



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 801-1
Chapter: Control of Expenditures			
Directive Title: TRANSFER PAYMENTS (GRANTS-IN-KIND)			

1. POLICY

The Government may provide assistance to communities, organizations and individuals throughout Nunavut by transferring to them Government non-cash assets under programs that are fair, equitable and accessible. Transparency and objectivity will enhance effectiveness.

2. DEFINITIONS

2.1 Grants-in-kind are transfers of Government assets or services other than cash to another party.

3. DIRECTIVE

A grant-in-kind transfer must be made by a department in accordance with a policy that has been approved by the Executive Council. The policy must follow the form and information requirements of Appendix A in FAM Directive 801.

Each grant-in-kind must be authorized by a grant and contribution payment directive approved by the Financial Management Board. (FMB). In authorizing grant and contribution payment directives, the FMB shall ensure that the grant-in-kind is in the best interests of the Government.

4. PROVISIONS

- 4.1 All grant-in-kind recipients must sign an agreement accepting the terms of the grant-in-kind arrangement before the asset is transferred.
- 4.2 Prior to disposing of any existing government asset as a grant-in-kind, departments must consult with Community and Government Services (CGS) to determine whether another government department requires the asset. Any exception to this requirement must be approved by the FMB.

- 4.3 Should a disagreement arise between the department wishing to make a grant-in-kind involving an existing asset and a department who has a use or expected use for the asset, the matter will be resolved by the FMB.
- 4.4 Provisions 4.2 and 4.3 do not apply to grants-in-kind that involve new assets that are purchased for the purpose of making the grant-in-kind.
- 4.5 Grants-in-kind involving existing Government assets are not considered to be write-offs for the purposes of S.24 of the *FAA* and they must be charged to an appropriation.
- 4.6 If the asset to be transferred is in use by the Department, justification for the proposed grant-in-kind must be provided.
- 4.7 Any grant-in-kind that involves real property, or other property that may be subject to the *Environmental Protection Act*, must undergo an environmental site assessment, as defined in the *Environmental Protection Act*, prior to making the grant. This site assessment must identify any situations where the environment is or may be subject to contamination and must contain a timed action plan to rectify the situation and remove the possibility of contamination.
- 4.8 The cost of any environmental site assessment conducted on assets belonging to the Government must be charged to an appropriation of the department controlling the asset, unless the terms of any agreement covering the grant-in-kind provide otherwise.
- 4.9 Capital Assets transferred as a grant-in-kind between Government departments, to another level of Government or to a not-for-profit organization will be transferred at the carrying value of the asset in the Government of Nunavut's accounting records.

Capital assets transferred to any other organization or individual must be transferred at fair market value. Departments controlling the asset prior to its transfer as a grant-in-kind are responsible for determining the fair market value. An objective appraisal of the asset must be conducted and all calculations, comparables, and assumptions used in arriving at the fair market value must be retained and provided to the Comptroller General, who must approve the valuation prior to concluding the grant-in-kind.