISTRATION
SUBJECT: **Grants Policy and Guidelines**

GRANTS POLICY AND GUIDELINES INDEX

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GRANTS POLICY AND GUIDELINES

1. COMPOSITION AND TERM

The Grants Advisory Committee shall be appointed by Council and shall be comprised of:

- 2 members recommended by the Parks, Recreation and Culture Commission, one from the Cultural Committee, and one from the Recreation Committee
- 1 member recommended by the United Way
- 1 Council member as appointed by Council and that member will serve as Chair of the Committee
- 1 member recommended by the Nanaimo Alcohol and Drug Action Committee
- 1 member recommended by the Social Planning Advisory Committee
- 2 members of the general public appointed by Council
- 1 non-voting Staff liaison recommended by the City Manager

The bodies recommending appointees shall be requested to ensure that the recommended representatives provide a good balance of knowledge in their respective areas of service, and to ensure the commitment and attendance of their recommended representatives.

The maximum term for any member shall be three years.

2. TERMS OF REFERENCE

The Terms of Reference of the Grants Advisory Committee shall be:

- (a) to advise Council on the amount of financial assistance which the municipality should grant to applicants, including permissive taxation exemptions. Recommendations shall be made in accordance with the guidelines and criteria defined in this Policy;
- (b) to recommend policies to Council with regard to non-statutory tax exemption (Permissive Tax Exemptions under Sections 224 and 227 of the *Community Charter*);
- (c) to make recommendations on requests for the subsidized use of civic facilities and resources as if they were requests for financial assistance ("in-kind" grants);
- (d) to maintain the confidentiality of all matters reviewed by the Committee;
- (e) to provide all applicants with observations, recommendations and/or reasons for the recommendations of the Committee;
- (f) to ensure that civic grant funding does not subsidize activities that are the responsibility of senior governments, as this would represent a downloading of senior government costs to local taxpayers;
- (g) to ensure that priority of funding in all categories shall be given to small organizations, rather than larger ones;
- (h) to ensure that grants from the City will be awarded on the basis of demonstrated need for the service within the community.

- (i) to consider appeals by organizations who do not agree with grant recommendations made by City committees. Appeals are limited to a review of the process and are not intended to be a review of the Committee's judgment.

3. CATEGORIES OF GRANT FUNDING

Grant funding will be divided into the following categories:

- Security Checks
- Other Grants
- Permissive Tax Exemptions (Cash Grants)
- Permissive Tax Exemptions

Recommendations on the amount of grant funding any applicant will be awarded from these categories shall be made in accordance with the guidelines that are outlined in this Policy.

4. YEARLY ALLOCATION FOR GRANT FUNDING

The amount of money available in each category shall be determined by Council during the Financial Plan process each year.

5. COORDINATION OF GRANTS-IN-AID PROCEDURES (with the Regional District of Nanaimo)

Funding: The amount raised from the Regional District levy on the City of Nanaimo shall be returned to the City each year on the condition that the funds are used as either basic or supplementary grants to those organizations which have a primary base of operations within the city, but also provide services which are of a benefit to residents outside the City.

6. GUIDELINES FOR MAKING GRANT RECOMMENDATIONS (by category)

(a) SECURITY CHECKS

Statement of Purpose: Security Check grants are awarded to organizations that must have security checks performed by the R.C.M.P. on their employees and/or volunteers and meet the criteria specified below.

Criteria for Awarding Grants:

- must be able to identify services provided to residents of Nanaimo
- nonprofit organization
- sound financial and administrative management
- demonstrated financial need
- \$500/year maximum award to any organization from this category (2012-JAN-09)
- eligible organizations can only apply for financial support from this category once a calendar year (applications reviewed in November)
- applications for this category must be received by October 31st
- must adhere to all City of Nanaimo bylaws and policies
- awards from this category are exclusive of awards from the other categories

Kind of Funding:

- Security Check Fee Reimbursement

(b) OTHER GRANTS

Statement of Purpose: Applications that don't fit into any categories of any of the granting committees are to be referred to the Grants Advisory Committee for review and recommendation. If the scope of the grant request exceeds the committee's budget, the Grants Advisory Committee can make a recommendation subject to the grant being funded from Council contingency.

Criteria for Awarding Grants:

- large number of volunteers;
- registered non-profit society;
- sound financial and administrative management;
- financial need;
- accessible to a large portion of the community;
- must have a broad base of support;
- must have another source of financial support;
- must be local in focus and must adhere to all City of Nanaimo's bylaws and policies;
- cash grants will not be provided if the organization receives a Permissive Tax Exemption, or where the facility is provided by the City of Nanaimo free of charge or at a substantially reduced rate. Notwithstanding the above statement, organizations facing critical financial difficulties are eligible to apply for emergency funding.

Kind of Funding:

- educational funding;
- emergency funding;
- capital grants on a matching basis up to a maximum of \$5,000;
- in-kind funding for facility rental.

