



**Report of the Chief Electoral Officer  
on the Investigation into Alleged Breaches of the *Elections Act*  
by Steve Craig during the Sackville-Cobequid By-election**

May 29, 2019

## Table of Contents

<b>Introduction</b>	3
<b>Acronyms</b>	3
<b>Background</b>	3
<b>Timing of Events</b>	4
<b>Initial Review of Complaint</b>	4
Allegation Number 1	4
Allegation Number 2	5
<b>Investigation</b>	6
<b>Findings</b>	6
<b>CEO Conclusion and Opinion</b>	7
<b>Recommendations</b>	9
Recommendation 1	9
Recommendation 2	9

**Appendix A** – Relevant Sections of the *Elections Act*

**Appendix B** – Guidelines – HRM Spending During Municipal, Provincial or Federal Elections

**Appendix C** – District Capital Fund Policy

**Appendix D** – Summary of Councillor District Capital Funds 2017-18

## Introduction

This report discusses the Chief Electoral Officer's (CEO) findings following an inquiry into a complaint received regarding Steve Craig, the Progressive Conservative Association of Nova Scotia's (PC) candidate in the by-election for the provincial electoral district of Sackville-Cobequid and the Municipal Councillor for District 15 (Lower Sackville) in the Halifax Regional Municipality (HRM). It was alleged that Mr. Craig took advantage of municipal resources to promote himself as a candidate in the Sackville-Cobequid by-election and breached the Nova Scotia *Elections Act* (the *Act*).

## Acronyms

CEO	Chief Electoral Officer
ENS	Elections Nova Scotia
the <i>Act</i>	The <i>Elections Act</i>
HRM	Halifax Regional Municipality
MLA	Member of the House of Assembly
NSNDP	Nova Scotia New Democratic Party
NSLP	Nova Scotia Liberal Party
PC	Progress Conservative Association of Nova Scotia

## Background

On May 16, 2019, Elections Nova Scotia (ENS) received a complaint from the Nova Scotia New Democratic Party (NSNDP) that Steve Craig, PC candidate in the by-election for the provincial electoral district of Sackville-Cobequid and the Municipal Councillor for District 15 (Lower Sackville) in HRM, may have breached the *Act* by taking advantage of municipal resources to promote himself as a candidate in a provincial by-election. The complaint contained two allegations.

The first allegation was that Mr. Craig distributed a newsletter in the election period using municipal funds which was election advertising and did not include an indication that the advertising was authorized by the official agent of the candidate.

The second allegation was that Mr. Craig attended an event on May 15, 2019 where he gave a \$20,000 cheque to a local community group and that the cheque was made in exchange for receiving votes of one or more persons.

The NSNDP communicated to the media that they made a complaint to ENS regarding Mr. Craig and the matter was reported.

## Timing of Events

The notification of the vacancy of the Member of the Legislative Assembly (MLA) occurred on November 16, 2018. Based on that date, the *Act* required that the writ of election for the by-election be issued no later than May 16, 2019.

The writ of election for the Sackville-Cobequid by-election was issued on May 15, 2019 at or before 3:00 pm. Election day was set for June 18, 2019.

Mr. Craig won the PC nomination for the Sackville-Cobequid by-election on February 4, 2019 and subsequently registered as a candidate with ENS on February 19, 2019. Under the *Act*, a candidate must register before spending funds or raising funds and may register at any time before a writ of election is issued. Mr. Craig filed his official nomination form with the Sackville-Cobequid returning officer on May 16, 2019, the first day that the returning office was open to the public.

The CEO is responsible for enforcing fairness, impartiality and compliance with the *Act*, and may investigate matters that might constitute an offence under the *Act*. As required by Sections 288 and 290, the CEO notified the NSNDP party that the complaint was being investigated, and also notified Mr. Craig that he was being investigated on May 17, 2019.

## Initial Review of the Complaint

### Allegation Number 1

The first allegation of the complaint was that a newsletter sent out by Mr. Craig as a councillor was election advertising on behalf of Mr. Craig as a candidate. On initial review of the complaint, ENS determined that the newsletter was sent to Mr. Craig's municipal constituents in late April/early May. This has been a common practice of Mr. Craig as a councillor for the past several years.

On May 20, 2016, the *Act* was amended to change the definition of "during an election" to commence with the dissolution of the House of Assembly or the issuance of the writ (See: Bill 162, An Act to Amend Chapter 5 of the Acts of 2011, the *Elections Act*).

Prior to this legislative change, "during an election" (i.e. the start of the election period) commenced with the notice of vacancy on the day an MLA notified the Lieutenant Governor that his or her seat was now vacant.

Under the current legislation, the election period begins with the issuance of the writ, as per Section 2(da):

**2 (da)** "during an election" means the period commencing with the dissolution the House of Assembly, or the issuance of the writ for a by-election, and ending at the close of the polls on election day;

Further, Section 2(d) states that to be election advertising, the newsletter must have been distributed during the election:

**2 (i)** "election advertising" means the transmission to the public by any means during an election of an advertising message that promotes or opposes a registered party or the election of a candidate, including one that takes a position on an issue with which a registered party or candidate is associated but, for greater certainty...

Because the newsletter was distributed before the election period began (prior to the issuance of the writ on May 15, 2019), this allegation was dismissed, and the content of the newsletter was not further considered.

### **Allegation Number 2**

The second allegation of the complaint was that the \$20,000 cheque Mr. Craig presented to a local community group on May 15, 2019 was made in exchange for receiving the votes of one or more persons. Following the initial assessment, the CEO believed that this part of the complaint merited an investigation. In particular, the CEO was concerned that Section 339 of the *Act* may have been breached.

Specifically, the following potential breaches were of concern with reference to the relevant sections of the *Act*:

- That the cheque for \$20,000 delivered at the meeting by Mr. Craig may have been provided in exchange for a promise of votes (see Section 339(1)(d)).
- That the delivery of the funds at the meeting may have been a form of promotion that constituted election advertising, i.e. that one or more electors could have been influenced to vote for Mr. Craig because of the donation of the funds at the event (see Sections 2(i)).
- If the delivery of the funds was found to be a form of election advertising, further that:
  - as the funds were provided by HRM, the funds were a form of third-party advertising (see Section 166(u)), or a third-party contribution (see Section 166(d)), which would require adherence to the third-party sections of the *Act* (see Sections 275 to 284);
  - the funds constituted an illegal contribution because the *Act* only permits individuals to make contributions (Section 166(d) and Sections 234 to 251).

In order to determine whether there was a breach of any of the aforementioned sections, the CEO sought to answer the following questions:

1. What was the nature of the meeting at which the cheque was presented?
  - a. Who attended the meeting?
  - b. Was it a public meeting?
2. Was the meeting a vehicle to promote Mr. Craig as candidate in the by-election?
3. What was the purpose of providing the funds at the meeting?
4. What was the source of the funds?
5. If the funds were provided by HRM, were they appropriately distributed and what role did HRM have in determining the purpose for and amount of the funds provided?
6. What policies or guidelines does HRM have in place regarding the distribution of the funds during a provincial by-election?
7. Was there any indication during the presentation that the funds were being provided in exchange for a promise of votes?
8. Could the provision of the funds have influenced the attendees of the meeting to vote for Mr. Craig in the Sackville-Cobequid by-election?

## Investigation

On May 17, 2019, the CEO launched an investigation under the authority of subsections 4(a), 5(p) and 287 of the *Act*.

ENS investigators interviewed the following individuals:

- Theresa Scratch, Director, Friends of First Lake Society;
- Michel Hindlet, NSLP candidate in the Sackville-Cobequid by-election, attendee at the meeting;
- Lara Fawthrop, NSNDP candidate in the Sackville-Cobequid by-election, attendee at the meeting; and
- Steve Craig, PC Candidate in the Sackville-Cobequid by-election and Councillor for HRM district 15.

