



<b>Title: Community Investment Grant Policy</b>	
<b>Policy #: F-CIG-1</b>	
<b>Approved by Regional Council</b>	<b>Page #: 1 (of 3)</b>
<b>Issued: October 23, 2019</b>	<b>Revised:</b>
<b>Responsibility: Commissioner of Finance</b>	<b>Section: Finance</b>

## **1. Objective**

This policy will update the 1977 Regional Council No-Grants Policy. This policy will apply to capital infrastructure investments in local healthcare and post-secondary education institutions and will assist with community fundraising requirements.

Additionally, this policy clarifies that one-time special project requests brought forward by specific Regional program areas will continue to be supported, on a case-by-case basis, through the established Business Planning and Budget process.

## **2. Funding Request Process**

In order for a capital infrastructure project to be considered for funding, the organization must provide a written request to the Commissioner of Finance. The request must be submitted prior to September of the forthcoming year in order to be considered through the annual Business Planning and Budgets process.

The written request must confirm that the conditions of funding have been sufficiently met. The request must also provide a description of the capital project, a business case (as outlined below) and an estimated completion date.

All funding applications are subject to Council approval and the availability of funds. Although a request may meet all the necessary criteria in the funding formula, it does not guarantee a request will be granted.

## **3. Regional Community Investment Funding Business Case**

All requests for healthcare or post-secondary education capital infrastructure grants as well as all requests for one-time special project community investments, related or complimentary to Regional programs, will be evaluated by program area staff using a business case approach involving Finance Department and Legal Services expertise as appropriate. These projects will be considered on a case-by-case basis. Funding will be at the discretion of Regional Council and will be subject to the annual Business Planning and Budgets process.

The business case will include the following components:

- Demonstrate alignment with Regional strategic priorities;

- Clearly defined desired project outcomes, including Region-wide benefits;
- Analysis of alternative options capable of generating desired outcomes;
- Sound technical, economic, financial, and cost-benefit assumptions;
- Detailed review of available financing and long-term financial implications; and,
- Assessment of potential risks.

#### **4. Funding Agreement**

Upon Council approval of funding, the organization will be required to enter into a funding agreement with the Region. The funding agreement will outline the terms and conditions of payment, and will include the following information:

- Total amount of funding to be provided
- Milestones to be achieved
- Amount and timing of payment after milestone completion
- Details of annual project reporting
- Conditions under which payment will be withheld or cancelled
- Details on recognition of funding from the Region of Durham

Funding will be provided at the discretion of Regional Council and will be subject to the annual Business Planning and Budget Process.

Funds will be distributed to institutions based on the completion of project milestones. The milestones and payment arrangements will be agreed upon and included in the funding agreement.

Organizations that receive funding will be required to report back with project status updates. These reports will be completed annually with dates set out in the funding agreement. The report will provide an overview of the project to date, including progress towards key milestones and an update on project completion status.

All organizations receiving funding will be required to provide recognition of financial support from the Region of Durham. The details will be determined through the applicable funding agreement.

#### **5. Funding Formula for Regional Community Investment Grants**

In addition to the above, all healthcare and post-secondary institutions will be required to conform to specific funding formulas.

##### **5.1 Funding Formula for Healthcare Institutions**

The following conditions must be met in order for healthcare institutions to receive capital project funding from the Region of Durham:

- The need for Provincial project approval;
- The commitment of at least 70 per cent Provincial funding of total project costs at the time of request. This relates to all capital projects, excluding capital equipment;
- The proposed financing must include donations raised from the community;
- Region's contribution representing 25 per cent of the community component or a maximum of 7.5 per cent of the total project cost;
- Funds will only be provided for long-term capital assets;
- Must provide proof of project benefits to residents of the entire Region; and,
- Approval of funding subject to a Regional Community Investment Funding Business Case.

The need for a provincial funding commitment stems from the provincial cost share policy. This condition is waived for capital equipment financing requests as the provincial government is not obligated to provide any funding assistance for these projects.

Funding will only be provided for new projects that have not reached completion. Funds will not be provided on a retroactive basis for completed projects.

## **5.2 Funding Formula for Post-Secondary Education Institutions**

The following conditions must be met in order for post-secondary institutions to receive capital project funding from the Region of Durham:

- The need for Provincial project approval;
- The proposed financing must include donations raised from the community;
- Region's contribution representing a maximum of 7.5 percent of the total project cost;
- Funds will only be provided for long-term capital assets;
- Must provide proof of project benefits to residents of the entire Region; and,
- Approval of funding subject to a Regional Community Investment Funding Business Case.

There is no requirement for a minimum financial commitment from the provincial government for post-secondary institution project funding. The provincial government is not obligated to provide any funding for post-secondary infrastructure projects.

Funding will only be provided for new projects that have not reached completion. Funds will not be provided on a retroactive basis for completed projects.

## **6. References**

6.01 Corporate Services–Regional Council Policy Manual.

## **7. Inquiries**

7.01 For additional information regarding this policy please contact the Commissioner of Finance.