



POLICY

05-01
Department of Municipal and Community Affairs
Contracted Financial Services Funding

1. Statement of Policy

The Department of Municipal and Community Affairs may provide funding for contracted financial services to support community governments to maintain sound financial practices and strengthen financial management.

2. Principles

The Department of MACA will adhere to the following principles when implementing this Policy:

- (1) Short-term requirements for financial services may occasionally arise requiring funding that is additional to normal requirements. The financial services required may include the following:
 - (a) Independent management services;
 - (b) Financial advice; and/or
 - (c) Auditing and accounting assistance.
- (2) Community governments may occasionally require funding in order to maintain an adequate level of financial services in the event of a temporary shortage of qualified staff.

3. Scope

This policy applies to all community governments within the Northwest Territories.

4. Definitions

The following terms apply to this Policy:

Eligible Community Governments – Community governments established under NWT legislation or the Band Councils that provide municipal services.

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.

5. Authority and Accountability

(1) General

This policy is issued in accordance with Financial Management Board (FMB) direction to delegate to Ministers authority to establish grants and contribution programs. Authority and accountability is further defined in Financial Administration Manual directive 401, 401-1, 401-2, and 401-4 and as follows:

(a) Minister

The Minister of Municipal and Community Affairs (the Minister) is accountable to the Financial Management Board 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) Specific

(a) Minister

The Minister may:

- (i) approve changes to this Policy;

(b) Deputy Minister

The Deputy Minister has the following authority and accountability, which he or she may delegate to the Director responsible or to Regional Superintendents:

- (i) approve contributions to organizations or community governments for the purposes outlined in this policy.

6. Provisions

(1) Eligibility

All community governments that receive funding under the Formula-based Funding Policy.

(2) Criteria

- (a) Funding for contracted financial services must be required to maintain an adequate level of financial services temporarily or to address an unanticipated short-term requirement for financial services.
- (b) Funding for contracted financial services may be used to strengthen or improve the financial functions of community governments.
- (c) Funding for contracted financial services is not intended to address ongoing funding requirements or deficiencies.
- (d) MACA may contribute up to 75% of the total cost of the contracted services.



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7. Financial Resources

Financial resources required under this policy are conditional on approval of funds in the Main Estimates by the Legislative assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

8. Prerogative of the Minister

Nothing in this Policy shall in any way be construed to limit the prerogative of the Minister to make decisions or take actions respecting grants or contributions. In this regard, the Minister may make a special exception to the rules set out in this policy. Any exception will require substantiation in writing and must be recorded with the Department of Municipal and Community Affairs.

Michael McLeod
Minister

Original Signed January 2005

Date