

APPENDIX A

City of Toronto Community Grants Policy

Replaces: Updates Toronto Grants Policy, 2008 and integrates City of Toronto Grants Policy Anti-Racism, Access and Equity Policy and Guidelines Applicable to Recipients of Grants from the City of Toronto and its Agencies, Boards and Commissions (December, 1998), City of Toronto Policy on Political Activities (2003), Policy on the Consideration of Unrestricted Reserves and Operating Surpluses in the Assessment Process

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(1) Preamble:

The City of Toronto is committed to a strong and vibrant voluntary sector and believes that grants are an important means of achieving its social, cultural and economic goals. Through the City's support of a sector-wide network of community organizations, residents are encouraged to engage in civic life and participate in decision-making. The City recognizes that community organizations can deliver many services more efficiently and with a greater degree of community acceptance. Furthermore, it recognizes that City grants help leverage other resources from the community, business and other governments.

The following core values guide the City of Toronto's grant-making activities:

1.1 Diversity and Equity - The City of Toronto will commit to ensuring that an equity and diversity lens is applied to its grant making. The City condemns harassment, denigration, discriminatory actions, and promotion of hatred. Activities funded by the City of Toronto must comply with all relevant legislation including the City's anti-discrimination policies, the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms.

1.2 Accessibility – The City of Toronto will ensure that all qualified applicants will have the opportunity to access and make applications to City of Toronto Grant Programs.

1.3 Openness and transparency – The City of Toronto will make information about its evaluation processes and criteria publicly accessible.

1.4 Accountability – The City of Toronto will make information about its granting activities available to the public. The City will ensure that grants are used for the purposes for which they are provided.

1.5 Responsiveness – The City of Toronto will involve the community in the ongoing review of community needs and will ensure that its Grants Programs are able to meet new and emerging needs.

(2) Purpose:

The purpose of this policy is to provide a framework for all City granting activities within its scope (excluding grants in-kind) and guide the administration of City Grant Programs and decision-making process. The policy provides guidance on key aspects of the City's grant-making processes including:

- Conditions of grant support;
- Mechanisms the City will use to allocate grants
- Means by which the City will administer grants;
- Program standards and measurements and
- Guidelines for the appropriate use of City grants

This policy also describes links to more detailed policies that apply to specific granting activities.

(3) Scope

This policy applies to all grant funding activities pursuant to the *City of Toronto Act, 2006* Section 83. It does not apply to the following:

3.1 Grant funding activities carried out under the authority of other sections of the City of Toronto Act;

3.2 Grant funding activities carried out under the authority of Acts other than the City of Toronto Act;

3.3 Grant funding activities administered by the City on behalf of an external grant-maker;

3.4 In-kind granting activities carried out under the authority of the City of Toronto Act, any other Act, or on behalf of an external grant-maker; and

3.5 Rebates

(4) Definitions:

4.1 “Grant” means grant funding pursuant to Section 83 of the *City of Toronto Act*, 2006.

4.2 “Rebate” means the transfer of cash to a third party to lessen or refund a portion of an amount already paid.

4.3 “Grant Program” means a program that allocates a Grant to organizations to meet established Grant Program objectives.

4.4 “Line-item grant” refers to a specific amount allocated to a specific agency within a divisional budget.

4.5 “Ancillary and Incidental” activity is one that is naturally connected with and subservient to a grant recipient’s larger mandate, purpose, and project, service, or educational activity, or something that exists only in conjunction with such larger mandate, purpose, and project, service, or educational activity.

4.6 "Unrestricted Reserve" refers to those funds that have not been restricted by the donor for a specific purpose and whose use is therefore at the discretion of the organization's Board of Directors or one of its affiliated organizations

(5) Conditions of Grant Support:

5.1 To be eligible to receive a grant from the City of Toronto, all organizations must meet the following conditions:

5.1.1 Toronto-Based

The organization’s head office must be located in Toronto, and all Grant-supported activities must take place in Toronto.

5.1.2 Consistency with City Goals

The activity or outcomes for which funding is requested must support any purpose Council considers to be in the interest of the City of Toronto Act.

5.1.3 Compliance with City’s Commitment to Equity, Diversity and Human Rights

Grant recipients must comply with provincial and federal human rights/hate crime legislation and the requirements of the City's policy prohibiting harassment/discrimination on the basis of the additional grounds of political affiliation and level of literacy.

In addition, grant recipients are also required to adhere to the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms

As a condition of a grant:

1. All organizations will be required to submit a signed Declaration of Compliance with Anti-Harassment/Discrimination Legislation and City Policies;

2. All Organizations with total annual operating budgets greater than \$25,000.00 will be required to submit documentation regarding their anti-discrimination/harassment, access and equity policies.
3. All Organizations receiving one-time Grants will be required to include in their request a description of how they address discrimination/harassment, access and equity within the organization.

5.1.4 Financial Need and Financial Health

An organization seeking funding must demonstrate that it does not otherwise have the resources necessary to undertake the activity for which the grant is requested. This includes providing all necessary information regarding the level of its Unrestricted Reserves. The level of an organization's Unrestricted Reserves will also be evaluated to determine the organization's ability to meet its legal and financial obligations.