Investigators also had discussions with John Traves, Director of Legal Services for HRM, reviewed HRM guidelines for the District Capital Funds and spending during elections, and reviewed the spending of these funds from previous years.

## Findings

On the evening of May 15, 2019, Mr. Craig, in his role as HRM councillor for District 15, acted as the master of ceremonies at the Annual General Meeting (AGM) of two trail associations, the Sackville Lake and Trails Association and the Friends of First Lake Society. He has acted as master of ceremonies for this meeting in previous years. The meeting was public and was attended by approximately 40-50 people. As estimated by interviewees in attendance, about 70% of those in attendance likely lived in the Sackville-Cobequid electoral district. The agenda of the two AGMs included a review of the annual report, review of the finances of the associations, election of members of the board, a show of appreciation for the volunteers, and a question and answer session for members. There was also a presentation by a consultant to update the plan and the design of the local trails. Once the formal agenda concluded, those in attendance were able to enjoy refreshments, review the material available about the trails, and socialize.

During the meeting, Mr. Craig presented a cheque for \$20,000 to the president of the Sackville Lake and Trails Association, Monique Guilderson. When the cheque was presented, Ms. Guilderson informed the attendees that Councillor Craig was also a candidate in the upcoming Sackville-Cobequid provincial by-election. In response to Ms. Guilderson's announcement, Mr. Craig informed the audience that two other candidates, Michel Hindlet of the NSLP, and Lara Fawthrop of the NSNDP were also in attendance at the meeting, both of whom stood up and acknowledged the crowd. During the investigation, Mr. Craig stated that he was not aware that Ms. Guilderson was intending to mention his candidacy in the provincial by-election.

The source of the cheque, presented by Mr. Craig, was the City of Halifax District Capital Fund. Through this fund, each HRM councillor is allotted \$94,000 annually to distribute to community groups within parameters defined by HRM council in 2012 (see Appendix B). Mr. Craig has previously supported the Sackville Lake and Trails Association from this fund. On February 9, 2017 a cheque for \$7,358.42 was issued to purchase benches for the Association.

When interviewed during the investigation, Mr. Craig advised ENS that his decision to provide funds to the Sackville Lake and Trails Association was made in late April/early May of 2019 after the HRM budget was approved. When the executive of the Association was informed of his decision, they requested he wait until the AGM on May 15, 2019 to present the funds.

ENS also considered the possibility that HRM was a third party and that the presentation of the cheque at the meeting constituted third-party advertising. Third party is defined under the *Act* as “a person or group, other than a candidate, registered party or electoral district association” (s. 166u), and all third parties must register with ENS if they spend more than \$500 during an election. Please see Appendix B for the definition of election advertising according to Section 2(i) of the *Act*.

During the investigation, the evidence provided found that that the presentation of the cheque was not third-party advertising by HRM, nor was it found to be a third-party contribution. These findings are based on the following factors:

- HRM did not promote Mr. Craig in any way during the meeting when he presented the cheque.
- Trails (i.e. trail maintenance, use, funding, etc.) are not a political issue at the provincial level of government.
- The Capital Fund that each councillor distributes annually at a value of \$94,000 is controlled and distributed at the discretion of the councillor. There are restrictions on the types of projects eligible for funding and the trail society met the criteria in this case and in previous years.
- The cheque for \$20,000 was requested by Mr. Craig and issued by HRM in late April/early May of 2019. Mr. Craig presented the cheque to the community group during the AGM on May 15, 2019 at the request of the recipient.
- The HRM guideline states that the councillor must not make any commitments during an election. Mr. Craig assured ENS that no requisitions have been initiated since May 15, 2019.
- Under the *Municipal Election Act*, a councillor remains an elected official during an election. If Mr. Craig is the successful candidate, he would be required to resign his councillor position within 30 days of being elected.

ENS also considered the possibility that the funds were considered to be a contribution made by Mr. Craig himself because he effectively had control of the timing and distribution of the District Capital Fund. However, as the source of the funding was HRM, and there were specific guidelines in place to restrict his usage of the funds, the evidence did not support this potential breach.

## **CEO Conclusion and Opinion**

Based on the investigation, the CEO has come to the following conclusions.

The CEO believes, based on the interviews conducted, that the funds provided by Mr. Craig from the municipal District Capital Fund to the Sackville Lake and Trails Association was done as part of his responsibilities as an HRM councillor and was not intended to promote Mr. Craig as a candidate in the Sackville-Cobequid by-election. The CEO believes that although Mr. Craig had decided before the start of the election period to provide the funds to the Sackville Lake and Trails Association, he was a registered candidate for the by-election at that time as well as councillor for HRM. Given that the date of the AGM, May 15, 2019, was the day before the last day the Premier could issue a writ of election (May 16, 2019), it was highly likely he knew when he made the decision to wait for the AGM to hand over the cheque, that the meeting could occur within the election period.

The CEO believes that although Mr. Craig took efforts to ensure that the funds were provided under his role as councillor, and that he took efforts to not appear to be promoting himself as a candidate in the by-election, that the likelihood of a “spillover” benefit effect in delivering the cheque at that time from his role as councillor to his role as a candidate was high. The

CEO also believes that the spillover effect would have been largely the same had Mr. Craig delivered the cheque in late April/ early May of 2019 when he made the decision to make the donation. In light of the above, the CEO has concluded that Mr. Craig did not violate the existing provincial election finance laws under the *Act*.

That being said, the CEO also believes that the provision of funds by an elected official in one level of government should not be permitted while that official is running for election at another level of government. The term “running” should be viewed in the broader context because there are several iterations of candidacy under the law. That is, once an individual has been nominated locally as a candidate, has accepted that nomination publicly, has registered with ENS as a candidate, and is actively raising and spending money to advertise their candidacy, then that individual is indeed “running” for election at that point. The eventual acceptance of their nomination paper by the returning officer after the writ has been issued is a formality required by law.

There are a number of examples where the provision of funds or resources by an elected official is expressly forbidden in legislation or policy to varying degrees.

The first example is restrictions in place preventing current MLAs in Nova Scotia from using their constituency funds during a provincial election. While in office, MLAs have access to constituency funding for their office, for communications and advertising in their electoral district. The House of Assembly Management Commission Regulations, made under the *House of Assembly Act*, prohibit incumbents from accessing their constituency funds for the entire election period commencing with the issuance of the writ. Unlike an HRM Councillor, an MLA ceases to be an MLA once the writ is issued.

Secondly, under the *Canada Elections Act*, candidates running federally must resign from their elected position (at the provincial level) before being officially nominated in a federal election. Individuals who are members of the legislative assembly of a province are not eligible to be candidates in a federal election. The official nomination process can only occur after the writ of election has been issued.

A final example is that under HRM policy, councillors and the mayor may not spend discretionary funds (i.e., from the District Capital Fund or the District Activity Fund) once they are officially nominated in either a provincial election or a federal election. Again, the official nomination process in both cases can only occur after the writ of election has been issued. This guideline has been in place since 2009 and was updated in 2012.

Restricting the funds available to elected officials when running for election at a different level of government has been contemplated in legislation and policy, however, there are inconsistencies in their application. The CEO believes that the provision of funds by an elected official in one level of government should not be permitted under any circumstances while that official is running for election at another level of government, given the advantage this creates for the elected officials over other candidates.



## Recommendations

**(1) The CEO recommends that the *Elections Act* be modified to require elected local officials and members of other legislative assemblies to, at minimum, take a leave of absence from their other elected position during the election period.**

This means that these registered candidates must take a leave of absence as soon as the writ is issued, or, if they are not registered at that time, as soon as their official nomination papers are filed. To be clear, this provision should be enacted in a way that there is no break in the individual's pensionable service or benefits during the leave.

