



POLICY
Department of Municipal and Community Affairs
Extraordinary Funding

1. Statement of Policy

The Department of Municipal and Community Affairs may provide funding to community governments to assist with extraordinary funding requirements for events beyond what a reasonable and prudent community government would plan for.

2. Principles

The Department of Municipal and Community Affairs will adhere to the following principles when implementing this Policy:

- (1) Even with prudent planning, factors outside a community's control may lead to unforeseen situations that affect the operations of community governments;
- (2) Community governments are expected to use sound financial planning techniques in order to address the financial implications of unplanned or unavoidable events; and
- (3) Community governments should not be penalized for practicing sound financial management, nor should they be rewarded for poor financial management.

3. Scope

The funding associated with this Policy is limited to the provision of community government programs and services as referenced in the Government of the Northwest Territories' *Community Government Funding Policy* and is intended to provide a last resort when no other Government of the Northwest Territories or federal government policies apply.

4. Definitions

The following terms apply to this Policy:

Eligible Community Governments – are community governments as defined in the Government of the Northwest Territories' *Community Government Funding Policy*.

Extraordinary Funding - Funds to be used to supplement the existing reserves of a community to repair community public infrastructure or to bring up to an acceptable standard community government programs and services that were impaired through events that could not reasonably be anticipated. (See 6(2)(a).)

5. Authority and Accountability

(1) General

This Policy is issued in accordance with Financial Management Board (FMB) direction to delegate to Ministers authority to establish grants and contribution programs. Authority and accountability is further defined in Financial Administration Manual directives, 401, 401-1, 401-2 and 401-4, and as follows:

(a) Minister

The Minister of Municipal and Community Affairs (the Minister) is accountable to the Financial Management Board for the implementation of this Policy.

(b) Deputy Minister

The Deputy Minister of Municipal and Community Affairs (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

(2) Specific

(a) Minister

The Minister may:

- (i) approve changes to this Policy;
- (ii) approve, grants or contributions according to the terms and conditions outlined in this Policy; and
- (iii) delegate the authority to approve, grants and contributions to the Deputy Minister.

(b) Deputy Minister

The Deputy Minister has the following authority and accountability:

- (i) determines the need for assistance based on consultations with community governments and/or departmental officials; and
- (ii) makes recommendations to the Minister regarding approval of requests for Extraordinary Funding.

6. Provisions

(1) Eligibility

Community governments, as defined in the Government of the Northwest Territories' *Community Government Funding Policy*, are eligible for funding under this Policy.

(2) Criteria

- (a) Extraordinary funding will only be considered in situations where assistance is required to maintain a minimum level of community government services or to address regulatory requirements on an emergency basis.
- (b) Extraordinary funding cannot be used for an enhancement to community government funding.
- (c) In order to be eligible for Extraordinary Funding, the community government must demonstrate that they have taken appropriate action to minimize costs of recovery.
- (d) If the event has ongoing implications or the community government is in a financial deficit, the community government must submit a plan for sustainable financial management, in the form of a deficit recovery plan or a revised budget.
- (e) Extraordinary funding contributions should be allocated with the intent to resolve the unforeseen situation within one or two years.

(3) Applications

Community government representatives will make a written request to the Deputy Minister detailing the need for funding, the cause of that need, the projected amount of funding required, and the financial implications to the community government of the unforeseen event. Applications will also outline mitigation measures to address the issue which prompted the funding request.



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(4) Financial

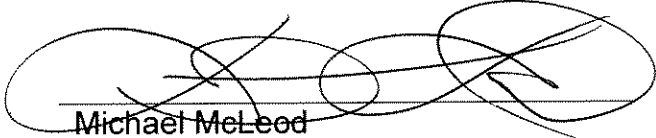
If, in the opinion of the Minister, a community government could have planned for or taken steps to mitigate the event(s) for which extraordinary funding is being requested, the Minister may reduce future contributions by an amount not to exceed the amount of the Extraordinary Funding provided.

7. Financial Resources

Financial resources required under this policy are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

8. Prerogative of the Minister

Nothing in this Policy shall in any way be construed to limit the prerogative of the Minister to make decisions or take actions respecting grants or contributions. In this regard, the Minister may approve exception to this policy. Any exception will require the Minister's written approval.



Michael McLeod
Minister

OCT 2 2007

Date