

<b>TO:</b>	<b>CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON APRIL 30, 2012</b>
<b>FROM:</b>	<b>LYNNE LIVINGSTONE DIRECTOR, NEIGHBOURHOOD AND CHILDREN'S SERVICES</b>
<b>SUBJECT:</b>	<b>STRATEGIC FUNDING FRAMEWORK: CITY COUNCIL DIRECTED FUNDING TO NON-PROFIT ORGANIZATIONS</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director of Neighbourhood and Children's Services, with the concurrence of the Executive Director of Community Services and the City Treasurer, Chief Financial Officer:

- 1) City Council **CONFIRM** the Strategic Plan for the City of London five result areas ( A Strong Economy, A Vibrant and Diverse Community, A Green and Growing City, A Sustainable Infrastructure, A Caring Community) as the community priorities and for 2013, all current and new funding coming forward as part of the 2013 budget process must be reasonably expected to contribute to the achievement of these priorities; and,
- 2) The attached proposed By-Law (Appendix 1) with the effective date January 1, 2013 **BE INTRODUCED** at the Municipal Council Meeting of May 22, 2012 to:
  - (a) approve the standard form for Grant Agreement (attached as Schedule A to the By-law) for the Strategic Funding Framework;
  - (b) delegate to the City Manager, the City Treasurer, City's Executive Director of Community Services, City's Executive Director of Engineering and Environmental Services, or their respective written designate, the authority to insert the details into the respective Agreements in the form approved in (a) above; and
  - (c) delegate to the City Manager, the City Treasurer, City's Executive Director of Community Services, City's Executive Director of Engineering and Environmental Services, or their respective written designate, the authority to execute the Agreements.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- City of London Municipal Granting (June 15, 2011)

<b>BACKGROUND</b>
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In June 2011, City Council endorsed the Strategic Funding Framework for Council directed funding to non-profit organizations as part of the 2013 municipal budget process. The intent of the Framework is to ensure that only organizations that have a demonstrated ability to deliver on the proposed outcomes identified in their business plan and will contribute to the Results identified in Council's Strategic Plan are referred to Council through the budget process.

In addition, this Framework provides a more effective and streamlined model for Council directed funding to non-profit organizations and will be used to evaluate requests for capital, operational (one time and/or ongoing) funding requests for City Council's approval as part of the annual budget process.

The purpose of this report is to:

1. Set and confirm priorities in conjunction with Council's Strategic Plan Results for current and new funding coming forward as part of the 2013 budget process;
2. Identify a source of funding for any new requests coming forward as part of this process;
3. Provide you with the Standard Grant Agreement which will be entered into with each organization prior to the allocation of all City Council directed funding to non-profit organizations; and,
4. Outline the timelines and Strategic Funding Framework process to be undertaken for all new and increased operating and capital funding requests.

## **CONFIRMING PRIORITIES**

For several years, the City of London has been providing a wide range of organizations and institutions with capital and/or operational funding to assist in the delivery of core services that are considered by the community to be essential to a healthy and vibrant city. The organizations and institutions receiving capital and/or operational (core) funding are typically longstanding, credible organizations that provide London's residents with a multitude of services, activities and opportunities at the neighbourhood and city-wide level.

In 2012, City Council endorsed a Strategic Plan for the City of London highlighting five results that contribute to the high quality of life in London. Council provides leadership in these areas while working with numerous community partners to achieve results. The focus for the current term of Council is:

- A Strong Economy
- A Vibrant and Diverse Community
- A Green and Growing City
- A Sustainable Infrastructure
- A Caring Community

Civic Administration recommends that City Council confirm these results as the community priorities and for 2013, all current and new funding coming forward as part of the 2013 budget process must be reasonably expected to contribute to the achievement of these priorities.

For organizations and institutions currently receiving core funding, a periodic review (as outlined in the Grant Agreement) conducted each year will make sure that their goals and objectives are being met, with a view to move them towards self sufficiency.

## **IDENTIFYING A SOURCE OF FUNDING**

City Council directed funding to non-profit organizations who are requesting new or increased operational or capital funding do not currently have a funding source. Any additional funding requests would have to be considered as part of the overall tax rate increase during budget deliberations unless it can be identified within existing departmental budget targets.

For 2013, Civic Administration recommends there is no new funding available based on the current budget restraints the City of London is facing.

## **ENTERING INTO A STANDARD GRANT AGREEMENT**

In consultation with the Culture Office, Risk Management, Legal and Finance, the attached Standard Grant Agreement for the Strategic Funding Framework (Schedule "A") has been developed in order to bring consistency and standardization to the process of allocating annual operational and/or capital funding to non-profit organizations.

The development and use of a Standard Grant Agreement allows for:

- consistency and accountability to all Council directed funding to non-profit organizations;
- mitigation of potential risk;
- corporate insurance requirements; and,
- clear financial and outcome reporting expectations.

This standardized agreement meets the needs of the Strategic Funding Framework and its community partners while protecting the interest of the Corporation.

The Municipal Act provides that a municipal power be exercised by By-law. In order to administer the agreement process, it is recommended that the authority to sign the contracts be delegated as requested in the attached By-law (Appendix "B").

## **STRATEGIC FUNDING FRAMEWORK PROCESS AND TIMELINES**

The Strategic Funding Framework has one point of contact for the community: Community Partnerships and Funding. Organizations will complete a standard business plan template (see Appendix 2) following a similar format currently being used as part of the annual budget process.