This legislative change would prevent the "spill over" effect discussed above, whereby an elected official's activities in their role as an elected official, that take place while they are a candidate for the provincial legislature, will not influence potential voters in an ongoing election. In this inquiry, the District Capital Fund and the District Activity Fund are allotted annually to each councillor in HRM. The ability to distribute this funding as Mr. Craig did, adds a distinct advantage to candidates who are also members of council that is not afforded to other candidates. While general guidelines are provided and enforced by HRM, the council member has broad discretion as to what entities are worthy of support, how much they are awarded and when those funds are dispersed. Federal and provincial incumbents, and other candidates, have neither similar discretionary powers nor funds to allocate.

**(2) The CEO recommends that HRM consider updating their guidelines to reflect updates to the *Elections Act*.**

The HRM guidelines on spending during municipal, provincial or federal elections (see Appendix B) were last updated in 2012. In 2016, the *Act* was modified to require candidates who intend to raise money or spend money for their election before the issuance of the writ to register with ENS. The express goal of this legislative change was to add transparency to the electoral finance regime as the candidate is required to report annually on funds raised and spent. The CEO asks that HRM consider extending their guidelines so that a councillor or mayor who is a registered provincial candidate be:

- required to take a leave of absence during an election period (from the day the writ is issued to election day) which is at most, 46 days, and;
- restricted from allocating discretionary funds from the date they become a registered candidate (can actively raise funds to support their candidacy) through to election day.

In closing, the CEO acknowledges that should HRM decide to extend their policy in this regard, they would in fact, surpass the requirements currently in place provincially and federally to ensure transparency and accountability.

## Appendix A – Relevant Sections of the *Elections Act*

### Definitions

Under section 2:

**2 (da)** “during an election” means the period commencing with the dissolution the House of Assembly, or the issuance of the writ for a by-election, and ending at the close of the polls on election day;

**2 (i)** “election advertising” means the transmission to the public by any means during an election of an advertising message that promotes or opposes a registered party or the election of a candidate, including one that takes a position on an issue with which a registered party or candidate is associated but, for greater certainty, does not include

- (i) the transmission to the public of an editorial, a debate, a speech, an interview, a column, a letter, a commentary or news,
- (ii) the distribution of a book, or the promotion of the sale of a book, for not less than its commercial value, if the book was planned to be made available to the public regardless of whether there was to be an election,
- (iii) the transmission of a document directly by a person or a group to their members, employees or shareholders, as the case may be, or
- (iv) the transmission by an individual, on a non-commercial basis on the Internet, of his or her personal political views;

Under section 166, Part II - Electoral Finance:

(i) “election expenses” means all expenses incurred during the period commencing with the dissolution of the House of Assembly, or the issuance of the writ for a by-election, and the end of the day on election day for the purpose of promoting or opposing, directly or indirectly, the election of a candidate or the program or policy of a registered party or candidate, and includes (i) expenditures incurred before an election for literature, objects or materials of an advertising nature used during the election for an aforementioned purpose,

(d) “contributions” means services, money or other property donated to a registered party, electoral district association, candidate or registered third party or an individual acting on behalf of a registered party, electoral district association, candidate or registered third party to support the political purposes of a registered party, electoral district association, candidate or registered third party, but does not include...(see Act for full list of exclusions).

(h) “election advertising expense” means an expense incurred in relation to (i) the production of an election advertising message, or (ii) the acquisition of the means of transmission to the public of an election advertising message;

(u) “third party” means a person or a group, other than a candidate, registered party or electoral district association;

**Other Provisions**

**339 (1)** Every prospective candidate or candidate is guilty of an offence who, during an election...(d) makes or promises to make any subscription or donation for a religious, charitable, educational, athletic or philanthropic purpose, or to any club, society or association in exchange for receiving the votes of one or more persons;

**Sections 275 to 285:** Third Party Advertising, including sections related to limits, offences, authorization, registration, reporting etc.

**Sections 234 to 251:** Contributions and Disclosure of Contributions, including restrictions on persons who may lawfully make a contribution, records, statements etc.

## **Appendix B – Guidelines-HRM Spending During Municipal, Provincial or Federal Elections**



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 1**  
**Halifax Regional Council**  
**March 6, 2012**

**TO:** Mayor Kelly and Members of Halifax Regional Council

Original Signed by Director

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, Acting Director of Finance and Information Technology

**DATE:** February 9, 2012

**SUBJECT:** Guidelines-HRM Spending During Municipal, Provincial or Federal Elections

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**INFORMATION REPORT**

**ORIGIN**

Originates with staff.

**BACKGROUND**

The HRM Charter provides the broad framework within which policies authorizing the expenditure of public monies are developed, administered, and revised. Further, the various election acts provide guidance specific to election campaign spending and the conduct of incumbents and candidates including; for Municipal Elections, the Municipal Elections Act (1989 as amended), for Provincial Elections, the Provincial Elections Act (SNS 2011, c5), and Federal Elections, the Canada Elections Act (2000). In addition to legislation, the Halifax Regional Municipality monitors spending of public monies in accordance with the approved budget; both Capital and Operating. Specific policies and procedures are also in effect for specific types of reserve accounts, area rates accounts, and other spending accounts.

The attached guidelines are meant to provide additional clarity for members of Halifax Regional Council taking part in a Federal, Provincial or Municipal election. It is not meant to restrict members of Halifax Regional Council in the performance of their ongoing duties on behalf of their constituents.

## **DISCUSSION**

The “HRM Spending Guidelines during Municipal, Provincial and Federal Elections” (attached) is intended to guide expenditures where individual Councillors direct the specific allocation of funds to one degree or another. As always those expenditures must be in accordance with applicable legislation, HRM’s goals and priorities. The aim is to ensure that during a period of increased public scrutiny, either preceding or during an election for public office, clear guidelines are established to guide individual discretionary spending decisions as they relate to public funds to provide transparency in the event of allegations of conflict of interest. Further, the guidelines provide direction to senior staff regarding the identification and reporting of any proven spending irregularities.

Often an election occurs in the middle of a fiscal year, raising additional need for clarification. The nature of some of these funds is such that expenditures and commitments may cover multiple years and the timing of the expenditures may be concentrated during the construction season.

These guidelines have been updated and amended to provide greater clarity on the official nomination day per the Municipal Elections Act and to provide more specifics on the relevant sections of the District Activity and District Capital Funds policies.

The Guidelines are attached.

## **BUDGET IMPLICATIONS**

There are no budget implications associated with these guidelines, as these are spending guidelines on current approved budgets.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

## **COMMUNITY ENGAGEMENT**

None

**ATTACHMENTS**

Attachment - HRM Spending Guidelines during Municipal, Provincial or Federal Elections

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Louis de Montbrun, Manager Financial Reporting, 490-7222

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**HRM Spending Guidelines During Municipal, Provincial or  
Federal Elections  
Revised February 9, 2012**

**1. Context**

The HRM Charter provides the broad framework within which policies authorizing the expenditure of public monies are developed, administered, and revised. Further, the various election acts provide guidance specific to election campaign spending and the conduct of incumbents and candidates including; for Municipal Elections, the Municipal Elections Act (1989 as amended), for Provincial Elections the Provincial Elections Act (SNS 2011, c 5), and Federally the Canada Elections Act (2000). In addition to legislation, the Halifax Regional Municipality monitors spending of public monies in accordance with the approved budget; both Capital and Operating. Specific policies and procedures are also in effect for specific types of reserve accounts, area rates accounts, and other spending accounts.

These guidelines are meant to provide additional clarity for members of Halifax Regional Council taking part in a Federal, Provincial or Municipal election. It is not meant to restrict members of Halifax Regional Council in the performance of their ongoing duties on behalf of their constituents.

**2. Statement of Intent**

The “HRM Spending Guidelines During Municipal, Provincial and Federal Elections” is intended to guide expenditures where individual Councillors direct the specific allocation of funds to one degree or another. As always those expenditures must be in accordance with applicable legislation, HRM’s goals and priorities. The aim is to ensure that during a period of increased public scrutiny, either preceding or during an election for public office, clear guidelines are established to guide individual discretionary spending decisions as they relate to public funds to provide transparency in the event of allegations of conflict of interest. Further, the guidelines provide direction to senior staff regarding the identification and reporting of any proven spending irregularities.

