

# ATTACHMENT A Grants Policy and Guidelines



## CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 12  
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**SECTION: FINANCIAL ADMINISTRATION**  
**SUBJECT: Grants Policy and Guidelines**

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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:

- 1 member recommended by the Parks, Recreation and Culture Commission
- 1 member recommended by the United Way
- 1 Council member as appointed by Council and that member serve as Chair of the Committee (Rev. 2003-APR-14)
- 1 member recommended by the Nanaimo Alcohol and Drug Action Committee (Rev. 2000-FEB-03)
- 1 member recommended by the Social Planning Advisory Committee (Rev. 1990-OCT-22)
- 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 all applicants for financial assistance. Organizations that are "cultural" in nature shall be reviewed by the Cultural Committee (Rev. 1994-DEC-05). Recommendations shall be made in accordance with the guidelines and criteria defined in this Policy;
- (b) to carry out an evaluation of the effectiveness of the service being provided in relation to the needs of the community;
- (c) to recommend policies to Council with regard to non-statutory tax exemption (Permissive Tax Exemptions under Sections 224, 225, 226, 227 of the *Community Charter*);
- (d) 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);

- (e) to hold all meetings in "In Camera" sessions, out of consideration to the sensitive nature of the matters discussed;
- (f) to maintain the confidentiality of all matters reviewed by the Committee;
- (g) to provide all applicants with observations, recommendations and/or reasons for the recommendations of the Committee;
- (h) 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;
- (i) to ensure that priority of funding in all categories shall be given to small organizations, rather than larger ones;
- (j) to ensure that grants from the City will be awarded on the basis of demonstrated need for the service within the community and the financial end of the organization (Rev. 1993-FEB-08).

3. CATEGORIES OF GRANT FUNDING

Grant funding will be divided into the following categories:

- Community Services
- Travel Assistance
- Security Checks
- Social Impacts of Gaming (Rev. 2000-MAY-08)
- Other Grants
- Permissive Tax Exemptions (Cash Grants)

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 Provisional Budget 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) COMMUNITY SERVICES

Statement of Purpose: "Community service grants are given to social agencies providing advocacy, preventative and self-help services to residents of Nanaimo. Grants are given to fund services required by significant segments of the population and that are not funded exclusively by other levels of government. Agencies funded by the City should provide service to people who are in some way disadvantaged and need assistance in maximizing their quality of life (Rev. 1993-FEB-15). Community service grants will not be available to organizations whose main purpose is to provide day care. The scope and nature of these organizations falls within the area of responsibility of senior governments. Only social services are eligible for Community Service Grants."

Criteria for Awarding Grants:

- large number of volunteers
- registered nonprofit society
- sound financial and administrative management
- demonstrated financial need
- accessible to a large portion of the community
- number of people served in the community
- must have a broad base of support
- must have other source of financial support
- must be able to identify services provided to residents of Nanaimo
- must adhere to all City of Nanaimo bylaws and policies (Rev. 1998-OCT-19)
- 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 (1997-JUN-16)

Kind of Funding:

- operating grants
- emergency funding
- capital grants on a matching basis up to a maximum of \$5,000. (Rev. 1998-OCT-19)
- in-kind funding for facility rental
- the maximum of all funding awarded to any one group will not exceed \$5,000. (excluding security check grants) (Rev. 1998-OCT-19).

(b) TRAVEL ASSISTANCE

Statement of Purpose: "Travel grants are awarded in recognition that representatives of local organizations traveling outside the Province to attend championships become ambassadors for the City of Nanaimo. It is also recognized that funding for in-Province travel is available from the Provincial Government."

Criteria for Awarding Grants:

- winner of Provincial, Regional, or National championship (or equivalent)
- must be attending a Regional, National or International championship
- must be traveling out of Province
- maximum \$100. per person up to \$2,000. per group
- there must be other sources of funding
- must be from Nanaimo
- the application must be made by a local organization
- payments will only be made to the organization applying for the grant, not to individuals
- must adhere to all City of Nanaimo bylaws and policies (Rev. 1998-OCT-19)
- grants to participants only, not coaches or chaperones (Rev. 1998-OCT-19)
- 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
- application may be made retroactively
- demonstrated financial need (Rev. 2002-FEB-25)

Kind of Funding:

- Travel Assistance only

(c) SECURITY CHECKS (Rev. 1998-OCT-19)

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
- \$300./year maximum award to any organization from this category
- 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's bylaws and policies (Rev. 1998-OCT-19)
- awards from this category are exclusive of awards from the other categories

Kind of Funding:

- Security Check Fee Reimbursement

(d) SOCIAL IMPACTS OF GAMING (Rev. 2000-MAY-08)

Statement of Purpose: "Social Impacts of Gaming Category grants are provided to social agencies that clearly address one or more of the following four areas of need. The areas of need are listed in order of priority, therefore, proposals that address the top priorities will be given preference:

- (1) education/prevention on the impacts of gaming;
- (2) sensitization and training of existing family and youth agency staff with respect to 3 gaming addiction;
- (3) support for families dealing with the symptoms associated with gaming addiction and related personal problems;
- (4) research into impacts of gaming identifying indicators and monitoring systems."