On the following page is a chart outlining the steps to be undertaken throughout the process. The "bolded" steps highlight the roles and key decision points to be made by City Council as part of this Framework:

	Timeline	Strategic Funding Framework
Confirming Priorities and a Source of Funding for the 2013 Budget Process	April/May 2012	<p>Council sets and confirms priorities from Council's Strategic Plan during the budget target process.</p> <p>Council identifies a source of funding for any new requests both operational and capital funding.</p> <p>Community priorities are ideally set for 4 years (Council term) but can be confirmed as part of the annual budget target process.</p> <p>Any additional funding requests would have to be considered as part of the overall tax rate increase during budget deliberations unless it can be identified within existing departmental budget targets.</p>
Communication Strategy	May/June 2012	The Framework will be communicated to the public through a variety of methods and ongoing discussions with our community so that organizations are aware of the new process in place for all new, ongoing and additional capital and operational municipal funding requests.
Application Process 1. Complete Application 2. Internal Review Process 3. <b>Service Review Committee</b> 4. <b>Annual Budget Process</b>	July 15, 2012 deadline  August 31, 2012 deadline   September, 2012   October/ November, 2012	<p><u>Request new or increased Funding</u></p> <p>All requests for new or increased funding complete a standard business case template</p> <p>Civic Administration oversees the application and internal review process for these requests. Applications are reviewed based on:</p> <ul style="list-style-type: none"> <li>▪ funding alignment with City of London and community priorities;</li> <li>▪ capacity of the organization requesting the funds;</li> <li>▪ the availability of City of London funds;</li> <li>▪ ability of the organization to leverage additional investment in the community; and,</li> <li>▪ the duration of funding and the capacity of the organization to move towards self-sufficiency.</li> </ul> <p>Applications not meeting the above criteria are sent a letter and are not referred any further in the process</p> <p><b>Applications meeting the above criteria are then referred to Service Review Committee for a brief presentation and question and answer period.</b></p> <p><b>Budget Committee recommends whether applications move forward in the budget process. Ineligible applications are sent a letter and are not referred any further in the process</b></p> <p>Civic Administration finalizes eligible applications with the organizations and they are then referred to the annual budget process (Civic Administration drafts a report outlining all requests and providing supporting documentation).</p>
Approval Process	Dec 2012 – March 2013	<b>Council endorses decision points as part of the annual budget process.</b>
Policy and By-laws		<b>By approval of the annual budget, a by-law is in place to support funding.</b>
Allocation of Funding	April 2013	Civic Administration allocates funding based on approved business cases and budgets and after a Grant Agreement is entered into.
Reporting and Accountability	Annually (or as outlined in the Grant Agreement)   Annually	<p>Through the formal Grant Agreement, financial and outcome reporting expectations are clearly outlined.</p> <p>"Core" funded agencies provide service plans and reports that are reviewed and approved internally.</p> <p><b>Civic Administration reports annually to City Council highlighting the outcomes associated with City Council approved funding for each of the results areas identified by Council as priorities for that year.</b></p>

<b>FINANCIAL IMPACT</b>
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Through the Strategic Funding Framework there are no increased costs to approving “City Council directed funding to non-profit organizations” who currently receive funding within the existing City of London budget. Any additional funding requests would have to be considered as part of the overall tax rate increase during budget deliberations unless it can be identified within existing departmental budget targets.

For 2013, Civic Administration recommends there is no new funding available based on the current budget restraints the City of London is facing.

**SUMMARY**

Through the Strategic Funding Framework, Civic Administration wants to provide Council with accurate information to allow them to make informed funding decisions and to maintain a high level of fiscal responsibility for funding allocated by the City of London.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>Cheryl Smith Manager, Community Partnerships &amp; Funding Department of Community Services</b>	<b>Lynne Livingstone, Director Neighbourhood and Children Services Department of Community Services</b>
<b>CONCURRED BY:</b>	<b>CONCURRED BY:</b>
<b>Martin Hayward City Treasurer, Chief Financial Officer City of London</b>	<b>Ross L. Fair Executive Director Department of Community Services</b>

- C. L. Marshall, Solicitor II  
 R. Armistead, Manager, Culture and Municipal Policy  
 L. Karlovcec, Coordinator, Corporate Financial Information  
 S. Houde, Director, Business Planning

## APPENDIX 1

Bill No.  
2012

By-law No.

A By-law to approve and adopt the standard form Grant Agreement (Strategic Funding Framework); and to authorize a City Representative to insert information and execute agreements which employ this form.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides that the City may provide any service or thing that the City considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The standard form Grant Agreement (Strategic Funding Framework) to be entered into between The Corporation of the City of London and individuals or corporations who have applied to the City for a grant, attached as Schedule A to this by-law, is approved and adopted as the standard form for all such agreements.
2. The City Manager, or City Treasurer, or City's Executive Director of Community Services, or City's Executive Director of Engineering and Environmental Services, or their respective written designate, is authorized to amend the standard form agreement approved above as follows:
  - (1) Page 1 – insert date of the Agreement;  
Page 1 – insert name of Recipient;  
Page 1 – section 1.2 –mark applicable Schedules with an "X";  
Page 6 – insert name of City Representative who will execute the Agreement;  
Page 6 – insert name of Recipient;  
Schedule A –insert information required to complete the schedule;  
Schedule A – delete shaded provisions that do not apply;  
Schedule B –insert information required to complete the schedule;  
Schedule B – delete shaded provisions that do not apply; and  
Page 6 – where the Recipient is not a corporation, delete the phrase "I/We have the authority to bind the Corporation".
  - (2) execute the agreement approved under section 1 above, provided that any agreement does not require additional funding or such funding is provided for in the City's current budget.
3. This by-law shall come into force and effect on January 1, 2013.

