



1. Statement of Policy

The Government of the Northwest Territories will provide funding to community governments to assist with the provision of community government services and infrastructure.

2. Principles

The Government of the Northwest Territories will be guided by the following principles when applying this Policy:

- (1) Funding should be allocated fairly and equitably to the eligible community government in each community;
- (2) Funding arrangements should maximize the authority and responsibility of community governments;
- (3) Funding arrangements should maximize the certainty about funding levels for community governments;
- (4) Funding allocations should be reported publicly;
- (5) Funding programs should recognize that, from time to time, community governments might be faced with unforeseen needs, which may require extra-ordinary assistance;
- (6) Community governments should maximize their revenues, within the capacity of their residents; and
- (7) Formulas and criteria used to determine funding allocations should be clear and transparent and the Government of the Northwest Territories should be accountable for the application of such formula and criteria.

3. Scope

This Policy guides the allocation of funding to community governments to assist with the provision of community government programs and services, including funding for infrastructure which supports those services.



4. Definitions

The following definitions apply to this Policy:

Community Government Programs and Services – those programs and services which are provided by community governments, such as: the provision of water, the collection, treatment and disposal of sewage and garbage, fire protection, road maintenance, recreation, by-law enforcement, land use planning and administration.

Formula-Based Funding – a grant, as defined by the Financial Administration Manual Directive 401, which provides funding to community governments to assist with the costs of providing municipal services.

Infrastructure Funding – funds allocated to community governments to maintain infrastructure required to provide municipal services.

Extraordinary Funding – funds to be used to enhance municipal services or repair municipal infrastructure for which funding under the Infrastructure Funding Policy or Formula-Based Funding Policy is not available.

Accountability Agreement – a statement of the understandings and expectations of the Department of Municipal and Community Affairs and each community government about the funding related to this Policy. The terms of the Agreement follow the directions of the Financial Management Board.

Eligible Community Governments – community governments established under NWT legislation or the Band Councils that provide municipal services. These are listed in Schedule A.

5. Authority and Accountability

(1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council.



Authority and accountability is further defined as follows:

(a) Minister of Municipal and Community Affairs

The Minister of Municipal and Community Affairs (the Minister) is accountable to the Executive Council for the implementation of this Policy.

(b) Deputy Minister

The Deputy Minister of Municipal and Community Affairs (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

(2) Specifics

(a) Executive Council

The Executive Council may, on the recommendation of the Minister, add or remove community governments from the list of eligible community governments identified in Schedule A of this Policy.

(b) Financial Management Board

The Financial Management Board may approve the Department's Business Plans and Main Estimates for referral to the Legislative Assembly.

(c) Minister

The Minister:

- (i) may make recommendations to the Executive Council or Financial Management Board regarding amendments to or the implementation of this Policy;



- (ii) will establish and publish ministerial policies on:
 - formula-based funding;
 - infrastructure funding; and
 - extraordinary funding;
 - (iii) may amend the ministerial policies referred to under Section 5(2)(c)(ii) of this Policy;
 - (iv) will advise the Executive Council of his or her intention to establish or amend any ministerial policies referred to under Section 5(2)(c)(ii) of this Policy; and
 - (v) will establish standards and guidelines necessary to the implementation of this Policy.
- (d) Deputy Minister

The Deputy Minister, or delegate:

- (i) may recommend to the Minister standards and guidelines necessary to the implementation of this Policy;
- (ii) may enter into Accountability Agreements with community governments in accordance with Section 6(4) of this Policy;
- (iii) will prepare and distribute an annual report about community government funding.

6. Provisions

(1) Formula-Based Funding

- (a) All eligible community governments will receive annual funding to assist with the provision of municipal programs and services, as well as minor community infrastructure costs.



- (b) Funding will be proportionally allocated to eligible community governments in accordance with ministerial policy established pursuant to this Policy.

(2) Infrastructure Funding

- (a) Funding will be provided to eligible community governments to assist with the acquisition or design and construction of major infrastructure.
- (b) Allocation of infrastructure funding will be determined in accordance with ministerial policy, standards, criteria and guidelines established pursuant to this Policy.

(3) Extraordinary Funding

Eligible community governments may make application for extraordinary funding to address unforeseen costs in accordance with ministerial policy established pursuant to this Policy.

(4) Accountability Agreements

- (a) Funding provided under this Policy is conditional on there being an Accountability Agreement in place between the Deputy Minister and the recipient community government.
- (b) Accountability Agreements will be developed in accordance with Financial Management Board directives on the transfer of appropriated funds to community governments.

(5) Funding Projections

Eligible community governments will be given three-year funding projections for funding related to the Policy by September of each year. Information about funding allocations will include a three-year funding projection for formula-based funding, infrastructure funding and if known, extraordinary funding, as well as any other allocated funding from the Department of Municipal and Community Affairs.



(6) Reporting

A public report on funding provided under this Policy will be published and distributed by September of each year.

7. Financial Resources

Funding resources required under this Policy are conditional and based on approval of funds in the Main Estimates by the Legislative Assembly. There must also be sufficient unencumbered free balance in the appropriate activity for the fiscal year for which the funds are required.

8. Prerogative of the Executive Council

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting the establishment or revision of community boundaries outside the provisions of this Policy.

Premier and Chairman of the
Executive Council



Schedule A ELIGIBLE COMMUNITY GOVERNMENTS

Hamlet of Aklavik
Hamlet of Fort Liard
Hamlet of Fort McPherson
Hamlet of Fort Providence
Hamlet of Holman
Hamlet of Paulatuk
Hamlet of Rae-Edzo
Hamlet of Sachs Harbour
Hamlet of Tuktoyaktuk
Hamlet of Tulita
Charter Community of Deline
Charter Community of K'asho Got'ine (Fort Good Hope)
Charter Community of Tsiigehtchic
Charter Community of Wha Ti
City of Yellowknife
Town of Fort Smith
Town of Hay River
Town of Inuvik
Town of Norman Wells
Village of Fort Simpson
Dechi Laot'i Band (Wekweti)
Gameti First Nation (Rae Lakes)
Jean Marie River First Nation
Ka'a'gee Tu First Nation (Kakisa)
K'atlodeeche First Nation (Hay River Reserve)
Lutsel K'e Dene Band
Nahanni Butte Dene Band
Pehdzeh Ki Dene Band (Wrigley)
Sambaa K'e Dene Band (Trout Lake)
Behdzi Ahda' First Nation (Colville Lake)
Yellowknives Dene First Nation (Dettah)
Settlement of Deninoo (Fort Resolution)
Settlement of Enterprise