

Administrative Policy

Municipal Funding Arrangements



Program Impacted	Financial Management <i>The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.</i>
Number	A1476A
Date of Approval	November 19, 2024
Approval History	March 25, 2021
Next Scheduled Review	September 30, 2026

Policy Statement

The City provides opportunities for funding to support external agencies, Council priorities, programs and projects that support the goals of ConnectEdmonton.

Municipal funding takes various forms including direct contributions, grants, sponsorships, rebates, or subsidies. Regardless of form, the recipients' use of municipal funding must be transparent, accountable, and outcomes must align with the intended objectives. Before entering a Municipal Funding Arrangement a budget for expenditures must be established. This policy reflects the City's commitment to the community's well-being, supporting development, and responsible stewardship of public funds.

The purpose of this policy is to outline the principles and establish controls governing the allocation of Municipal Funding Arrangements. This policy sets out guiding principles that must be considered when developing funding programs and approving funding arrangements, including those approved outside of a formal funding program, such as funding to external organizations approved directly by Council.

Scope

This policy applies to all City Departments and employees involved in the:

- Development and submission of funding programs and projects
- Approval and execution of funding arrangements
- Implementation and management of funding awarded

The following are out of scope of this policy:

- Edmonton Police Service
- Investments
- Loan arrangements. Refer to the Municipal Government Act (MGA) for guidance.
- Donations
- Funding legislated by the Municipal Government Act. Refer to the Municipal Government Act (MGA) for guidance.
- In-kind services

Guiding Principles

The administration and approval of funding must consider the following principles:

- **Accountability** - holding the recipient responsible for achieving the intended outcomes with the funds received in the efforts to meet Council's priorities.
- **Alignment with City Priorities** - to ensure that funding arrangements support and align with the City's strategic goals, corporate outcomes and approved plans.
- **Community-Wide Impact** - Municipal Funding is to invest in projects or programs that address diverse economic, social, environmental and climate resilience dimensions to enhance positive impact and measurable change within the community.
- **Fiscal Responsibility** - to maintain fiscal responsibility by adhering to proper financial management practices, policies and procedures. The City ensures the allocation of funding resources is directed toward programs and projects that align with Council priorities and yield measurable outcomes. Priority should be given to providing municipal funding through formal programs with eligibility criteria and a selection process. If funding arrangements are directed by Council and/or the City Manager outside of a formal program, alignment with the City's strategic goals, City Plan and approved corporate plans must be established.
- **Transparency** - the City's commitment to transparency in the allocation of funds, decision-making process, and reporting on outcomes. The City should have access to relevant financial disclosure and evaluation data related to the funded projects or programs to determine whether outcomes of funding arrangements are being achieved.
- **Past Performance** - the recipients should have a good standing record of fulfilling their obligations under past City funding arrangements. Recipients shall not be indebted to the City or be in default of the terms and conditions of any funding arrangement.
- **Final Reporting** - the requirement to report on outcomes and relevant financial or expense data that details the utilization of funding to demonstrate compliance with funding agreements. The various types of final reporting may include activities, outputs, outcomes and financial reporting. Standardized reporting methods are to be adopted to present data clearly to report to City Council and the public.

- **Diversity and Inclusion** - the City promotes inclusivity by investing funding to address the diverse needs of the community, including marginalized populations, and allocates funding in a manner that promotes fair opportunity for all eligible programs and projects.

Definitions

- **Agency, Boards and Commissions (ABCs)** - external organizations that are an integral part of the City's budget and provide the ability for the City of Edmonton to scale services to serve a growing city. These are autonomous organizations with separate boards/commissions, related to the City through operating agreements, which usually include financial obligations.
- **Activities Reporting** - Reporting on actions taken or work performed to produce specific outputs and outcomes.
- **Below Market Non-Profit Lease** - A building or land lease to a registered non-profit entity, granting access and use for a specified term, at a rate less than fair market value.
- **Contribution** - A transfer of cash, goods or services made to external parties enabled by a municipal funding arrangement.
- **Grant** - A cash contribution where eligibility criteria are required to be met to qualify for funding and/or a stipulation(s) is (are) in place to keep the funding and for which there is a formal application and selection process.
- **Financial Reporting** - Communicates the recipients financial information and performance over a particular period. Financial Information is provided specific to how the approved funding was spent and may include copies of receipts, paid invoices, bank statements, financial statements, specific capital project reporting for grants funding capital projects etc.
- **Funding Arrangements** - Refers to the allocation and management of financial resources by the City to support various public services, projects, programs and operational needs. Funding arrangements include the process and policy governing how funds are sourced, budgeted, expended and monitored to ensure alignment with the City priorities, and accountability to the public. The funding arrangements will require a formalized funding agreement or funding letter based on funding amount and risk.
- **Funding Program** - A program that establishes clearly defined objectives, terms, conditions, provisions and eligibility criteria for a recipient to have access to public funds through an objective assessment and selection process. Most often in the form of Grant programs.
- **Outcome Reporting** - Short-term and medium-term effects of an intervention's outputs, such as a change in knowledge, attitudes, beliefs, or behaviours. Outcomes demonstrate the broader impact and changes achieved. Reporting on outcomes allows for a more comprehensive assessment of an initiative's effectiveness.
- **Output Reporting** - The results of program/intervention activities; the direct products or deliverables of program/intervention activities.

- **Rebate** - A reimbursement to a recipient for an expense as a form of a City incentive such as a program established to encourage certain behaviors to achieve a specific objective (i.e. purchase of a low flush toilet, environmentally friendly objectives).
- **Recipient** - An entity, organization, or business that has been approved to receive municipal funding and has signed a funding agreement or funding letter with the City.
- **Sponsorship** - A contribution of funds to an eligible organization in return for an identified promotional return to the City.
- **Stipulation** - A condition on how the contribution must be used once it is received or the actions that the recipient must perform to keep the contribution.
- **Subsidy** - A funding contribution to an organization or program that is not otherwise defined as a grant, rebate, sponsorship. A subsidy in the form of financial support is intended to provide operating support or promote or maintain a specific initiative or program. A subsidy also exists where the recipient is a third-party agency that administers a grant program to citizens on behalf of the City.

This policy will be reviewed on the scheduled review date and updated to ensure alignment with the City's strategic goals and community needs.