PASSED in Open Council , 2012.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First reading -  
Second reading -  
Third reading -

## SCHEDULE A

**THIS IS A STANDARD FORM AGREEMENT - TERMS CANNOT BE ALTERED WITHOUT THE APPROVAL OF MUNICIPAL COUNCIL**

### **Grant Agreement (Strategic Funding Framework)**

THIS AGREEMENT dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Between

**The Corporation of the City of London**  
(the "City")

-and-

\_\_\_\_\_  
(the "Recipient")

WHEREAS s. 107 of the *Municipal Act, 2001*, S.O. 2001, c. 25, provides that a municipality may make grants, on such terms and conditions 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;

AND WHEREAS the Recipient has applied to the City for a grant to assist the Recipient in the Recipient's activities as described in **Schedule A** ("the Funded Activity");

AND WHEREAS City Council approved that a grant be made to the Recipient in connection with the Recipient's activities upon such terms and conditions as are more particularly described in this agreement;

NOW THEREFORE in consideration of the mutual covenants and other terms and conditions in this Agreement, the parties agree each with the other as follows:

#### **1. Definitions & Schedules**

##### **1.1 Definitions**

In this Agreement, the following definitions apply:

**"City Representative"** means the City Manager, or City Treasurer, or City's Executive Director of Community Services, or City's Executive Director of Engineering and Environmental Services, or their respective written designates;

**"Eligible Expenditures"** means the expenditures that are listed in the Funded Activity Budget (**Schedule B**), and in compliance with the Conditions Governing Eligible Expenditures set out in **Schedule B**;

**"Property"** with respect to capital grants, means the real property for which the capital grant was provided.

##### **1.2 Schedules Forming Part of Agreement**

The following Schedules, marked with an "X" (or where not marked with an "X", attached to this Agreement), form part of this Agreement:

\_\_\_\_\_**Schedule A:** Description of Funded Activity - **Operating Grant Or Capital Grant**

\_\_\_\_\_**Schedule B:** Maximum Contribution & Eligible Expenditures – **Operating Grant or Capital Grant**

\_\_\_\_\_**Schedule C:** Repayment of Grant – **Capital Grant**

and the parties agree that all references in this Agreement to "this Agreement" shall be deemed to include such Schedules.

## **2. Term**

2.1 The Agreement shall commence on the date this Agreement is signed by both parties, and shall terminate on the Funded Activity End Date as set out in **Schedule A** ("Term"), or shall terminate on such earlier date as set out in this Agreement.

## **3. Grant**

3.1 (a) Subject to the terms and conditions of this Agreement, the City shall make a grant to the Recipient as set out in **Schedule B**, which amount shall be payable as set out in **Schedule B**.

(b) Payment of any grant under this Agreement is subject to the availability of funds in the City's current approved budget.

## **4. Use of Grant**

4.1 The Recipient covenants and agrees that the Recipient shall use the grant solely for the purpose of paying the Eligible Expenditures in connection with the Funded Activity and for no other purpose.

## **5. Repayment of Grant**

5.1 For operating grants, the City, in its sole discretion, may require the Recipient to repay to the City some or all of the grant for the Funded Activity based upon the City's assessment of the current year's final audited statement provided to the City under this Agreement.

5.2 For capital grants, the City, in its sole discretion, may require the Recipient to repay to the City some or all of the grant in accordance with **Schedule C** [Repayment of Capital Grant].

5.3 If the Recipient uses some or all of the grant funds for purposes other than Eligible Expenditures, the Recipient covenants and agrees that it shall return such funds to the City.

5.4 If the Recipient does not comply with the provisions of this Agreement, the Recipient shall be considered in default of this Agreement and all grant funds the City advanced to the Recipient shall be deemed to be a loan and shall be immediately due and payable in full upon the written demand of the City Representative.

5.5 The City reserves the right to demand interest on any amount owing by the Recipient at the then current rate charged by the City on accounts receivable.

5.6 The Recipient shall return all unexpended grant funds to the City within 90 days of the end of the Term, unless the City Representative has given prior written approval for such grant funds to be spent on a specific program or activity.

## **6. Reports**

6.1 Where required by the City Representative, to be eligible for funding, the Recipient shall submit the reports as set out in **Schedule A**, on or before the date set out in **Schedule A** to the City Representative in a form and content satisfactory to the City Representative. The reports shall include a financial statement for the period covered by the reports.

## **7. Right of Audit**

7.1 (a) The City auditor or anyone designated in writing by the City auditor may audit and inspect accounts, records, receipts, vouchers, and other documents relating to the grant and shall have the right to make copies thereof and take extracts. For the purposes of this clause, audit includes any type of audit.

(b) The Recipient shall make available all facilities, physical and otherwise, for such audits and inspections and shall furnish the City and its authorized representatives with all such information as it, or they, may from time to time require with reference to such accounts, records, receipts, vouchers, and other documents.

(c) The Recipient shall cause all such accounts, records, receipts, vouchers, and other documents required under this clause, to be preserved and kept available for audit and inspection at any reasonable time, and from time to time, until the expiration of seven years from the date of disbursement of the grant under this Agreement, or until the expiration of such lesser or greater period of time as shall be approved in writing by the City.

## **8. Official Notification**

8.1 (a) Any notice required or permitted to be given under this Agreement shall be given or provided by personal delivery, mail, courier service, or fax at the postal address or fax number, as the case may be, of the receiving party as set out below:

The City  
City Clerk  
300 Dufferin Avenue  
London, Ontario N6A 4L9

The Recipient  
As set out in **Schedule A**

(b) Any notice that is delivered personally or by courier service shall be deemed to have been received upon delivery, or if sent by mail five working days after the date of mailing, or in the case of fax, one working day after they are sent.