Additional Criteria for Awarding Grants:

- registered non-profit society
- sound financial and administrative management
- demonstrated financial need
- accessible to a large portion of the community
- other source(s) of funding
- able to identify services provided to residents of Nanaimo

Kind of Funding:

- Program Funding

(e) OTHER GRANTS

Criteria for Awarding Grants:

- large number of volunteers
- registered nonprofit 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 must adhere to all City of Nanaimo's bylaws and policies (Rev. 1998-OCT-19)
- 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

(f) 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 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 a financial need.
  - (3) must adhere to all City of Nanaimo's bylaws and policies (Rev. 1998-OCT-19)

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, and passed with a two-third's majority.

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.

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 should be used primarily by residents of the City of Nanaimo, and the organization's regulations must allow all Nanaimo residents to participate.
- (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
- Community Services
- Heritage Properties (Rev. 1998-OCT-19)
- Other Permissive Exemptions

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

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(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 (Rev. 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 (Rev. 1995-OCT-16).



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*, 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 to exempt, by bylaw, 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. As it is impossible for any new building to meet this criteria, this section will apply to only three existing properties: The Mt. Benson Sr. Citizens' Housing Society (tax folio 01315.000), the Rebekah Housing Society (C16006.006), and George R. Pearkes Sr. Citizens Housing Society (C16006.051).

(d) COMMUNITY CARE FACILITIES

General: Section 224(2)(a) 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 an institution licensed under the *Community Care Facility Act*.

Policy: Council will exempt property that meets the above criteria and is owned 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 that Council deems as being reasonably necessary in connection with that 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.

(f) RECREATION

General: Section 224(2)(a) of the *Community Charter* permits Council, by bylaw, adopted by two-thirds of its members, 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 as a public park if they:

- (1) provide full financial and operating information as requested by the Grants Advisory Committee;
- (2) meet the conditions of Sections 224, 225, 226, 227 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; and,
- (5) allow their facilities to be used by all members of the public. If admission fees are charged, they must be within the ability of average citizens to pay.

Other organizations with public athletic or recreational purposes will be considered for Permissive Tax Exemption if they meet the above requirements and:

- (6) have a long-term financial need. A windfall profit in a single year will not exclude an organization from permissive exemption.

(g) COMMUNITY SERVICES

General: Section 224(2)(a) of the *Community Charter* permits Council, by bylaw adopted by two-thirds of its members, to exempt from taxation, property not being operated for profit or gain and owned by a charitable or philanthropic organization supported by public funds and used exclusively for charitable or philanthropic purposes. This has been historically interpreted to include social service agencies.

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 Sections 224, 225, 226, 227 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;
- (5) have a long-term financial need. A windfall profit in a single year will not exclude an organization from permissive exemption.

(h) HERITAGE PROPERTY

General: Council may with at least a two-third's majority exempt from taxation "eligible heritage property" as defined in Section 225 of the *Community Charter* in whole or in part including an area of land surrounding the exempted property, limit the exemption to a specified portion of the net taxable value of the property, and subject the property to specific conditions.

Policy: Permissive Tax Exemptions may be awarded to eligible heritage properties that meet the general criteria in Sections 225, 226, 227 of the *Community Charter* and the specific criteria outlined in this Policy:

- (1) provide full financial and operating information as requested by the Grants Advisory Committee;
- (2) meet the conditions of Sections 224, 225, 226, 227 of the *Community Charter*;
- (3) property must be included on the Downtown Heritage Conservation Area schedule of buildings.
- (4) property must be on the Nanaimo Community Heritage Register.
- (5) Council approval must occur prior to the commencement of any work on the proposed project.
- (6) the applicant must agree to enter into a Maintenance Agreement with the City.
- (7) the applicant must agree to have the Designation Bylaw and Maintenance agreement registered on the title of the designated property.
- (8) no abatement of delinquent taxes will be provided.
- (9) all heritage properties that are added to the tax exemption roll must be reviewed with the other properties receiving a tax exemption every three years.

(i) OTHER PERMISSIVE EXEMPTIONS

General: Sections 224, 225, 226, 227 of the *Community Charter* permit Council, by bylaw adopted by two-thirds of its members, to exempt from taxation, certain organizations using property for specified purposes other than profit purposes.

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 Sections 224, 225, 226, 227 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;
- (5) allow their facilities to be used by all members of the public. If admission fees are charged, they must be within the ability of average citizens to pay;
- (6) have a long-term financial need. A windfall profit in a single year will not exclude an organization from permissive exemption.

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