(c) PERMISSIVE TAX EXEMPTIONS (Cash Grants)

Statement of Purpose: An organization may only be added to the Permissive Tax Exemption roll for the following year. In some unusual cases it may be appropriate to give an organization a cash grant during the current year.

Criteria for Awarding Grants:

- the property must be recommended for a Permissive Tax Exemption in the following year; and
 - (1) the property qualifies for Permissive Tax Exemption as a Church, Public Hospital, Community Care Facility, or Private School; or
 - (2) the organization can demonstrate an extraordinary financial need;
 - (3) must adhere to all City of Nanaimo's bylaws and policies.

Application Deadline: Will be considered at the time of application for Permissive Tax Exemption.

7. PERMISSIVE TAX EXEMPTIONS

Section 220 of the *Community Charter* identifies certain properties which are exempt from taxation. This section includes property owned and occupied by Her Majesty, the municipality, School Boards, hospitals and churches. As Section 220 exemptions are specifically provided for, Council's discretion is restricted, except in determining the extent of the exemption in certain cases.

Sections 224, 225, 226 of the *Community Charter* identify situations in which Council may exercise discretion in granting full or partial exemptions from taxation. These exemptions must be adopted by bylaw, by the 31st of October of the year preceding exemption.

All buildings and properties that receive a permissive tax exemption, must be reviewed every three years to ensure that they continue to meet the specific criteria set out in their applicable category. A report to Council with recommendations for their endorsement is done after each review. The Grants Advisory Committee may also review specific organizations annually for various reasons determined by the committee.

In making recommendations to Council, the Grants Advisory Committee should ensure that:

- (a) the goals, policies, and general operating principles of the municipality as a whole are reflected in the organizations that receive municipal support;
- (b) exemptions are not given to services that are otherwise provided on a private, for profit basis, this would provide an unfair competitive advantage;
- (c) the services provided by the organizations should be an extension of municipal services and programs and must fall under the responsibility of local government, senior government program costs must not be transferred to property taxpayers, as this would represent a downloading of senior government costs to local taxpayers;

- (d) the taxation burden resulting from the exemption must be a justifiable expense to the taxpayers of the municipality, the sources of municipal revenue are limited and requests for exemption must be considered in concert with the other needs of the municipality;
- (e) the services provided by the organizations should provide benefits and be accessible to the residents of the City of Nanaimo, and, in an appropriate age range, the organization's regulations must allow all Nanaimo residents to participate at a reasonable fee.
- (f) the organization is adhering to all City of Nanaimo's bylaws and policies.

In order to more clearly specify criteria, Permissive Tax Exemptions will be divided into the following categories:

- Churches
- Public Hospital
- Senior Citizens' Housing Facilities
- Community Care Facilities
- Private Schools
- Recreation
- Other
 - Community Services
 - Community Associations
 - Arts and Cultural Organizations
 - Other Permissive Exemptions

8. GUIDELINES FOR MAKING RECOMMENDATIONS ON PERMISSIVE TAX EXEMPTION BY CATEGORY

(a) CHURCHES

General: The buildings set apart for public worship and the land upon which they stand are exempt from taxation under Section 220(1)(h) of the *Community Charter*. Church halls and such lands as Council considers necessary to support the statutory exemption may be considered as an extension of the exemption under Section 224(2)(f).

Policy: The maximum area of land to be exempted from taxation shall be 2 acres of the land upon which the buildings for public worship stand plus the footprint of the building(s) used for public worship (Revised 1986-AUG-25). This exempted area will not exceed the land area of the legal parcel(s) upon which these buildings stand. Church properties which are currently on the PTE roll and do not conform are to be removed.

Buildings for public worship shall be those established by the Area Assessor and will not include a church manse.

(b) PUBLIC HOSPITALS

General: Buildings set apart and used as a hospital under the *Hospital Act*, except a private hospital under that *Act*, and the land upon which they stand are exempt from taxation under Sections 220(1)(j) and 220(1)(k) of the *Community Charter*. Council may, by bylaw, under Section 224(2)(h) of the *Community Charter*.

Charter, exempt any area of land surrounding the exempted building under Sections 220(1)(j) and 220(1)(k).

Policy: Where a building has been identified as a hospital under the *Hospital Act* (except a private hospital) by the Area Assessor, Council will exempt the legal parcel(s) upon which the hospital building stands and any adjoining parcel that Council finds to be necessary to the operation of the hospital.

(c) SENIOR CITIZENS' HOUSING FACILITIES

General: Section 220(1)(i) of the *Community Charter* exempts from taxation a building that was constructed or reconstructed with the assistance of aid granted by the Province after 1947-JAN-01, but before 1974-APR-01, and that is owned and used exclusively without profit by a corporation to provide homes for elderly citizens, together with the land on which the building stands. It also allows Council, by bylaw, under Section 224(2)(h) of the *Community Charter* to exempt, by bylaw, any area of land surrounding the exempted building. Section 224(2)(k) of the *Community Charter* allows Council to exempt from taxation land or improvements for which a grant has been made, after 1974-MAR-31, under the Housing Construction (Elderly Citizens) Act before its repeal in 1996.