(c) Either party to this Agreement may, at any time, give notice under this section to the other of a change of address and thereafter such changed address shall be substituted for the previous address set out in subsection (a).

## **9. Informing the Public of the City's Contribution**

9.1 (a) The Recipient acknowledges that the City may publicize the name of the Recipient, the amount of the contributions and the nature of the activity supported under this Agreement.

(b) The Recipient shall recognize the City as a funding contributor in all Funded Activity-related publicity.

## **10. Termination**

### **Termination Without Default**

10.1 Despite any other provisions in this Agreement, the City may terminate this Agreement for any reason, effective upon the giving of fifteen (15) days' prior written notice to the Recipient.

### **Termination Where Default**

10.2 The following are considered defaults of the Agreement for which the City may terminate the Agreement immediately:

(a) if any proceeding in bankruptcy, receivership, liquidation or insolvency is commenced against the Recipient or its property, and the same is not dismissed within **30 days**; or

(b) if the Recipient files a voluntary petition in bankruptcy or insolvency, makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, ceases to do business as a going concern, or seeks any arrangement or compromise with any or all of its creditors under any statute or otherwise.

10.3 Any termination by the City under this Agreement shall be without compensation, penalty or liability on the part of the City, and shall be without prejudice to any of the City's legal or equitable rights or remedies.

## **11. Indemnity**

11.1 The Recipient shall indemnify and save the City, its officers, directors, employees, agents and Councillors, harmless from and against all claims, actions, losses, expenses, costs or damages of every nature and kind that the City may suffer, caused or alleged to be caused by any wilful or negligent act, omission or delay on the part of the Recipient or its officers, directors, employees, contractors or agents, in connection with anything purported to be or required to be done by the Recipient in connection with this Agreement or the Funded Activity.

## **12. Insurance**

12.1 Throughout the term of this Agreement, the Recipient agrees to obtain and maintain at its sole expense:

(a) comprehensive general liability insurance on an occurrence basis for an amount of not less than Two Million Dollars (\$2,000,000.00) and shall include the City as an additional insured to cover any liability resulting from anything done or omitted by the Recipient or its employees, or agents, in carrying out the Funded Activity, such policy to include non-owned automobile liability, personal liability, personal injury, broad form property damage, contractual liability, owners' and contractor's protective products and completed operations, contingent employers liability, cross liability and severability of interest clauses. The Recipient shall submit a completed standard Insurance Certificate (Form #0788).

(b) In addition, the Recipient shall furnish the City with a Blanket Position Policy or equivalent Fidelity Bond in the amount not less than the maximum amount of the City's contribution of this grant. The City shall be shown on the Policy as a named Obligee with respect to any loss or misuse of funds held by the Recipient as described in this Agreement.

(c) The City reserves the right to request such higher limits of insurance or other types of policies appropriate to this Agreement as it may reasonably require.

(d) Failure to satisfactorily meet these conditions relating to insurance shall be deemed a breach of this Agreement.



(e) On the signing of this Agreement and within thirty (30) calendar days after any subsequent change or renewal of its insurance coverage, the Recipient shall provide the City with evidence that it has obtained the insurance coverage required under this section. The Recipient shall notify the City forthwith of any lapse, cancellation or termination of any such insurance coverage.

### **13. START Guide Minimum Standards – Operating Grants**

13.1 Where applicable as set out in **Schedule A** for Operating Grants, the Recipient shall carry out the Funded Activity in compliance with the START Guide Minimum Standards for Street and Vulnerable Youth (as approved by City Council from time to time), and the Recipient shall provide annual approval verification upon request. The Recipient acknowledges that it has a copy of the START Guide.

### **14. Compliance with Laws**

14.1 The Recipient shall carry out the Funded Activity in compliance with all applicable federal, provincial and municipal laws, by-laws, policies, guidelines, rules and regulations, including applicable privacy legislation, environmental legislation, and s. 72 of the *Child and Family Services Act*. The Recipient shall obtain, prior to the commencement of the Funded Activity, all permits, licenses, consents and other authorizations that are necessary to the carrying out of the Funded Activity. It is a condition of this Agreement that the Recipient will not infringe upon any right under the *Human Rights Code* in carrying out the Funded Activity.

### **15. Confidentiality**

15.1 For the purposes of the *Municipal Freedom of Information and Protection of Privacy Act*, the City's access to the Recipient's information pursuant to this Agreement is subject to the Recipient's assertion at all material times that all such documents, contracts, records, claims, and accounts are supplied by the Recipient to the City in confidence, recognizing that their disclosure could reasonably be expected to be injurious to the economic and other interests of the Recipient, and the City shall not disclose any such information without the Recipient's consent.

### **16. Assignment**

16.1 The Recipient shall not assign this Agreement or any interest in this Agreement without the prior written consent of the City, and for the purposes of this Agreement, assignment shall include any transfer in the majority ownership or controlling interest in the Recipient, whether through the sale of shares, direct acquisition of assets or otherwise.

### **17. Relationship Between the Parties**

17.1 The Recipient is not in any way authorized to make a promise, agreement or contract on behalf of the City. This Agreement is a funding agreement only, not a contract for services or a contract of service or employment. The City's responsibilities are limited to providing financial assistance to the Recipient towards the Eligible Expenditures. The parties hereto declare that nothing in this agreement shall be construed as creating a partnership, an employer-employee, or agency relationship between them. The Recipient shall not represent itself as an agent, employee or partner of the City.

