

Definitions

“Eligible Expense Category” shall mean each expense category identified in this agreement which Council will provide operational grant funding to support. Eligible Expenses shall include the following:

1. Building Supplies
2. Materials
3. Utilities (Power, Water, Heating)
4. Waste Removal
5. Telephone, Fax, Security Systems, internet
6. Garbage Removal
7. Repairs and Maintenance
8. Grounds keeping, including snow removal
9. Insurance
10. Bookkeeping
11. Volunteer and Program Personnel
12. Office Supplies
13. Courier and postage
14. Staffing as it pertains to the operation of the facility, including mandatory employment related costs and WCB.
15. Employee related travel costs
16. Programming Costs
17. Licenses, Fees and Memberships
18. Volunteer Development and Training (excluding honorariums)
19. Travel and Meals
20. Advertising and Promotion
21. Non-refundable GST
22. Other expenses at the discretion of Administration.

“Ineligible Expenses” shall mean expenses which are ineligible for operational grant funding, this includes, but is not limited to:

1. Non-routine repair and maintenance costs
2. Expenses related to fundraising (casino, events, etc.)
3. Interest on debt
4. Amortization
5. Gifts
6. Endowment funds
7. Donations
8. Honorariums
9. Other expenses at the discretion of Administration

“Approved Eligible Expense” shall mean the amount approved for each Eligible Expense Category. The Approved Eligible Expense may end up being greater or less than what the Society ends up spending in the grant year on that particular Eligible Expense category.

“Net Fundraising proceeds” shall mean the net revenues from all events, projects, or initiatives, which are intended, in whole or in part, to generate revenues for the Society.

“Other Operational Grants” shall mean This includes grants or other funding arrangements from other levels of government or other organizations which are spent on Eligible Expenses. If an operational grant provided by another organization to the Society covers both Eligible and Ineligible Expenses, only the portion of the grant spent against Eligible Expenses shall be deducted.

Funding Model

The operational funding for a given year will be equal to 100% of the Approved Eligible Expenses, less 75% of the following actual revenues (subject to the provisions identified in the Reconciliation Report Section):

- Net Fundraising Proceeds;
- rental revenues;
- Externally Unrestricted Donations or Sponsorship;
- Other Operational Grants.

The above notwithstanding, County Operational Funding shall not be provided for expenses paid for by Other Grant Funding. The reconciliation report and the final amount paid to the Society for the grant year shall be adjusted, if necessary, to reflect this this.

The following revenues **shall not** be deducted from the Approved Eligible Expenses:

- Casino funding, regardless of whether they could potentially be used to offset operations;
- Externally restricted Donations or Sponsorships, excluding those which are provided for fundraising or Eligible Expenses.

Submission of Funding Request

- The Society shall submit their operational funding request by September 30, for requests for the following year. For example. Funding requests to offset 2021 operational expenses will be submitted by September 30, 2020. when reasonable or necessary, Administration may extend the deadline for the submission of the operational funding request.
- The request shall be submitted to the Chief Administrative Officer (CAO), or designate.
- The request shall include the following documents.
 - a. A cover letter, signed by the President of the Society;
 - b. A budget for a 12-month period, coinciding with the Society’s fiscal year, which includes:
 - i. Projected Eligible Expenses for the year for which funding is requested,
 - ii. Projected Net Fundraising revenues, rental revenues, Externally Unrestricted Donations and Sponsorships, based on the definitions of this agreement.

- iii. The estimated grant funding that will be owed to the Society based on these projections (Projected Grant Amount).
- c. Upon the request of Administration or Council, the Society may be required to provide the following additional information:
 - i. Projected Eligible Expenses for the present year (projection based on year-to-date).
 - ii. A document highlighting the anticipated program and services of the Society in the year for which funding is requested, and major operating activities.

Approval of the Funding Request

- The Society will present their funding request to Council.
- Council may choose to approve the amount for each Eligible Expense category as identified in the proposed budget. Alternatively, Council may choose to approve a lesser amount.
- Despite the amount approved for Each Eligible Expense category, the Society may exceed the approved amount. However, only the approved amount will be used in the determination of grant funding.

Budget Changes throughout the Grant Year

- The Society may transfer funds between Approved Eligible Expense categories, with the exception of repair and maintenance and staffing costs. The amended amount shall be considered the Approved Eligible Expense Amount. The Society shall keep a list of all transfers made between Approved Eligible Expense categories.
- Increases to the Approved Eligible Expenses for staffing and repair and maintenance, or for overall increases in Approved Eligible Expenses shall require Council approval.

Reconciliation Report

- Following the completion of the fiscal year for which the grant funding is provided, the Society shall provide Lac La Biche County with a reconciliation report.
- This reconciliation report shall be provided by February 1st following the grant year.
- The reconciliation report shall identify:
 - i. The Approved Eligible Expenses, based on the amount (or actual expense, whichever is less)
 - ii. A dollar value for each relevant revenue category used in determining the grant funding:
 - Net Fundraising Proceeds;
 - rental revenues;
 - Externally Unrestricted Donations or Sponsorship;
 - Other Operational Grants.
- The final grant amount, based on the relevant revenues and expenses, according to the calculations and provisions of the funding model.

- The Society will be responsible for completing the reconciliation report.
- The reconciliation report will be reviewed by County Administration.
- The County will review and approve the reconciliation report.
- Approval of the reconciliation report will be provided in writing to the Society.
- The County reserves the right to recalculate the funding or reclassify revenues or expenses which would change the final operational grant funding amount. That being said, the County and the Society will work collaboratively to ensure that the reconciliation report complies with the provisions and intended spirit of the agreement.
- If any funding is owed back to the County by the Society, a single payment will be made to the County within 15 days following the request to do so.
- If any funding is owed to the Society by the County, a single payment will be made to the Society within 15 days following the notice of approval of the reconciliation report.
- The amount of additional funding provided to the Society will not exceed 5% of the projected grant amount identified in the budget initially submitted to Council.

Payment of Grant Funding

- Upon approval of both the County budget and the Society's request, an initial payment equal to 100% of the estimated final grant amount (the amount determined by the funding model once relevant revenues are factored in).
- The foregoing notwithstanding, a payment of 50% of the estimated final grant amount may be provided by February 28 of the grant year, if the County budget and/or the Society's request is not yet approved. This will be provided at the discretion of Administration.
- Any payment for a given year, will not be provided until the previous year's reconciliation report is received and, if required, any owed funding is repaid.

Other

- The Society shall solicit donations or sponsorships for fundraising events and initiatives such that funding provided for these initiatives may be considered externally non-restricted revenues, and therefore, be factored into the calculation for net fundraising revenues.
- The Approved Eligible Expense for a given category may be changed (by the Society) from what was initially approved by transferring approved funds between Categories.
- In the event that the Society ends up spending less than the Approved Eligible Expense, the actual amount spent for that category shall be treated as the Approved Eligible Expense amount.
- Sponsorship or other grant funding provided to the Society by Lac La Biche County (e.g. event sponsorship grants) shall not be factored into the calculation for net revenues, insofar as it pertains to revenues generated through fundraising. Other County funding provided by the Society to cover Eligible Operational Expenses shall be handled in the usual fashion.

- Net Fundraising proceeds shall be calculated by adding up the net revenues *from each* event or initiative. Net losses for any one event or initiative shall be calculated at zero, instead of a negative number).

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