Often an election occurs in the middle of a fiscal year, raising additional need for clarification. The nature of some of these funds is such that expenditures and commitments may cover multiple years and the timing of the expenditures may be concentrated during the construction season.

**3. Types of Spending Restricted During an Election**

3.1 These guidelines apply to all Members of Council who are “officially nominated” in a Provincial, Federal or Municipal election. A candidate has been officially nominated when the receipt on the nomination paper has been signed by the Returning Officer.



3.2 The guidelines cover the following accounts:

- (i) District Activity Funds;
- (ii) District Capital Funds; and,
- (iii) Councillors Support Office and Mayor's Office expenditures in promotional advertising, newsletters, direct mail flyers or surveys, signage, or discretionary donations.

3.3 The following restrictions shall apply to the accounts listed in 3.2:

- (i) once an election proclamation has been issued pursuant to a Federal or Provincial election or by-election, no additional commitments or expenditures may be made by those Members of Council who have been officially nominated. Commitments or expenditures may resume once election returns have been filed and either:
  - (a) the candidate is defeated and commences the remainder of their term on Regional Council; or,
  - (b) a municipal election or by-election has been concluded and a new candidate is sworn in to municipal office.
- (ii) once a candidate is successful in a Provincial or Federal election, commitments or expenditures may not be made by the Member of Council during the time frame between their election victory and the swearing in date for their new area of representation be that a Provincial or Federal office. All remaining funds will be held for decision by the next councillor that will represent that district.
- (iii) following the official nomination for an HRM Municipal election or by-election, no additional commitments or budget changes may be made. Commitments or expenditures may resume once election returns have been filed and a candidate is either acclaimed or sworn into municipal office. For further clarity, the official nomination day under the Municipal Elections Act is the second Tuesday of September of election year or any such day five days prior that the Returning Officer signs a candidate's official nominations papers.
- (iv) if a candidate is acclaimed in a new or substantially altered district, then no expenditures or commitments can be made until the candidate has been sworn into municipal office. In 2012, as a result of the District Boundary Review, all districts will be considered as substantially altered.

For greater clarity, the District Activity Fund Policy states:

#### Section 5. Restrictions on Expenditures During a Municipal Election Campaign.

5.1 Councillors' District Activity Fund expenditures shall be suspended during a municipal campaign; the date of cessation of spending shall be set as the

official date for closure of candidacy as per the HRM Discretionary Spending During Municipal, Provincial or Federal Elections; Policy and Procedures (2003). This date is in accordance with Provincial and Federal Election regulations).

*Rationale: The intent of this restriction on spending during an election campaign is to avoid allegations of irregular election spending among candidates.*

5.2 No monies from the Councillors' District Activity Fund may be spent on an incumbent's election related costs.

Such expenditures are not deemed to qualify as a municipal purpose.

5.3 In the event of an incumbent's acclamation to Regional Council access to their District Activity Fund account shall not be suspended.

For greater clarity, the District Capital Fund Policy contains the following section related to spending during A Municipal Election.

#### Section 8, Restrictions during a Municipal Election

8.1 Expenditures from all categories of funding under the HRM District Capital Fund shall be suspended during a municipal election campaign and for Councillors who have been officially nominated in a provincial or federal election; or a by-election.

*Rationale: The intent of this restriction on spending during an election campaign is to avoid allegations of irregular election spending among candidates or conflict of interest.*

*Interpretation: If a project is in progress, the work shall proceed and committed funds may be spent.*

8.2 No monies from the HRM District Capital Fund may be spent on an election related cost, including those of the incumbent.

8.3 The date of suspension of the HRM District Capital Fund shall be set as the official date for the closure of candidacy.

*Rationale: This date is in accordance with provincial election regulations.*

*Interpretation: Once an incumbent has officially declared their candidacy in a government election, use of their district allocation from the Fund shall cease.*

8.4 Expenditures from the HRM District Capital Fund may resume upon the day a candidate is officially sworn into office as an elected representative of Regional Council.

8.5 In the event of an incumbent's or candidate's acclamation to Regional Council access to the district allocation of the HRM District Capital Fund shall resume.

3.4 A candidate shall not expend or direct the expenditure of any municipal funds in the production or distribution of promotional materials such as, but not limited to, a district newsletter, advertisement, signage, direct mail campaign, etc. during a Municipal, Provincial or Federal election. The time frame for this shall be the same as that referenced in 3.3.

3.5 Nothing in the guidelines shall prevent HRM from paying for a commitment, or legal obligation that existed on record prior to the circumstances listed in 3.3.

3.6 Nothing in the guidelines shall prevent HRM Regional Council from voting on a tender or RFP that was issued prior to the circumstances listed in 3.3.

3.7 Nothing in the guidelines shall prevent HRM from proceeding with debate or voting on its overall budget for the upcoming fiscal year even where items that are or could be listed in 3.2 are part of that overall budget.

3.8 In the guidelines, "commitment" shall mean a commitment normally defined by generally accepted accounting rules and HRM's internal policies and must be provided in writing to Finance staff.

#### 4. Emergency Spending

The nature of the funds listed in 3.2 precludes any requirement for emergency spending. Emergency issues will be dealt with through the appropriate business unit utilizing HRM policies and procedures.

#### 5. Responsibility for the Guidelines Implementation, Monitoring and Reporting

5.1 The CAO shall be responsible for ensuring staff compliance with the guidelines, assisted by the Deputy CAO.

Actions of HRM staff are expected to reflect awareness of and to comply with the stated intent of the guidelines. Any irregularities or violations of the guidelines on the part of staff shall be reported to the CAO and as appropriate by the CAO to Regional Council.

5.2 HRM Directors shall be responsible for ensuring annual Operating and Capital

expenditures, service standards, and project priorities are in accordance with the annual budget and business plan approved by Regional Council. Spending shall be in accordance with standard decision-making policies and procedures.

5.3 HRM Finance shall be responsible for monitoring expenditures in accordance with the approved budget and procurement policies and procedures.

5.4 Responsibility for review and revision of the guidelines shall rest with HRM Finance.

## Appendix C – District Capital Fund Policy

11.1.5

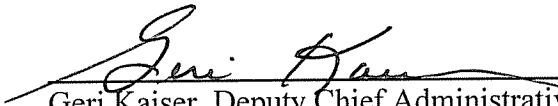


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Halifax Regional Council**  
**July 31, 2007**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Dan English, Chief Administrative Officer

  
Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services  
and Strategy

**DATE:** June 19, 2007

**SUBJECT:** District Capital Fund Policy

### **ORIGIN**

- This report responds to concerns expressed by Council, the Audit Committee, and staff with respect to policy and procedures guiding the expenditure of Councillors' funds that support community initiatives.

- February 28, 2006 motion from Halifax Regional Council that staff provide a report outlining specific options for funding support to community initiatives.

- May 29, 2007 Committee of the Whole motion that the District Capital Funds and the Building Communities Funds be merged and that they operate in the same manner as current procedures.

### **RECOMMENDATION**

- It is recommended that Council approve the merger of the District Capital Fund and the Building Communities Fund April 1, 2008 into a single fund called District Capital Fund.

- That Council approve the attached policy effective immediately, with sections related to the merging of the funds to become effective with the 2008/09 budget year.

## **BACKGROUND**

In May 2007 staff brought forward proposed changes to the operation of the Councillors' three funds aimed at supporting community initiatives (District Activity, District Capital and Building Communities Funds). The proposal was intended to provide greater flexibility in the allocation of funds between HRM-owned assets and community-owned assets. The pros and cons of the proposed changes and the draft policy were discussed by Councillors at two Committee of the Whole sessions.

Staff was asked to come back to Council with a revised policy based on the motion passed by Committee of the Whole to combine the District Capital and Building Communities funds into one fund. The District Activity Fund is to remain separate and to continue under the previously approved policy, however administration of the fund has moved from the Grants Program to the Accounting Division of Finance which will enable Finance to provide improved customer service.