### **18. Facsimile Copy of Recipient's Signature Sufficient**

18.1 A facsimile copy of the Recipient's signature on this Agreement shall be sufficient and binding.

### **19. Executed in Counterparts**

19.1 This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All counterparts shall be construed together, and shall constitute one and the same Agreement.

### **20. Headings**

20.1 The headings in this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.

### **21. Entire Agreement**

21.1 This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, arrangements, letters of intent, understandings, negotiations and discussions, whether oral or written, of the parties pertaining to the Funded Activity. The Recipient acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

### **22. Waiver**

22.1 Failure by either party to exercise any of its rights, powers or remedies shall not constitute a waiver

of those rights, powers or remedies.

### **23. Circumstances Beyond the Control of Either Party**

23.1 Neither party shall be responsible for damage caused by delay or failure to perform under the terms of this Agreement resulting from matters beyond the control of the parties including strike, lockout or any other action arising from a labour dispute, fire, flood, act of God, war, riot or other insurrection, lawful act of public authority, or delay or default caused by a common carrier that cannot be reasonably foreseen or provided against.

### **24. Payment of Grant is Subject to City Budget Approval**

24.1 (a) Any payment under this Agreement is subject to the approval by City Council for the fiscal year in which the payment is to be made. In the event that the City Council cancels or reduces the level of funding for the grants for any fiscal year in which payment is to be made under the Agreement, the City may terminate the Agreement in accordance with the termination provisions of this Agreement or reduce the amount of its contribution payable under the Agreement in that fiscal year by such amount that it deems advisable.

(b) Where, pursuant to this section, the City intends to reduce the amount of its contribution under the Agreement, it shall give the Recipient not less than 1 months' notice of its intention to do so. Where, as a result of reduction in funding, the Recipient is unable or unwilling to complete the Funded Activity, the Recipient may, upon written notice to the City, terminate the Agreement. The Recipient shall not hold the City liable for any reduction or termination of funding.

### **25. Governing Law**

25.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

### **26. Headings**

26.1 Descriptive headings are inserted solely for convenience of reference, do not form part of this Agreement and are not to be used as an aid in the interpretation of this Agreement.

### **27. Canadian Currency**

27.1 Any reference to currency is to Canadian currency and any amount advanced, paid or calculated is to be advanced, paid or calculated in Canadian currency.

### **28. Other Agreements.**

28.1 If the Recipient:

- (a) has failed to comply (a "Failure") with any term, condition or obligation under any other agreement with the City;
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the City may suspend the payment of the grant for such period as the City determines appropriate or terminate the Agreement at any time, including immediately, upon giving Notice to the Recipient.

### **29. Execution of Agreement.**

29.1 The Recipient represents and warrants that:

- (a) it has the full power and authority to enter into the Agreement; and
- (b) it has taken all necessary actions to authorize the execution of the Agreement.

### **30. Survival**

30.1 The provisions relating to liability, indemnity, Right of Audit and Repayment of Grant shall survive termination or expiry of this Agreement for a period of seven (7) years from the date of termination of this Agreement.

IN WITNESS WHEREOF the parties to this Agreement have set their hands and seals:

**SIGNED SEALED AND DELIVERED**

**For the City:** **THE CORPORATION OF THE CITY OF LONDON**

Date: \_\_\_\_\_

**For the Recipient, by the following authorized officer(s):**

**[INSERT NAME OF RECIPIENT]**

Date: \_\_\_\_\_  
\_\_\_\_\_ (signature)

\_\_\_\_\_ (Print Name)

\_\_\_\_\_ (Print Title)

<if Recipient is a Corporation, insert the following. If Recipient is an individual, remove it>  
I/We have authority to bind the Corporation

Date: \_\_\_\_\_  
\_\_\_\_\_ (signature)

\_\_\_\_\_ (Print Name)

\_\_\_\_\_ (Print Title)

<if Recipient is a Corporation, insert the following. If Recipient is an individual, remove it>  
I/We have authority to bind the Corporation

**SCHEDULE A - Operating or Capital Grant**

THE FUNDED ACTIVITY

Full Legal Name of Recipient: \_\_\_\_\_

Address for Service of Notice: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_, Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_ E-mail: \_\_\_\_\_

Funded Activity Start Date (date for which funding will be commenced):  
(yy/mm/dd) \_\_\_\_\_

Funded Activity End Date (date for which funding will end):  
(yy/mm/dd) \_\_\_\_\_

START GUIDE applicable (circle one): YES NO

FUNDED ACTIVITY DESCRIPTION:  
[Insert Funded Activity Description / Plan/]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**A. REPORTING - OPERATING GRANTS**

The following requirements apply to Operating Grants:

**REPORTS:**

The Recipient shall provide the following reports to the City Representative, on or before the dates set out below, or on such other date as agreed to in writing by the City Representative:

<For non-CAIP Grants; otherwise remove>

**If Grant is ≤ \$20,000 /year:**

1. Annual Report – due 31 days after Funded Activity End Date; to include:
  - Outcome Reporting - Yearly activity plan, and highlighting full year’s outcomes.
  - Financial Reporting – Year end financial monitoring includes a final revenue and expenditure statement; to be signed by the Board Chair and an authorized employee.

**If Grant is > \$20,000 to ≤ \$75,000 /year:**

1. Mid Year Report – due six months after Funded Activity Start Date; to include:
  - Outcome Reporting –mid-year report highlighting first 6 months outcomes
  - Financial Reporting – Mid-year financial monitoring includes a 6 month revenue and expenditure statement; to be signed by the Recipient Board Chair and a designated accountant (CA/CMA/CGA); and
2. Annual Report - due 31 days after Funded Activity End Date; to include:
  - Outcome Reporting - Yearly activity plan, and highlighting full year’s outcomes.
  - Financial Reporting – Year-end financial monitoring includes a final revenue and expenditure statement; to be signed by the Recipient Board Chair and a Chartered Accountant, Certified Management Accountant, or Certified General Accountant (“CA/CMA/CGA”).