5.1.5 Not-for-Profit

All organizations must demonstrate that the activity for which a grant is requested will be organized without financial gain for its members or directors

5.1.6 Political Activity

Grant recipients shall not use funds provided by the City to oppose or endorse a named party, or elected official. Any such grants may not be devoted directly to such activities, or devoted indirectly through provision of resources to a third party engaged in partisan political activities.

In cases where a grant recipient devotes part of its resources to political activities described in this section:

- such political activities must be Ancillary and Incidental to its mandate, purpose, and project or service activities,
- such political activities must not include the direct or indirect support of or opposition to any political party or candidate for public office.

Without limiting the above, political activities undertaken as part of a City funded project not subject to any limitation include:

- all candidates meetings, oral and written presentations to the relevant Councillors to present the proponent's views or to provide information,
- oral and written presentations or briefs containing information and recommendations to the relevant committees of Council,
- the provision of information and the expression of non-partisan views to the media that fall within the general ambit of the grant recipient's mandate or purpose, as long as the devotion of resources to such activity is reasonable in the circumstances (i.e., is intended to inform and educate by providing information and views designed primarily to allow full and reasoned consideration of an issue, rather than to influence public opinion or to generate controversy),
- publications, conferences, workshops and other forms of communication that are produced or organized by a grant recipient in order to sway public opinion on political issues and matters of public policy,

- advertisements in newspapers, magazines or on television or radio to the extent that they are designed to attract interest in, or gain support for, a grant recipient's position on political issues and matters of public policy,
- public meetings or lawful demonstrations that are organized to publicize and gain support for a grant recipient's point of view on matters of public policy and political issues, and mail campaigns: requests by a grant recipient to its members or the public to forward
- letters or other written communications to the media and government expressing support for the organization's views on political issues and matters of public policy.

None of the above activities may be carried out in a manner that may reasonably be construed as supporting a particular candidate, elected official or particular party.

Through its funding, the City of Toronto creates opportunities for communities to play a role in shaping public policy as a way to support an active and engaged civil society.. However, these investments are not an endorsement of any particular political or policy perspective held by Grant recipients.

5.1.7 Adhere to Terms and Conditions

5.1.7.1 The organization must adhere to any terms and conditions for grant recipients established by the City.

5.1.7.2 Organizations that have previously received a grant from the City of Toronto must have adhered to the terms and conditions in place for the period of the grant.

5.2 Additional Conditions of Grant Support

The City may establish additional conditions of grant support. These conditions of grant support may apply to all organizations, across a Grant Program, to individual organizations within a Grants Program, or to line-item grants.

5.3 Exceptions

The City recognizes that there may be circumstances where an organization's failure to adhere either to the terms and conditions and/or to the policies for grant recipients in place at the time of a previous grant should not prevent the organization from receiving new grant support from the City.

Council may decide to waive the condition of grant support set out in section 5.1.7.2 after considering:

5.3.1 The length of time that has passed since the organization failed to adhere either to the terms and conditions and/or to policies for grant recipients;

5.3.2 Changes made to the organization's governance and management

5.4 Right to Reject:

The City reserves the right to reject any request for a grant from an organization, including those that meet all the conditions specified in 5.1. In addition to rejecting requests for grants that do not meet all of the conditions specified in 5.1, the City may reject grant requests where:

5.4.1 The demand for grants is greater than the funding available for allocation;

5.4.2 The City determines that the organization requesting the grant is in any way indebted to the City; or

5.4.3 The City, in its sole discretion, is of the opinion that it is in its best interests that the grant be rejected.

(6) Granting Mechanisms:

The City of Toronto will allocate grants using Grant Programs and line-item grants. Only Council may establish or delete either a Grant Program or a line item grant. Wherever possible, the City will allocate grants using Grants Programs. Line-item grants will only be established where there is a unique organization that can assist the City in meeting one or more of its goals. “Standards for the Administration of Line Item Grants” (2008) provides these standards for line-item grants.

(7) Appealing decisions:

Some Grant Programs have an appeal process. For these Grant Programs, applicants who are not satisfied with the outcome of the allocations may submit an appeal to have the recommended funding decision on their request reconsidered. Information on the process for review and approval of grants is included in each Grant Program's guidelines.

(8) Program Standards and Performance Measures:

Grant Programs and line-item grants will operate according to Council approved program standards as set out below. These standards require each program to develop and publish information on the following areas:

Priority Setting: confirms that an effective program model is used (e.g. the criteria and priorities that guide allocations and decision-making), and situates the Grant Program within divisional, departmental, and Council goals.

Outreach: provides information about the funding program to potential applicants and other stakeholders through an outreach strategy suitable for the program design and funding model.

Application: ensures that effective processes are in place to receive and review applications, and that the basis for recommendations and assessment decisions of each application are well documented.

Allocation: ensures fairness and transparency in decision-making, and consistency in reporting procedures. In this process segment, recommendations are made and funding allocations are officially approved.