## **DISCUSSION**

In accordance with a motion passed by the Committee of the Whole on May 29, 2007 the Councillors' District Capital Funds and the Councillors' Building Communities Funds have been merged into one account. A revised District Capital Funds policy has been drafted and is presented as Attachment A.

Consolidation of the two funds will be implemented in two phases:

1. **Administratively** combine the two funds under one policy and develop procedures and guidelines to govern expenditures:
2. Combine the **actual budget** from both accounts as part of the 2008/09 budget.

Highlights of the revised policy and procedures are:

- Effective for the current fiscal year, the funds will remain separate as approved in the 2007/08 capital budget, however the sections of the policy guiding application, expenditures and reporting will become effective with the approval of this report's recommendations;
- Able to expend funds on HRM owned assets or on non HRM assets through donations or grants to community groups, provided the projects fall within the municipality's mandate as outlined in section 65 of the MGA, the public has reasonable access to the facility, service or program, and that they operate within the geographic boundary of HRM;
- Community groups requesting funding must operate as a Society or in the same manner as a society (i.e., are long standing and have formal constitution/by-laws). Requests from community groups must be in writing, and accompany the application form completed by the Councillors' office;
- Projects being carried out by HRM business units will have their costs reimbursed up to the amount of the Councillor's commitment once the project is complete. Such reimbursement will not include

salary and wage costs for HRM staff incurred for the project, as those costs are already funded within the business unit's budget;

- Funds may continue to be combined to support Community Council initiatives;
- Funds may be carried forward to the next fiscal year provided they are committed before fiscal year end.

### **BUDGET IMPLICATIONS**

The total combined budget allocation of \$1,495,000 for 2007/08 remains unchanged with the proposed revisions to Councillors' funds. There is no budget impact for the 2007-08 fiscal year.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

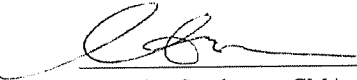
Regional Council could amend the proposed policy and procedures.

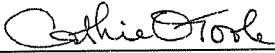
### **ATTACHMENTS**

1. Draft Program Description, Policy, Procedures and Guidelines: HRM District Capital Fund.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Anna Marchand, CMA, Manager Accounting Operations 490-7222

Financial Approval by:   
Catherine Sanderson, CMA, Senior Manager, Financial Services 490-1562

Report Approved by:   
Cathie O'Toole, CGA, A/Director of Finance 490-6308



## **HRM District Capital Fund: Draft Policy and Procedures**

The *HRM District Capital Fund* is a centralized program that provides partial or full funding to HRM capital projects or community non-profit groups at the discretion of the district Councillor. All expenditures from the *HRM District Capital Fund* are identified by individual members of Regional Council who assess the respective merit of projects, priority relative to council's objectives, and the amount or type of expenditure (ie. an internal transfer, or a donation or grant). The program is jointly administered by HRM Finance and the Councillors' Support Office.

The *HRM District Capital Fund* has two primary goals:

- To complete small-scale HRM projects not included in the annual HRM departmental operating and capital budget process.
- To provide a simple and responsive method of providing modest donations and grants in support of local neighbourhood volunteer initiatives.

Annually, the total budget allocation for the program is distributed evenly among the 23 electoral districts.

The following policy and procedures outline how expenditures from the *HRM District Capital Fund* may be used, record-keeping and reporting requirements. The policy also contains guidance on the roles and responsibilities of applicants, HRM staff, and elected officials.

### **A. POLICY**

#### **1. Context**

The purpose of HRM District Capital Fund Policy is to guide expenditures and reporting in accordance with the Municipal Government Act (1998), Public Sector Accounting Board Standards, HRM Financial Policy, HRM Ethical Code of Conduct and Conflict of Interest Guidelines, and applicable legislation and by-laws.

#### **2. Statement of Intent**

- Contributions made under the auspices of the *HRM District Capital Fund* are for the benefit of residents and are not intended to benefit an individual, private interest, private property, business, professional or occupational association, or activities outside the mandate of the municipality.
- Contributions are not intended to subsidize the operations of an HRM Standing Committee of Council, an HRM advisory committee, or an ad hoc committee.

- Contributions made under the auspices of the *HRM District Capital Fund* are intended for projects that fall within the municipality's mandate in program and service delivery. Funds are not intended to replace, supplement, or compensate the loss of federal or provincial funding or to assume responsibilities in areas such as but not limited to health care, social services, justice, employment, the armed forces, or international aid.

**Rationale:** *The HRM District Capital Fund is financed from the general tax rate; the payment of property taxes, fees and fines is not a discretionary expenditure on the part of the public and as such, revenues levied are for the provision of municipal services. In principal, therefore, donations and grants to non-profit groups funded through municipal revenues are intended to be located within the geographic boundary of HRM and for purposes aligned with the municipality's mandate.*

**Interpretation:** *A donation or grant may be made to an organization such as but not limited to an educational institution, service club, sports club, daycare, church, or social service agency in circumstances where the benefit of public funding is not restricted to a specific membership or affiliation. The aim of the Fund is to realize a benefit to the general public; it is therefore expected that the public have reasonable access to the facility, service, or program at no cost or for a nominal fee. Further, it is expected that recipients of grants or donations paid from the general tax rate shall originate and be located within the geographic boundary of HRM.*

- Contributions shall not be made to a political party or affiliate thereof.

### **3. Allocation of Funds**

- 3.1 Funds may be spent on either HRM-owned or community-owned assets. The term assets includes infrastructure, land, buildings, equipment, signage and fixtures. For the purpose of this Fund the project does not have to meet the HRM definition of capital in terms of value.**

**Interpretation:** *The inclusion of community-owned assets recognizes that in some electoral districts the local population is too small to sustain a government owned and operated facility (eg. sports field, playground, park, community hall, wharf etc) and the needs of residents are served by the non-profit sector.*

- 3.2 As part of the regular annual budget process Members of Regional Council are asked to develop a list of projects they wish to see undertaken in their district. Staff are to provide timely notice of any projects not recommended for inclusion so that they may be identified and, at the discretion of the Councillor, be scheduled under the *HRM District Capital Fund*.**

- 3.3 Members of Regional Council shall identify any HRM projects funded through or with the assistance of the *HRM District Capital Fund* as early in the fiscal year as possible in order for the operational business units to plan and schedule work.**

#### **4. Approved Purposes**

- 4.1 Non-Profit Organizations:** The Fund may be used for a donation or project-specific grant to a duly registered non-profit society or federally registered Canadian charity in accordance with clause 4 of the HRM District Capital Fund Policy and Part IV Finance, Section 65, Item (au) of the Municipal Government Act (1998).

***Interpretation:** Donations and grants cannot be awarded to for-profit or private enterprise, individual persons or families.*

It is recommended that non-profit groups in receipt of a donation or grant be registered societies under the Nova Scotia Societies Act or a registered charity under the federal Income Tax Act. However, at the discretion of the councillor, a volunteer group that is not registered as a society with the Nova Scotia Registry of Joint Stocks may receive a donation or grant if the organization is long-standing, has a formal constitution and by-laws, convenes regular meetings of the membership, and keeps appropriate financial records. In effect, the group operates in a manner consistent with that of a society or charity.

- 4.2** If a grant to a non-profit organization is to be used for real property (land or building) the recipient organization must be the owner or joint owner of the property as registered with the Nova Scotia Registry of Deeds, or, the recipient organization is the operator of HRM-owned real property under contract through an authorized facility management agreement, lease agreement, or license currently in effect for a minimum term of 5-years.