**If Grant is > \$75,000 /year:**

1. Mid Year Report – due six months after Funded Activity Start Date; to include:
    - Outcome Reporting –mid-year report highlighting first 6 months outcomes
    - Financial Reporting – Mid-year financial monitoring includes a 6 month revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  2. 3<sup>rd</sup> Quarter Financial Monitoring Report – due nine months after Funded Activity Start Date; to include:
    - Financial Reporting – 3<sup>rd</sup> quarter financial monitoring includes a 9 month revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  3. Annual Report - due 60 days after Funded Activity End Date; to include:
    - Outcome Reporting - Yearly activity plan, and highlighting full year's outcomes.
    - Financial Reporting – Year-end financial monitoring includes a final revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  4. Audited Financial Statement – due within 120 days of the end of the Term;
    - to be signed by authorized Recipient Board member and auditor.
- 

<For CAIP Grants – otherwise remove>

**If Grant is CAIP Category 1:**

1. Mid Year Report – due September 1; to include:
    - Outcome Reporting – mid-year report highlighting March 1 to August 31 outcomes
    - Financial Reporting – Mid-year financial monitoring includes March 1 to August 31 revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  2. 3<sup>rd</sup> Quarter Financial Monitoring Report – due December 31; to include:
    - Financial Reporting – 3<sup>rd</sup> quarter financial monitoring includes March 1 to December 31 revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  3. Annual Report – due June 30; to include:
    - Outcome Reporting - Yearly activity plan, and highlighting March 31 to April 30 outcomes.
    - Financial Reporting – Year-end financial monitoring includes a final revenue and expenditure statement; to be signed by the Recipient Board Chair and a (CA/CMA/CGA); and
  4. Audited Financial Statement – due November of the following year;
    - to be signed by authorized Recipient Board member and auditor.
- 

**B. REPORTING – CAPITAL GRANTS**

The following requirements apply to Capital Grants:

**REPORTS:**

The Recipient shall provide the following reports to the City Representative, on or before the dates set out below, or on such other date as agreed to in writing by the City Representative:

1. Annual Report – due 31 days after Funded Activity End Date; to include:
  - Outcome Reporting - Yearly activity plan, and highlighting full year's outcomes.
  - Financial Reporting – Year end financial monitoring includes a final revenue and expenditure statement; to be signed by the Recipient's Board Chair and an authorized employee of the Recipient.
2. Audited Financial Statement – due within 120 days of the end of the Term;
  - to be signed by authorized by Recipient's Board member and Recipient's auditor.
3. The Recipient shall provide the City Representative with proof of ownership of the Property whenever requested by the City Representative.

FINANCIAL PROVISIONS

1.0 Maximum Contribution of the City

1.1 For Operating or Capital Grants, the total maximum amount of the City's contribution towards the Funded Activity under this Agreement is \$ \_\_\_\_\_.

2.0 Disbursement of Grants

2.1 For Operating or Capital Grants, subject to the Recipient's compliance with the provisions of this Agreement, the grant shall be disbursed to the Recipient over the Term of this Agreement, as set out below.

[FOR CAPITAL GRANTS OF ANY AMOUNT, OR FOR COMMUNITY ARTS INVESTMENT PROGRAM CATEGORY 1 GRANT >\$200,000/YEAR - OTHERWISE REMOVE:]

Capital Grants; Community Arts Investment Program Category 1 Grants >\$200,000/year

2.2 The following portions of the grant will be paid upon the following triggering events occurring:

- (i) sum of \$ \_\_\_\_\_ will be paid by the City to the Recipient upon confirmation of the following triggering event occurring: \_\_\_\_\_;
- (ii) sum of \$ \_\_\_\_\_ will be paid by the City to the Recipient upon confirmation of the following triggering event occurring: \_\_\_\_\_;
- (iii) sum of \$ \_\_\_\_\_ will be paid by the City to the Recipient upon confirmation of the following triggering event occurring \_\_\_\_\_.

[FOR OPERATING GRANTS – OTHERWISE REMOVE:]

Operating Grants

2.3 For Operating Grants, the grant will be payable as follows, subject to the Recipient's compliance with the provisions of this Agreement:

[delete inapplicable paragraphs:]

**If Grant is ≤\$20,000 /year:**

One payment of grant funds for the entire Funded Activity, to be paid within 30 days of execution of this Agreement, in the amount of: \$ \_\_\_\_\_ . .

**If Grant is > \$20,000 to ≤ \$75,000 /year:**

Two payments of grant funds, as follows:

- (1) First payment of grant funds to be paid within 30 days of execution of this Agreement, in the amount of: \$ \_\_\_\_\_ . . ; \_\_\_\_\_
- (2) Second payment of grant funds to be paid within 30 days of receipt of Mid-Year Report satisfactory to the City, in amount of: \$ \_\_\_\_\_ . .

**If Grant is > \$75,000 /year:**

Four payments of grant funds, as follows:

- (1) First payment of grant funds to be paid within 30 days of execution of this Agreement, in the amount of: \$ \_\_\_\_\_ . . ; \_\_\_\_\_
- (2) Second payment of grant funds to be paid within 60 days of execution of this Agreement, in the amount of: \$ \_\_\_\_\_ . . ; \_\_\_\_\_
- (3) Third payment of grant funds to be paid within 30 days of receipt of Mid-Year Report satisfactory to the City, in amount of: \$ \_\_\_\_\_ . . ; \_\_\_\_\_
- (4) Fourth payment of grant funds to be paid within 30 days of receipt of 3<sup>rd</sup> Quarter Financial Monitoring Report satisfactory to the City, in amount of: \$ \_\_\_\_\_ . .

