



## COMMUNITY AND GOVERNMENT SERVICES

### MINOR CAPITAL BLOCK FUNDING POLICY

---

#### **POLICY STATEMENT**

The Government of Nunavut (GN), Department of Community and Government Services (CGS), under the authority of the Financial Administration Act, Cities Towns and Villages Act and the Hamlets Act, may provide financial support for certain community determined infrastructure priorities.

#### **PRINCIPLES**

This policy is based on the following principles:

- The GN is committed to the Inuit Quajimajatuqangit concepts of Pijitsirniq (to serve), Aajiiqatigiinni (decision making through discussion and consensus) and Qanuqtuurniq (being innovative and resourceful)
- The GN is committed to providing programs, which facilitate local governments, to promote greater local autonomy and accountability.
- Municipal Governments should own and manage the municipal infrastructure in their communities.
- Communities should strive to become more self-reliant, responsible and accountable
- The duly elected community council is responsible for planning for the sustainable development of their community
- Part of a sustainable development plan includes development of public infrastructure not typically funded by the GN
- The GN and the Department should work with communities to find cost effective solutions to infrastructure challenges

#### **SCOPE**

This policy applies to all non-tax based communities and guides the allocation of Minor Capital Block Funding capital (Vote 02) funds.

## **DEFINITIONS**

Betterment – A cost incurred to enhance the service potential of infrastructure.

Community – A body of people living in the same locality and governed by a municipal corporation.

Grant – An unconditional transfer of funds to a non-tax based community from which the GN will not directly receive any goods or services.

Contribution – A conditional transfer payment made to a recipient for which the GN will not receive any goods or services. Contribution payments are conditional on performance or achievement and are subject to audit or other reporting requirements.

Infrastructure – The physical assets required by a community to support social and economic activities in a sustainable manner, including planning for the assets.

Municipal Government – A community governing body incorporated under the Cities, Towns and Villages Act or the Hamlets Act.

Non-Tax Based Community – A hamlet as established under the Hamlets Act that does not collect property tax revenue from its residents.

Population – The population of a community shall be determined by the Nunavut Bureau of Statistics as published.

Sustainable Development – Development or plans for development that can be realistically implemented with due regard to many factors such as community capacity, existing conditions, finances, the environment, etc. Sustainable development is often specific to an individual community.

## **AUTHORITY AND ACCOUNTABILITY**

### **1. Minister**

The Minister of CGS:

- (a) is accountable to Cabinet for the implementation of this policy;
- (b) may target contribution funding to activities within this policy or designate certain activities as priorities.

## 2. Deputy Minister

The Deputy Minister of CGS:

- (a) is responsible for the administration of all provisions pursuant to this policy;
- (b) may approve contributions subject to the conditions outlined in this policy;
- (c) may, through a letter of instruction, delegate authority to approve contributions under the policy to the Assistant Deputy Minister or appropriate Directors of CGS; and

## 3. Assistant Deputy Minister or appropriate Directors

The Assistant Deputy Minister or Directors

- (a) determine the appropriate annual budget allotment for inclusion into the annual Capital Planning process;
- (b) determine the regional and community specific allotment of the overall budget;
- (c) determine reporting requirements for communities which receive contributions
- (d) review community financial information to ensure that the contribution is being used for the intended purpose;

## PROVISIONS

### 1. Eligibility

- (a) Reporting – Communities are responsible for submitting various reporting items to the Department on a regular basis. To be eligible to receive the contribution, a community must be current with all reporting requirements as determined by the Assistant Deputy Minister or appropriate Director.
- (b) Eligible Communities – Only those communities that are non-tax based as at April 1 of any given fiscal year are eligible to receive the contribution. A community that transitions to a tax based community during a given fiscal year shall not be required to refund the contribution.
- (c) Eligible Expenditures – Generally all undertakings contributing to sustainable development within a community and as contemplated in the CGS Capital Standards and Criteria are eligible. This includes planning, development, betterments or other work on infrastructure in the following categories:

#### I. Community Roads and Sidewalks

- II. Site Development
- III. Emergency Measures Capital Equipment
- IV. Community Recreation Planning
- V. Open Play spaces
- VI. Community Planning
- VII. Other capital initiatives typically funded by the Department, but not identified in the departmental budget.

Where not expressly prohibited under other funding criteria, funding under this program can be considered to be community- sourced revenue for the purposes of related sustainable development activities in other programs.

## 2. Funding Distribution

- (a) Contributions shall be paid in accordance with the terms and conditions of the Minor Capital Block Funding Policy and on a contribution agreement that the recipient shall sign
- (b) The Community Government may retain any surpluses from the Minor Capital Block Funding.

## 3. Reporting and Auditing

- (a) Budget – An eligible community may include this grant funding as other revenue within their financial statements.
- (b) Reporting – A community, through an appropriate note in their budget statements, shall indicate how the funding is intended to be expended over the course of the year
- (c) Audit – It is not a requirement for communities to report specifically on the contribution, but an audit and municipal evaluation should show clear evidence of annual expenditures on activities as detailed in the Eligible Expenditures above. Failure to show this may result in a community to be deemed in default.

## **FINANCIAL RESOURCES**

Financial resources required under this policy are conditional on approval by the Legislative Assembly and on the availability of funds in the appropriate budget.

## **PEROGATIVE OF CABINET**

Nothing in this policy shall in any way be construed to limit the prerogative of Cabinet to make decisions or take action respecting Block Funding outside the provisions of this policy.

## **SUNSET CLAUSE**

This policy shall be in effect from the date of the signature until March 31, 2018.

---

Premier

Eva Aariak