***Rationale:** HRM has a vested interest in realizing a cost-effective return on the investment of public funds. Such grants are not intended solely to enhance the value of the property for the purpose of sale or disposal.*

***Interpretation:** A 'standard' lease agreement is for a term of 5 years. The value of any grant should be commensurate with the term of tenancy (ie. excludes month-to-month leases or a lease of less than 5 years) so as to achieve a reasonable return on public funding.*

- 4.3 Property that is leased from a party other than HRM is not eligible for funding of construction, repairs or improvements to the leased property.**

***Rationale:** Public money shall not be invested in a private asset.*

***Interpretation:** Donations and grants cannot be awarded to property owned by commercial, business, industrial or institutional interests, private property, or property acquired through adverse possession. Incremental or "top-up" funding is available through District Capital. Donations or grants shall not normally be awarded to property owned by the federal or provincial government, however support of regional trails on provincial or federal lands is allowable provided there is not duplication of funding from the Trails Capital Grants.*

- 4.4 A non-profit organization can only apply to one HRM grants program in any one fiscal year for the same budgetary item; for example, to the HRM District Capital Fund, or Community Grants Program, or Festivals & Events Grants, or Trails**

## **Capital Grants etc.**

**Interpretation:** *Presently, an HRM property tax subsidy or rent subsidy are not considered a project-specific grant and are therefore not included in Item 4.4.*

**4.5 Municipal Capital Projects:** Funds may be used for an HRM departmental project for the purchase, construction, expansion or repair of an HRM-owned asset.

**Note:** *Excludes preventive maintenance and recurring operating costs that should be included in a departmental annual operating budget. The term asset includes infrastructure, land, buildings, equipment, signage and fixtures.*

**4.6 HRM Community Councils:** The Fund may be expended in support of initiatives put forward by a duly convened HRM Community Council. Such funds may be combined with other HRM electoral districts for collaborative use by two or more Community Councils for municipal purposes in accordance with the roles and responsibilities of the Community Council.

**Rationale:** *By cost-sharing Community Councils could undertake a project on a scale to serve residents of several communities.*

**Interpretation:** *The type of Community Council cost-shared initiative that could be funded under the HRM District Capital Fund includes but is not limited to:*

*a park or trail that encompasses several communities within different electoral districts or a facility capital upgrade in one district to host a tournament or event that will draw participants or spectators from across districts or the region.*

*public surveys, asset mapping, strategic planning, feasibility studies, design fees or technical plans, program evaluation, a non-recurring workshop, a conference, public meeting, or public consultation regarding a municipal government service or a community event.*

## **5. Carry Forward of Funds**

**5.1** Funds may be carried forward to the next fiscal year provided they have been committed to specific projects, either internal or external (community group).

**5.2** If a commitment or contribution made to a project that relies on third party funding such as volunteer fundraising or a government grant proves not to be feasible (e.g., do not raise the necessary funding) the commitment may be released and the funds committed to another project.

## **6. Restrictions on Type of Expenditure (Use of Funds Not Permitted)**

**6.1** Assistance to an individual, family or private interest is not permitted.

**Interpretation:** Individual beneficiaries are not recognized under the Municipal Government Act (1998), Section 65, such as requests for personal assistance in the payment of bills or fines, the purchase of goods and services, or sponsorship of individuals in fundraising events<sup>1</sup>. The purchase of goods for an equipment loan program is permitted provided that, notwithstanding reasonable restrictions with respect to personal safety and care of assets, such resources are made available to the general public for free or at nominal cost.

A donation or grant may be made to a non-profit organization formed for the purpose of emergency assistance or to a non-profit organization with a formal, designated fund used exclusively for the purpose of assisting disadvantaged persons. For example, HRM Kids, a trust fund etc. Academic scholarships are not eligible for funding.

**6.2 No HRM department, program, facility, committee, or representative shall solicit a member of Regional Council for a donation, grant or in-kind contribution to an HRM program, project, or service<sup>2</sup>.**

**Interpretation:** Staff are expected to refer information to members of Regional Council regarding community issues or requests in an appropriate manner (ie. a written memorandum or an email) but not to participate in soliciting applications. No member of staff shall provide a prospective applicant preferential consideration.

Staff are expected to cost projects in accordance with established budget guidelines.

**6.3 No member of HRM staff shall solicit a member of Regional Council for personal sponsorship<sup>3</sup>.**

**Interpretation:** Staff have privileged access to information and may exert influence in municipal decision-making that could be perceived as an unfair advantage or a conflict of interest.

**6.4 Following completion of a project, the applicable HRM department(s) shall submit a report of costs incurred for materials, equipment rentals, overtime etc to HRM Finance who will allocate the *District Capital Fund* to the project up to the amount committed and authorized by the Councillor. Charge-backs for regular HRM staff time (ie. salaries or wages) is not eligible for funding. Such expenses are part of the regular departmental operating budget.**

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<sup>1</sup> Examples include payment of taxes, fees or fines, purchase of food or clothing (including team or individual uniforms), payment of utility bills, sponsorship of individuals participating in a recurring fundraising event for an international, national, or provincial program or service, home repairs, equipment purchase for an individual (eg. sports equipment) or equipment repairs (including private vehicles).

<sup>2</sup> Examples include calendar production or sales, publications, staff competitions, cadet corps, benefit events, conferences, social events, awards, or sports competition.

<sup>3</sup> Examples include participation in a fundraising event that requires individual sponsorship, the purchase of goods and services on behalf of an individual, educational or professional development, scholarship or bursary, or support to a society or enterprise of which that staff member is a participant or affiliate.

**Rationale:** *The intent is to prevent “double dipping” or cost-overruns.*

## **7. Restrictions on Expenditure Authorization**

- 7.1 No request for funding or cheque requisition shall be processed or issued without the authorization of the Councillor(s) indicated by their signature upon the payment requisition.**

**Rationale:** *Individual members of Regional Council are responsible for the expenditure of funds allocated to their electoral district and must be aware of the value, purpose, and timing of each expenditure.*

- 7.2 In the event that a member of Regional Council is unable to provide their personal signature they may designate in writing an alternate from among their peers to serve in this capacity for the period of time specified by the Councillor.**

**Rationale:** *A member of council might be absent for an extended period of time due to illness, short-term disability, compassionate leave, a leave of absence etc and their constituents should not be disadvantaged. A member of staff is not authorized to serve as a designate in this capacity.*

## **8. Restrictions During a Municipal Election**

- 8.1 Expenditures from all categories of funding under the *HRM District Capital Fund* shall be suspended during a municipal election campaign and for Councillors who have been officially nominated in a provincial or federal election, or a by-election.**

**Rationale:** *The intent of this restriction on spending during an election campaign is to avoid allegations of irregular election spending among candidates or conflict of interest.*

**Interpretation:** *If a project is in progress the work shall proceed and committed funds may be spent.*

- 8.2 No monies from the *HRM District Capital Fund* may be spent on an election related cost, including those of the incumbent.**

- 8.3 The date of suspension of the *HRM District Capital Fund* shall be set as the official date for the closure of candidacy.**

**Rationale:** *This date is in accordance with provincial election regulations.*

**Interpretation:** *Once an incumbent has officially declared their candidacy in a government election use of their district allocation from the Fund shall cease.*

- 8.4 Expenditures from the *HRM District Capital Fund* may resume upon the day a candidate is officially sworn into office as an elected representative of Regional Council.**

- 8.5 In the event of an incumbent's or candidate's acclamation to Regional Council access to the district allocation of the *HRM District Capital Fund* shall resume.

## 9. Appeals

- 9.1 Members of Regional Council and staff are responsible to make a clear determination of eligibility and shall issue funds in accordance with the appropriate HRM financial policies. Assistance in the interpretation of policy is available from HRM Finance.
- 9.2 Appeals shall be considered on the basis of (a) new information unavailable at the time of application, (b) an error in the application of policy and procedures, or (c) a request to amend policy.
- 9.3 Any dispute regarding the eligibility of a recipient or project eligibility shall be mediated by a Deputy Chief Administrative Officer or the Chief Administrative Officer.
- 9.4 Additional guidelines on what constitutes eligible versus ineligible expenditures are provided in Appendix 3.