3.0 ELIGIBLE EXPENDITURES

3.1 FUNDED ACTIVITY BUDGET

[FOR OPERATING GRANTS – OTHERWISE REMOVE]

The following is the Funded Activity Budget – OPERATING GRANT:

Expenditure Categories		Other Sources		Total
		Cash	In-Kind	
1. Funded Activity Management Costs				
1.1 Staff Wages *				
1.2 Professional Fees				
1.3 Capital Assets				
1.4 Other Activity-Related Costs				
1.5 Administrative Costs				
1.6 Organizational Infrastructure Costs				
* 2. Funded Activity Costs *				
<b>TOTAL</b>				
		0		

**Budget notes:**

“Funded Activity Management Costs” is the sum total of costs described in expenditure categories 1.1 through 1.6 incurred by the Recipient to carry out the Funded Activity.

“Staff Wages” includes *Mandatory Employment Related Costs (MERCs)* which refer to payments an employer is required by law to make in respect of its employees such as EI and CPP/QPP premiums, workers’ compensation premiums, vacation pay and Employer Health Tax; and *Benefits* which refer to payments an employer is required to make in respect of its employees by virtue of company policy or a collective agreement. Examples of Benefits include contributions to a group pension plan or premiums towards a group insurance plan.

“Professional Fees” include contracting for goods or services such as bookkeeping, janitorial services, information technology, equipment maintenance services, security, if contracted specifically to support the Funded Activity, audit costs and legal fees.

“Other Activity-Related Costs” are costs explicitly linked to the Funded Activity activities described in **Schedule A** that are not covered by any other expenditure category.

“Administrative Costs” are general administration-type costs, normally incurred by any organization, that are hereby incurred to enable effective delivery of the Funded Activity. These include costs such as rent, phone/fax, postage/courier, office supplies, internet/website, bank charges, office moving expenses, office cleaning, security system, garbage removal/recycling, publication purchases, equipment maintenance and membership fees.

“Organizational Infrastructure Costs” are expenses incurred for services rendered to the Recipient by a “main office”, “head office” or “administration office” of the Recipient. These are costs related to functions which, although they guide and enable effective Funded Activity delivery, are not Funded Activity specific and not covered by any of the other expenditure categories listed in the Funded Activity Budget.

“Funded Activity Costs” includes any cost described in expenditure categories 1.1 through 1.6.

[FOR COMMUNITY ARTS INVESTMENT PROGRAM – OTHERWISE REMOVE]:

Funded Activity Budget for the Community Arts Investment Program Grant:

Expenditure Categories		Other Sources		Total
		Cash	In-Kind	
Operating Expenditures				
<b>TOTAL</b>				
		0		

[FOR CAPITAL GRANTS – OTHERWISE REMOVE]:

The following is the Funded Activity Budget – CAPITAL GRANT:

Expenditure Categories		Other Sources		Total
		Cash	In-Kind	
Capital Expenditures				
<b>TOTAL</b>				
		0		

#### **4.0 BUDGET FLEXIBILITY**

4.1 The Recipient shall not, without the express prior written approval of the City Representative, make adjustments to its allocation of funds between any of the expenditure categories identified in the Funded Activity Budget.

4.2 Written approval by the City Representative of adjustments under section 4.1 may be required by the City Representative to be documented by way of a formal amending agreement signed by both parties.

#### **5.0 CONDITIONS GOVERNING ELIGIBLE EXPENDITURES**

5.1 The Eligible Expenditures set out in the Funded Activity Budget above are subject to the following conditions:

- (a) expenditures must be incurred during the Funded Activity Start Date and End Date;
- (b) expenditures must, in the sole opinion of the City Representative, be reasonable;
- (c) the portion of the cost of any goods and services purchased by the Recipient for which the Recipient may claim a tax credit or reimbursement are not eligible;
- (d) depreciation of capital assets is not eligible;
- (e) fines and penalties are not eligible;
- (f) the cost of alcoholic beverages or travel expenses are not eligible.

**5.2 In addition, with respect to grants under the Community Arts Investment Program, the Eligible Expenditures are subject to the Community Arts Investment Program (CAIP) Policy, as approved by Council from time to time.**

#### **6.0 TERMS OF PAYMENT**

##### **For Operating Grants:**

- 6.1 (1) Section 6.1 applies to Operating Grants only.
- (2) Subject to subsections (3) and (4), the City will make payments of its contribution by way of advance payments. Each payment shall cover a specific period as set out in paragraph 2.0 of **Schedule B** (hereinafter referred to as the "Payment Period") from the start to the end of the Funded Activity.
  - (3) Each advance shall cover the Recipient's estimated financial requirements for each Payment Period. Such estimate shall be based upon a cash flow forecast that, in the sole opinion of the City Representative, is reliable and up-to-date.
  - (4) If the amount of an advance payment for a Payment Period exceeds the actual amount of Eligible Expenditures incurred by the Recipient during the Payment Period, the City reserves the right to deduct the excess amount from any subsequent advance payment to be made under this Agreement, or to require repayment of that part of the grant.

##### **For Capital Grants:**

- 6.2 (1) Section 6.2 applies to Capital Grants only.
- (2) The City will make payments of its contribution upon proof that expenses have either been incurred or a contract has been awarded. Each payment shall cover a specific activity as set out in section 2.0 of **Schedule B** (hereinafter referred to as the "Payment Period") from the start to the end of the Funded Activity.