Policy: Where a building has been identified as meeting the above criteria by the Area Assessor, Council will exempt the legal parcel(s) upon which the building stands. As it is impossible for any new building to meet this criteria, this section will apply to only seven existing properties: The Mt. Benson Sr. Citizens' Housing Society (tax folios 81301.000; 81312.000; 81315.000; 84328.000), and George R. Pearkes Sr. Citizens Housing Society (tax folios 16006.051; 16006.252; 16006.275).

(d) COMMUNITY CARE FACILITIES

General: Section 224(2)(j) of the *Community Charter*, allows Council to exempt from taxation land and improvements owned or held by a person or organization and operated as a private hospital licensed under the *Hospital Act* or as a licensed community care facility, or registered assisted living residence, under the *Community Care and Assisted Living Act*.

Policy: Council will exempt property that meets the above criteria and is owned or held and operated by a registered non-profit society.

(e) PRIVATE SCHOOLS

General: Section 220(1)(l) of the *Community Charter*, with certain restrictions, exempts private schools from taxation. It also allows Council, by bylaw, under Section 224(2)(h) of the *Community Charter* to exempt from taxation any area of land surrounding the exempted building.

Policy: Where a building has been identified as meeting the above criteria by the Area Assessor, Council will exempt the legal parcel(s) upon which the building stands and any adjoining parcel that Council finds to be necessary to the operation of the school. The permissively exempt property must be accessible to the general public as identified in 7 (e) above.

(f) RECREATION

General: Section 224(2)(i) of the *Community Charter* permits Council, by bylaw, to exempt from taxation, certain organizations using property as a public park or recreation ground, or for public athletic or recreational purposes.

Policy: Permissive Tax Exemptions will be given to organizations that own property that is maintained and used for public park or recreation purposes if they:

- (1) provide full financial and operating information as requested by the Grants Advisory Committee;
- (2) meet the conditions of Section 224 of the *Community Charter*;
- (3) meet the general guidelines outlined in 7(a) to 7(f) of this Policy;
- (4) are registered non-profit societies.

(g) OTHER

General: Section 224(2)(a) *Community Charter* permits Council, by bylaw, to exempt from taxation, land or improvements that are owned or held by a charitable, philanthropic, or other not for profit organization that are used for a purpose that is directly related to the purposes of the organization.

- Community Service Organizations

This has been historically interpreted to include organizations that provide service to the community such as social service agencies.

- Community Associations

This can include community associations that provide a place for local communities to meet, engage in activities that enhance the local community, or hold land that is available for community use.

- Arts & Cultural Organizations

This can include organizations that provide or promote arts and cultural activities.

- Other Permissive Exemptions

Policy: Permissive Tax Exemptions may be given to organizations that:

- (1) provide full financial and operating information as requested by the Grants Advisory Committee;
- (2) meet the conditions of Section 224 of the *Community Charter*; and,
- (3) are registered non-profit societies.

9. APPEALS

Statement of Purpose The mandate of the Grants Advisory Committee is to review appeals for process issues only. That is, to determine whether the original advisory committee had all the correct information and used the appropriate criteria to make their recommendation. The Grants Advisory Committee will not revisit the actual decision, i.e. whether the correct amount was granted.

Criteria for Allowing an Appeal:

- Was the advisory committee's decision based on the application not meeting certain criteria or submitting incomplete or incorrect information? Did the advisory committee misinterpret some of the information submitted?
- Did the committee notify the applicant of its recommendations two weeks before it was sent to the next level (either to Council or to the Parks, Recreation & Culture Commission), thereby giving the applicant time to respond?
- Does the applicant believe that the recommendation was based on incorrect or incomplete information? Does the applicant believe its information was misinterpreted?
- Did the advisory committee have all the information and the appropriate criteria to make its recommendation?
- Did the advisory committee determine the application should be reconsidered based on this new/different information?

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GrantsPolicyAndGuidelines.docx

Previous Revision/s: 2002-FEB-25, 2000-MAY-08, 2000-FEB-02, 2000-JAN-13, 1998-OCT-19, 1998-JUN-29, 1998-JUN-15, 1998-APR-17, 1997-JUN-16, 1997-APR-28, 1996-DEC-11, 1995-OCT-16, 1994-DEC-05, 1994-FEB-14, 1993-FEB-15, 1993-FEB-08, 1991-OCT-28, 1991-MAY-27, 1991-MAR-18, 1991-FEB-18, 1990-OCT-22, 1990-OCT-22, 1989-APR-06, 1986-AUG-25, 1986-JUL-28, 1985-MAY-09, 1985-JAN-21, 1985-JAN-21, 1984-JUN-18, 1984-FEB-13, 1982-JUN-28