## 10. Financial Record-Keeping Requirements

- 10.1 The fiscal year starts April 1<sup>st</sup> and ends March 31<sup>st</sup>. No expenses incurred after March 31<sup>st</sup> shall be reimbursed after the fiscal year end.

***Rationale:** There is no over-expenditure of the Fund. Funds committed to a project may be carried forward, however any un-expended and/or un-committed balance remaining at year end shall be included in the general operating surplus/deficit.*

- 10.2 Donations or grants require a receipt issued by the recipient organization in the name of Halifax Regional Municipality. Registered charities are required to provide an official tax receipt in the name of Halifax Regional Municipality.
- 10.3 An audit of accounts may be made at the discretion of the HRM Audit Committee or Business Systems & Control Group.

## 11. Reporting Requirements

- 11.1 An itemized annual report of expenditures by electoral district shall be the responsibility of HRM Finance.
- 11.2 An annual list of expenditures shall be made available to elected officials, HRM staff, and members of the general public.

***Interpretation:** In addition to individual formal reports to Regional Council full disclosure of expenditures shall be posted publicly on the HRM web site.*

**11.3** In accordance with section 65 (au) of the Municipal Government Act (1998) a list of all donations and grants to community non-profit organizations shall be sent to a newspaper that circulates throughout the region within 30 days of the fiscal year end.

**11.4** Staff shall notify a Councillor of any request for information.

***Rationale:** In part this policy is a simple courtesy; because awards under the HRM District Capital Fund are at the discretion of the district councillor they are best positioned to explain the details of the project and the value of any publicly funded assistance.*

**11.5** The provisions of the Municipal Government Act (1998) shall be followed with respect to freedom of information and the right to privacy (FOIPOP). The standard protocol directs the initial inquiry to departmental staff. If the request is not met to the satisfaction of the applicant, or not routinely available, the request shall be forwarded to the Director of Finance. Any grievance should be directed to the FOIPOP Coordinator of HRM who shall be responsible for the review and resolution of requests.

**11.5** The *HRM District Capital Fund* shall be included in the annual audit and requests for a more detailed review will be evaluated by the Business Systems & Control Group. Any such audit shall check for complete and appropriate documentation, compliance with policy, the fair and consistent application of policy, accurate reporting, and other issues determined relevant by the audit team.

## **B. PROCEDURES**

### **1.Roles and Responsibilities**

The *HRM District Capital Fund* is managed by HRM Finance and administered jointly with the Councillors' Support Office.

*Applicant: Non-Profit Organization:*

All requests shall be made in writing and include the name of the registered non-profit society or charity, the purpose of the donation or grant, the amount requested, and contact information to include civic mailing address, telephone number (email or fax if applicable), and relation to the group (ie. a member of the Board of staff member authorized to act on behalf of the group).

Any request for funding from a non-profit organization received by a member of HRM shall be referred to the applicable Councillor or Community Council members in writing including contact information. In such circumstances, staff shall not provide any indication of the Fund's status (ie. balance or accrual), eligibility, or probability of funding and amount. Such information is to be provided solely by the district Councillor or Community Council.



#### *HRM Business Unit: Project Confirmation:*

All funds committed towards a capital project from the Fund shall be approved by departmental staff (ie. costed and scheduled) and confirmed in writing to the Councillor(s). Unscheduled work may be included as low priority or deferred to a subsequent fiscal year subject to the availability of internal resources or external sub-contractors.

#### *HRM Finance:*

Staff of HRM Finance manage the program and administration in collaboration with the Councillors' Support Office. All requests for project support or for a commitment of funds toward capital projects managed and funded under an HRM department, grants, and donations are processed and payments issued in accordance with established financial policies. The maintenance of financial records, including all original receipts, invoices, cheque requisitions, and application forms are filed in the central records system. This department also compiles an annual list of awards to external agencies for publication in a regional newspaper and prepares a statement of accounts in the form of quarterly/annual reports to Council.

HRM Finance shall monitor compliance with the policy.

HRM Finance shall oversee any internal or external audit of accounts as required.

#### *Councillors' Support Office:*

Staff of the Councillors' Support Office are responsible for the orientation of new members of Regional Council and HRM staff to the program. This office shall provide direct assistance to the public (applicants) and members of Regional Council in completing the program application form and any applicable documentation. Cheque requisitions are sent to HRM Finance for transfer or payment by cheque with the applicable support material attached.

The Councillors' Support office shall maintain duplicate records.

**Note:** *The original request, invoices, and receipts are sent to HRM Finance. The financial records maintained by the Councillors' Support Office are copies and retained only for convenient access to information.*

## **2. Application Procedures**

- 2.1 All requests from external parties shall provide the registered name of the organization, mailing address, contact information (name, telephone, fax or email), brief description of project, and value of request.**

**Interpretation:** *The information listed above is the minimum requirement for processing a request.*

- 2.2 All requests shall be recorded on a standard application form and original documentation attached, including a copy of the written request from the intended recipient and a cheque request or internal transfer form. The applicable form (Appendix 1) must be authorized (signed) by the Councillor and the Manager of the Councillors' Support Office.**

***Interpretation:** Failure to complete the form will result in its return to the Councillors' Support Office and delays the processing of an award. Incomplete or unsigned forms shall not be retained by HRM Finance and are to be returned to the Councillors' Support Office with directions.*

### **3. Reporting Procedures**

- 3.1 Quarterly and at the end of the fiscal year HRM Finance will prepare a statement of all accounts, itemized by electoral district, and a copy is sent to the Councillors' Support Office for distribution to members of Regional Council. These reports shall also be provided to Council as part of the Quarterly Finance report.**
- 3.2 Staff of HRM Finance are responsible for making the year- end statement available to the general public. A sample report is shown in Appendix 2.**

### **4. Continuous Renewal Clause**

- 4.1 This policy shall be evaluated after one (1) year of implementation to evaluate its scope, relevance, and effectiveness. Thereafter, the policy shall be reviewed every three (3) years or upon request to reflect substantive changes in legislation or municipal policy.**
- 4.2 Responsibility for the review of policy shall be that of HRM Finance.**
- 4.3 Recommended changes to policy or procedures shall be made by HRM Finance for the approval of Regional Council.**

## Appendix 1.

### Application for District Capital Fund



**Application Deadline: on or before March 31 each year**

PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

1. Name of Community Group or Project:  Registration No. _____	2. Contact Person: Name: _____ Address: _____  Telephone: _____ Fax: _____
3. Payment to: Name: _____ Address: _____	4. Requested by: Councillor: _____ District: _____ Date: _____ Signature: _____
5. Brief description of purpose of donation:    	
6. Cheque Requisition:  Date: _____	7. Payment Issued:  Date: _____

**Please include the following information with this form.**

- ☐ Attach any correspondence, e-mail, invoice, receipt or materials provided by the applicant. Attach to cheque requisition form.
- ☐ Requests from HRM departmental staff, HRM representative, an HRM Standing Committee or Committee of Regional Council are not eligible for donation. A record should be kept of such requests and filed along with notice of ineligibility.
- ☐ An HRM Community Council may apply either separately or jointly for a project.
- ☐ Donation to individuals, business, industry, commercial or private enterprise are not permissible. Payment can be made directly to a service provider (Box 3) on behalf of a community group or project (Box 1).