##### **For All Grants**

- 6.3 The City may withhold any payment due to the Recipient under this Agreement:
- (a) if the Recipient has failed to submit when due any report required by the City under this Agreement;
  - (b) pending the completion of an audit of the Recipient's books and records, should the City decide to undertake such an audit;
  - (c) if the Recipient is not in compliance with any applicable laws, regulations, by-laws, Council Policies, or the START Guide if applicable; or
  - (d) in the event that an audit of the Recipient's books and records indicates mismanagement or misuse of funds, in the sole opinion of the City Representative.

6.4 The City may retain a holdback of an amount up to 10% of its maximum contribution at the end of the Term pending:

- (a) receipt and acceptance by the City of a final report for the Funded Activity, and
- (b) receipt of any other Funded Activity-related record or product that may be required by the City.

6.5 Grants may only be provided to Recipients that do not budget on a deficit basis and that do not operate on a deficit basis.

#### **7.0 Capital Assets**

(1) The Recipient shall preserve any capital assets acquired with the grant, whether or not such acquisition is authorized as an Eligible Expenditure. Where a Capital Grant under this Agreement authorizes the purchase of capital assets, the Recipient shall use the capital assets for the purposes of the Funded Activity during the Term, unless the City Representative authorizes their disposition.

(2) For any capital assets valued at \$1,000 or more, the Recipient recognizes that, either at the end of the Term, or upon termination of this Agreement, if earlier, the City may, at its discretion, direct that the capital assets be:



(a) sold at fair market value and that the funds realized from such sale be applied to the Eligible Expenses of the Funded Activity to offset the City's contribution;

(b) turned over to another organization designated or approved by the City; or

(c) disposed of in such other manner as may be determined by the City.

(3) Where a direction is made under subsection (2), the Recipient undertakes and agrees to comply with such direction.

**SCHEDULE C**  
**REPAYMENT OF CAPITAL GRANT**

**1.0 Repayment of Capital Grant**

- (1) Further to section 5.2 of this Agreement, the grant shall be forgivable by the City over a 10 year period whereby the City shall forgive 1/10 of the value of the grant annually on the anniversary date of this Agreement until the grant is totally forgiven.
- (2) In addition to section 10.2 of the Agreement, the City shall have the right to declare that the Recipient has breached this Agreement and cause this Agreement and the obligations of the City under it to terminate if any one or more of the following occurs:
  - (a) the Recipient fails to fulfil all of the terms, conditions and obligations set out in this Agreement;
  - (b) the Recipient persists in violation of any of the provisions of this Agreement;
  - (c) the Recipient refuses to neglects to comply with any reasonable requirement from the City Treasurer which he or she is entitled to stipulate under this Agreement;
  - (d) the Recipient assigns or transfers or attempts to assign or transfer this Agreement;
  - (e) the Recipient transfers, sells, leases, mortgages or otherwise disposes of the Property or asset of its interest in the Property or asset;
  - (f) the Recipient ceases to use the Property solely for the purposes of providing programs consistent with its mandate;
  - (g) the Recipient ceases to be a non-share capital, non-profit Ontario Corporation accorded charitable status by the Canada Revenue Agency; or
  - (h) the Recipient ceases to exist.
- (3) Any declaration as to termination made under this clause shall be made in writing and delivered by the City to the Recipient in the manner specific in this Agreement for the giving of notices to the Recipient.
- (4) If the City has terminated this Agreement in accordance with this clause, the City shall have no further responsibility or liability with regard to this Agreement and the Recipient shall forthwith repay to the City the unforgiven balance of the Grant. It is understood and agreed that these conditions are for the sole benefit of the City and may be waived in whole or in part by the City at any time.

**BUSINESS CASE TEMPLATE**

**APPENDIX 2**

**{BUSINESS CASE NAME}**

<b>Agency Name</b>	
<b>Implementation Year</b>	Enter the proposed year of implementation
<b>Proposed Funded Activity</b>	Short title of the proposed funding activity for discussion reference
<b>Objective</b>	Describe the objective(s) of this request
<b>Description</b>	The Who, What, Where and How of the funding request

<b>Budget Implications</b>	<b>Year</b>	<b>Total Budget Request</b>
<b>Operating Budget:</b>		
One time only		
Ongoing annual		
<b>Capital Budget:</b>		
One time only		
Future years		

**Please attach a copy of your detailed budget submission supporting your funding request above** (provide any additional information supporting your request below):

**Identify the additional dollars the City of London funding will leverage in the community?**

**Will the City of London funding as a percentage of the total budget for your organization decline in the future? If yes, please explain.**

**Please describe your sustainability plan for your City of London funding request.**

**How does this Funding Request Contribute to the City of London Strategic Plan “Results”?**  
{add link to City of London Strategic Plan 2011 – 2014 document}

<b>Identify Result</b>	<b>Rationale</b>

**How will this Funding Request Impact the City of London?**

1. How will this initiative add value for the City of London	
2. What is the target population and how is the need identified (describe)?	
3. How is this initiative unique?	
4. Will this increase, decrease or maintain the level of service you are currently providing?	

**What are the Potential Risks of Not Implementing this Initiative?**

**What are the Risks of Undertaking this Initiative?**

**How will Success be Measured?**

<b>Performance Measures</b>	<b>Targets</b> →				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>

**Additional Information:**

List any Background of Reference documents (please provide hyperlinks wherever possible):

**City of London Only:**

<b>Program:</b>	
<b>Service Grouping:</b>	
<b>Service:</b>	