Administration: ensures that a procedure is in place to ensure due diligence in monitoring the use of funds and compliance with the terms and conditions of funding. The process also includes an opportunity to identify and reduce risk by increasing the management and operational capacity of funding recipients.

Evaluation: assesses the quality and impact of the funding program, and identifies opportunities to improve the efficiency and effectiveness of the program.

(9) Customer Service Standards:

The City aims to deliver exceptional, equitable and accessible customer service. All City divisions have service standards that detail the necessary time to deliver services to Toronto's residents. These customer service standards are made available to better inform citizens about when they can expect requested services to be delivered. Each community Grant Program is guided by these standards.

(10) Complaints:

Complaints about a grant recipient should be directed to the organization. It is the responsibility of each grant recipient to have a complaints procedure and to address complaints made about their own services and activities.

Where a complaint made directly to an organization about a service has not been resolved satisfactorily, a complaint can be submitted to the City Grant Program that supports the funded activity for appropriate follow up.

(11) Use of City Grants:

In addition to this policy, the use of grants will be governed by a standard set of terms and conditions, or by an alternate set of terms and conditions agreeable to the City Solicitor. "Delegation of Authority – Grants Administration" (1999) and its subsequent updates provides standard terms and conditions. Funded organizations receive a letter of understanding that sets out these terms and conditions, which must be signed and agreed to receive funds.

APPENDIX 2

Standards for the Administration of Line Item Grants

- A. Goals and Objectives
- B. Information Collection
- C. Support for Organizations
- D. Approvals and Contracting
- E. Payments
- F. Reporting

A. Goals and Objectives

A.1. The consistency of the grant with City goals and objectives is approved by Council on a regular basis to ensure accountability and transparency. This means that:

A.1.1 A report that summarizes the purpose, goals and Community Impact Measures of the grant has been approved by Council within the past 5 years.

B. Information Collection

B.1 The organization is advised of the information required to demonstrate that it has met the conditions of grant support. This means that information collection materials include:

B.1.1. The grant goals and objectives;

B.1.2. The conditions of grant support;

B.1.3. Information about eligible costs, funding limits, and funding periods;

B.1.4. Information about deadlines, and stages and timing of decision-making; and

B.1.5. The terms and conditions, relevant policies, and reporting expectations of receiving a grant.

B.2 The information collection materials request only the information necessary for determining that the organization has met the conditions of grant support. This means that:

B.2.1. Each piece of information collected is necessary to ensuring the conditions of grant support have been met;

B.2.2. Information is collected in a way that minimizes the administrative burden on the organization.

B.3. Organizations have a reasonable timeframe in which to prepare and submit required information: This means:

B.3.1. Information collection tools are available a minimum of 4 weeks prior to the deadline.

C. Support for Organizations:

C.1. A staff person is available to respond to the organization's questions. This means that:

C.1.1 A staff contact is included in information collection materials, including a telephone number and/or e-mail address; and

C.1.2 Staff aim to respond to the organization's questions within 48 working hours.

D. Approvals and Contracting:

D.1. Allocation decisions are communicated to the organization as soon as possible. This means that:

D.1.1 Allocation decisions are conveyed to the organization within two weeks after approval by Council; and

D.1.2. Allocation decisions are formalized by a contract agreement, such as a Letter of Understanding (LOU), which outlines the terms and conditions of the grant.

Monitoring and Performance Evaluations

E. Payments:

E.1. Payments are processed and funds released as soon as possible. This means that:

E.1.1. Payment requests are forwarded to Finance within two weeks of receipt of a signed contract agreement and other necessary documentation, and once the conditions of grant support are met; and

E.1.2. If an instalment process is used, payment requests are forwarded to Finance on time according to the funding agreement, and once other necessary documentation and conditions of grant support are met.

E.2. Advance payments are made where appropriate to enhance the organization's stability and capacity, and in accordance with the flexibility available to divisions in the budget process. This means that:

E.2.1. The appropriate circumstances for advance payments to a returning organization include:

- (i) The organization has received a grant in each of the past three years, and is likely to be approved for a grant in the current year;
- (ii) The grant supports on-going program or operating costs; and
- (iii) The advance amount does not exceed 40 percent of the previous year's grant.

F. Reporting

F.1. Effective reporting requirements are established for grant recipients: This means that:

F.1.1. The administering division provides a reporting format to the organization (such as a final report form);

F.1.2. The reporting format requests both quantitative and qualitative information about the outcomes of funded activities, and about Community Impact Measures, where appropriate;

F.1.3. The reporting format corresponds with the reporting requirements expected of the grant recipient as determined in previous process segments; and

F.1.4. The organization is informed about how the data contained in their reports will be used.

F.2. Reports and grant files are reviewed for completeness. This means that:

F.2.1. Reports from grant recipients are reviewed to ensure that:

- (i) funded activities are complete;
- (ii) all allocated funds are expended in accordance with the agreement contract;
 - (iv) a balanced budget is submitted; and
 - (v) conditions of grant support are met; and

F.2.2. A grant file review/closure process is used to ensure all necessary documentation is complete