



Operations and Maintenance Funding Policy

1. Statement of Policy

Pursuant to the *Community Government Funding Policy*, the Department of Municipal and Community Affairs (MACA) may provide funding to community governments to assist with the provision of community government programs and services.

2. Principles

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

- (1) Community governments should exercise full authority and responsibility for the provision of community government services in their communities.
- (2) Community governments should set priorities and plan for the sustainable development of their communities.
- (3) Community governments should develop financial plans that reflect the needs and priorities of community government services.
- (4) Community governments should leverage funding from a variety of sources.
- (5) Community governments should use a prudent and reasonable approach to operations.

3. Scope

This policy guides the allocation of funding to assist community governments with the operations and maintenance of community government programs and services.



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4. Definitions

The following terms apply to this policy:

Community Government Programs and Services – those programs and services which are provided by community governments, including but not limited to: the provision of water, the collection, treatment and disposal of sewage and garbage, fire protection, road maintenance, recreation, by-law enforcement, land use planning and administration.

Community Government – a corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, the *Hamlets Act*, the *Tłı̄chǫ Community Government Act*, or any Designated First Nations Council.

Designated First Nations Council – a First Nations Council designated by MACA as the community government with prime public authority for the provision of municipal services, where a municipal corporation is not established in the area.

Included Infrastructure – the current replacement value of infrastructure that supports common community government programs and services, such as: administration buildings, recreation facilities, heavy equipment, and roads.

Operations and Maintenance (O&M) Funding – a contribution, as defined by the Financial Administration Manual, which provides funding to community governments to assist with the costs of providing community government programs and services.



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5. Authority and Accountability

(1) General

This Policy is issued in accordance with Financial Management Board direction to delegate to Ministers the authority to establish grants and contribution programs. Authority and accountability are further defined in the Financial Administration Manual 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 standards, guidelines, and standard operating procedures as may be necessary for the implementation of this policy;
- (iii) Approve grants and contributions according to the terms and conditions outlined in this policy;
- (iv) Delegate the authority to approve, reduce, or withhold all or a portion of grants and contributions to the Deputy Minister; and



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- (v) reduce or withhold a grant or contribution that the Minister would otherwise have provided to a community government or take other action as allowed for under the Government of the Northwest Territories' (GNWT) community government legislation if, in the opinion of the Minister, a community government fails to comply with the provisions of this policy or another GNWT policy.

(b) Deputy Minister

The Deputy Minister has the following authority and accountability, which they may delegate to a Director or a Regional Superintendent:

- (i) approve grants or contributions according to the terms and conditions outlined in this policy; and
- (ii) approve the calculations performed under this policy.

6. Provisions

(1) Funding Eligibility

The funding provided under this policy is intended to support the delivery of community government programs and services and is not intended to cover the capital replacement costs of associated assets.

To be eligible for this funding, community governments must be recognized by MACA as the prime authority responsible for the provision of municipal services.

(2) Eligible Expenses

Operations and maintenance funding can be used for any expense approved by the Community Government Council that supports the programs and services offered to residents.

(3) Ineligible Expenses

Operations and maintenance funding cannot be used for costs unrelated to the delivery of community government programs and services.



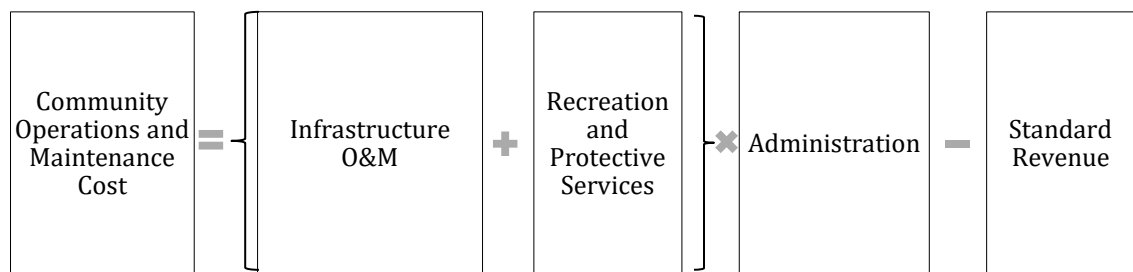
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(4) Funding Calculations

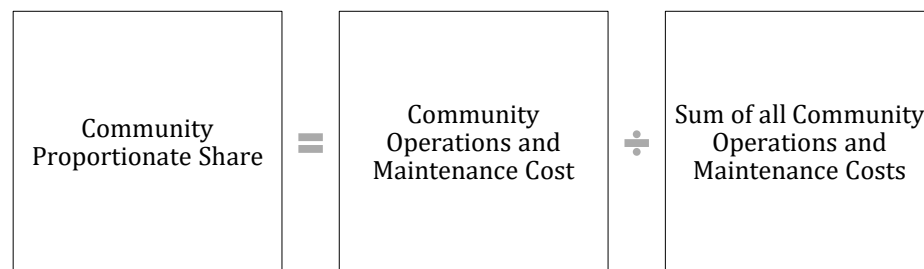
Under this policy, operations and maintenance (O&M) costs are calculated by subtracting standard revenue from the total cost of delivering community government services, excluding water and waste services. A community government's proportionate share of funding is identified by comparing those costs to the sum of O&M costs for all community governments. The O&M funding amount is determined by multiplying a community government's proportionate share by MACA's O&M funding budget.

Relevant factors and standards will be updated every 3 years.

(a) Operations and Maintenance Cost Calculation



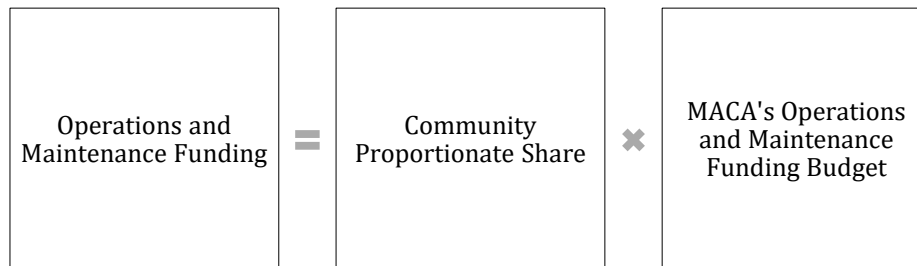
(b) Community Proportionate Share Calculation





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(c) Operations and Maintenance Funding Calculation



(5) Accounting and Reporting Requirements

- (a) Community governments are required to budget for and report revenues and expenses for operations and maintenance in the annual audited financial statements.
- (b) Community governments shall submit a copy of annual audited financial statements to the Minister within 120 days after the end of the fiscal year.

(6) Terms and Conditions

- (a) MACA will withhold O&M Funding from community governments that have not submitted financial statements after one fiscal year, and use those funds to update accounting or complete an audit.
- (b) Where violations of the terms and conditions of this policy result in a reduction of funding, this reduction, at the discretion of the Deputy Minister, may be applied to funding under any of the three Ministerial community government funding policies.

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 activity for the fiscal year for which the funds would be required.



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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 make an exception to this Policy. Any exception will require substantiation in writing and must be recorded with the Department of MACA.

Shane Thompson
Minister

October 03, 2023

Date