**Donations and grants cannot be awarded after end of fiscal year, March 31st.**

## Appendix 2.

### Sample Reporting: District Capital Fund

Annual Report: District Capital Fund Donations and Grants to Non-Profit Organizations 2006-2007				
District Number. Name of Councillor				
HRM Alignment	Organization	Fundraising Initiative	Purpose of Fundraising	Value of HRM Contribution
Recreation	Minor Softball Association	One-time local campaign	Equipment Purchase	\$250
Recreation	Loon Lake Scout Troop #42	One-time local campaign	Dock repairs	\$50
Events	Willow Woods Residents Association	Annual event	Remembrance Day Veterans Lunch	\$100
Community Safety: Events	Belcher High School	Annual event	Safe Grad Dance	\$150
Recreation: Active Transportation	Friends of Diddy Park & Trail	One-time campaign	Directional Signage	\$200
Culture: Heritage	Beacon Manor Museum	Annual campaign	Christmas Tea & Craft Sale	\$50
	6			\$800

## Appendix 3

### Guidelines

#### Priorities

- ✓ Local Residents
- ✓ Volunteer groups (self-generated revenues, no paid staff)
- ✓ Non-recurring initiatives
- ✓ Neighbourhood volunteer capacity building
- ✓ Neighbourhood events that provide opportunities for social gathering, unstructured interaction and relationship building among residents

#### Eligible

- ✓ Land owned by HRM and operated by HRM staff - includes, for example, sports fields and sports courts, trail on public land, park, playground, outdoor events plaza, picnic or rest area, cemetery or graveyard, parking lot.
- ✓ A public amenity owned and operated by HRM staff - includes, for example, public washroom, wharf, canteen, gazebo, etc.
- ✓ Publicly owned streets and roads, including sidewalk, pathway, stairway, bridge, curb, gutter, road surface, drainage, trees and landscaping, traffic calming interventions, permanent fixed signage, street lighting, street markings, directional signage, etc.
- ✓ Fixtures located within an HRM-owned building or site. Includes, for example, playground equipment, seating/bleachers, waste receptacles, fixed ornamental lighting monuments, statuary, permanent public art (e.g., mural, sculpture), permanent fixed signage, fencing and gates, public address system.
- ✓ Major equipment permanently located on property owned by HRM and operated by HRM staff. Includes, for example, scoreboard, bleachers, floodlights, public announcement system.
- ✓ A building owned and operated by a registered non-profit community group, including one-time assistance with the retirement of debt on the asset.
- ✓ Land owned and operated by a non-profit group. Includes, for example, sports field and sports court, trail on land owned by the community group, playground, park, cemetery, graveyard or burial ground.
- ✓ An amenity owned and/or operated by a non-profit group and available to the general public. Includes picnic area, washroom, wharf, fixed permanent signage, etc.
- ✓ The applicant shall be in good standing with HRM and shall not have debt or legal claim outstanding.

- ✓ The applicant demonstrates the ability to maintain the equipment and associated operating costs.

#### Ineligible

- ◆ Generic national, provincial, or international organizations or recurring fundraising campaigns (e.g., medical research, international aid)  
Examples not eligible: Red Cross, Dalhousie University, Canadian Cancer Society
- ◆ Donations to individuals  
Examples not eligible: includes payment of taxes, fees or fines, purchase of food or clothing (including team or individual uniforms), payment of utility bills, sponsorship of individuals participating in a recurring fundraising event for an international, national, or provincial program or service, home repairs, equipment purchase for an individual (e.g., sports equipment) or equipment repairs (including private vehicles).
- ◆ Donation to business, commerce, or industry  
Examples not eligible: All commercial enterprises and activities
- ◆ Private property  
Examples not eligible: NSPI light pole installed on private property, either the cost of installation or monthly charges
- ◆ Investment in shares  
Examples not eligible: All
- ◆ Wages, honoraria, stipends, or personal financial incentive  
Examples not eligible: stipend paid to volunteer firefighters to paint the community hall; labour cost of HRM staff to complete a playground project where the staff resources are available in-house (i.e., business unit is already funded for the staff positions)  
Examples of eligible: labour costs inherent in a contract for work (e.g., landscaping company hired to maintain flower beds at the local community centre)
- ◆ Professional development, conferences, trade shows  
Examples not eligible: volunteer firefighter competitions, to pay transportation/tuition/expenses for a university student to attend a summer seminar
- ◆ Congregational activities  
Examples not eligible: fundraising to replace choir gowns, church steps or support for a mission  
Examples of eligible: Church Hall serves as the local Community Centre and fundraising is undertaken to replace/repair the roof

**Appendix D – Summary of Councillors District Capital Funds 2017-18**

# APPENDIX 1

## Summary Councillors' District Capital Funds

April 1, 2017 to March 31, 2018

	Budget	Actual Expenditures	Commitments	Total Actual Expenditures & Commitments	Available
DISTRICT 1 - Steve Streach	126,854.91	71,829.55	55,025.36	126,854.91	-
DISTRICT 2 - David Hendsbee	99,273.34	96,637.95	2,635.39	99,273.34	-
DISTRICT 3 - Bill Karsten	132,188.82	103,954.94	28,233.88	132,188.82	-
DISTRICT 4 - Lorelei Nicoll	269,044.26	116,377.93	152,666.33	269,044.26	-
DISTRICT 5 - Sam Austin	125,816.04	87,515.15	38,300.89	125,816.04	-
DISTRICT 6 - Tony Mancini	267,582.59	69,900.34	197,682.25	267,582.59	-
DISTRICT 7 - Wayne Mason	247,964.38	117,965.69	129,998.69	247,964.38	-
DISTRICT 8 - Lindell Smith	243,356.49	100,018.42	143,338.07	243,356.49	-
DISTRICT 9 - Shawn Cleary	149,306.98	44,500.00	104,806.98	149,306.98	-
DISTRICT 10 - Russell Walker	389,761.60	192,342.62	197,418.98	389,761.60	-
DISTRICT 11 - Steve Adams	191,390.23	70,853.48	120,536.75	191,390.23	-
DISTRICT 12 - Richard Zurawski	341,045.66	74,924.32	266,121.34	341,045.66	-
DISTRICT 13 - Matt Whitman	113,585.31	108,200.02	5,385.29	113,585.31	-
DISTRICT 14 - Lisa Blackburn	139,735.31	110,002.27	29,733.04	139,735.31	-
DISTRICT 15 - Steve Craig	103,183.33	98,657.17	4,526.16	103,183.33	-
DISTRICT 16 - Tim Outhit	188,620.82	101,904.38	86,716.44	188,620.82	-
<b>Total</b>	<b>3,128,710.07</b>	<b>1,565,584.23</b>	<b>1,563,125.84</b>	<b>3,128,710.07</b>	<b>-</b>



# District Capital Funds

Councillor Steve Craig

District 15

Date	CCV02015/CCV02115	Budget	Actual Expenditures	Commitments	Total Actual Expenditures & Commitments	Available
	CCV02115 Budget 2017/18	94,000.00				
	CCV02016 Funds Carried Forward	9,183.33				
	Description of Expenditures					
09-Feb-17	Benches for Sackville Trails - Bedford/Sackville greenway		7,358.42	1,141.58	8,500.00	
21-Mar-17	Acadia Park Capital Upgrades			3,384.58	3,384.58	
21-Apr-17	Acadia Recreation Club Society - garden materials		8,475.00		8,475.00	
27-Apr-17	Lake District Recreation Association - community signage		25,000.00		25,000.00	
02-Jun-17	Beacon House Interfaith Society - drop off shelter construction		7,000.00		7,000.00	
02-Jun-17	St. Francis by the Lakes Anglican Church - LED community sign		21,698.75		21,698.75	
14-Jun-17	Sackville Community Development Association - display case for Lieutenant Governor's Community Spirit Award		1,750.00		1,750.00	
27-Jun-17	Metroworks Employment Association - freezer		3,000.00		3,000.00	
19-Jul-17	Sackville Heights Community and Cultural Centre - acoustics improvements		10,000.00		10,000.00	
28-Aug-17	Riverview Community Centre Association - lighting repairs to ball field		7,000.00		7,000.00	
15-Jan-18	Crosswalk Safety Society of Nova Scotia - crosswalk flags		235.00		235.00	
28-Feb-18	Sackville Sports Heritage Hall of Fame Society - plaques		6,000.00		6,000.00	
15-Mar-18	Pride Crosswalk - painting		1,140.00		1,140.00	
	Total	103,183.33	98,657.17	4,526.16	103,183.33	-