

Program Managers' Guide for Funding NGOs

Government of the Northwest Territories

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1. Introduction

The Government of the Northwest Territories (GNWT) funds some non-government organizations (NGOs) to provide programs and services that support its goals and objectives. The GNWT attempts to make reasonable and consistent funding arrangements for these programs.

This Program Managers' Guide helps GNWT staff manage funding agreements with NGOs. It clarifies considerations and determining factors for these agreements. It describes how to establish funding agreements with NGOs and outlines conditions for those agreements. This guide is based on the GNWT's financial management framework and reflects existing funding policies and practices.

The Guide explains the guiding principles for the GNWT's relationship with NGOs and describes the program managers' role. It outlines how to determine who should deliver the program and describes different types of funding agreements and when each is appropriate. It includes information on how to handle funding requirement changes, eligible expenses and administration fees. The Guide deals with reporting requirements before wrapping up with how funds are disbursed to NGOs.

Appendix E: Glossary provides definitions of terms used in the Guide.

This Guide's main goal is to support program managers to establish reasonable and consistent funding agreements with NGOs. However, it also promotes a general understanding of the obligations NGOs and the GNWT assume when they enter into funding agreements.

This Guide does not replace existing GNWT requirements in legislation, regulation or policy. Rather, it complements them. The *GNWT's Financial Administration Manual* and the *GNWT's Third Party Agencies Accountability Framework* still apply to all GNWT funding arrangements.

The *GNWT's Grants and Contributions Guide*, updated annually, provides an overview and eligibility details of available application-based GNWT grants and contributions.

2. Principles

The GNWT's vision is one of strong individuals, families and communities sharing the benefits and responsibilities of a unified, environmentally sustainable and prosperous NWT. The GNWT values, respects and appreciates the contribution NGOs make to improve living conditions in the NWT. In fact, the GNWT depends on NGOs to deliver critical programs to the public. Those programs need clear, balanced accountability. Transparent and consistent application of funding policies and practices support the accountability of both the GNWT and NGOs.

The principles that guide the GNWT's relationship with NGOs are:

1) The GNWT is accountable for the effective and efficient management of public resources, including public resources provided to NGOs to further the GNWT's interests and objectives.

The GNWT is accountable for using public resources whether directly or through a third party, like an NGO. NGOs are also accountable for how they use that funding. All GNWT funding agreements must provide accountability for public money and must clearly demonstrate the value and benefits the funds will bring to the public. Accountability requirements will differ based on the type, purpose, duration, and amount of funding. Agreements need to have realistic and measurable planned results.

2) The GNWT is committed to reasonable and consistent funding and reporting practices with NGOs.

Applying funding practices consistently benefits both NGOs and the GNWT. Clear, timely information allows the GNWT and NGOs to ensure appropriate programming decisions are made. Reporting requirements may differ depending on funding amounts and purpose. The type and duration of the agreement may also impact reporting requirements. Reporting should always be reasonable and linked to realistic, measurable results.

3) Respect, trust and transparency shall characterize the relationship between the GNWT and NGOs. Information about government rules, regulations and decisions shall be available to NGOs and the public.

The GNWT will work and communicate with NGOs in an open and timely manner. NGOs are not a part of the public sector although they may help deliver public programs or services. The GNWT respects the autonomy of

the sector and both the GNWT and NGO objectives need to be recognized. Innovation should be encouraged.

Many NGOs advocate on behalf of their clients. That advocacy role will not affect any funding agreements between the GNWT and that NGO.

4) The GNWT recognizes the importance of sustainable capacity of NGOs. Funding arrangements between the GNWT and NGOs should not have a negative impact on the capacity of the NGOs.

Funding agreements should not affect the existing balance of resources, expertise and infrastructure NGOs need to fulfill their mandates.

5) The GNWT strives for effectiveness and efficiency in all its operations. Client focus and service orientation are essential to effective delivery of programs and services.

The GNWT understands allocating funds effectively and efficiently is important to NGOs. That's why application, reporting and monitoring requirements and processes for funding agreements must be manageable and realistic. The agreements must reflect the needs of the users or recipients of the program or service funded by the GNWT.

Besides these principles, other documents provide guidance to the GNWT's approach and relationship with NGOs. These include:

- *The Northwest Territories Voluntary Support Initiative*
- *Toward New Voluntary Sector-GNWT Relationships and Funding Arrangements – Final Report*

Good governance, accountability, fairness, consistency, transparency and effectiveness, which apply to any funding arrangement between the GNWT and a third party, are the basis for this guide.

3. Role of the Program Manager

GNWT program managers ensure their programs are delivered effectively, efficiently and within legislative, policy and procedural guidelines. They must hold to program goals, objectives and proposed budgets. When NGOs are involved in program delivery, program managers manage the funding agreements. Program managers do this by:

1) Promoting the program

Program managers promote GNWT programs and may solicit applications by advertising or, in smaller communities, contacting NGOs that may have the capacity and desire to deliver the programs.

2) Evaluating proposals

Program managers evaluate proposals, to make sure they meet all program criteria. To do this, a program manager may call on and coordinate with financial, legal or policy officers, among others.

3) Determining funding levels

Funding levels should be reasonable and consistent with the nature of the work or services provided. Eligible expenses include operating, infrastructure and administrative costs.

4) Communicating with NGOs

Program managers maintain regular communication with NGOs to obtain or provide information related to the program they administer. They are the primary point of contact for NGOs.

5) Communicating with other government staff

Program managers communicate program information to other GNWT staff regularly. This may include finance staff for budgeting and funding information, departmental senior management for progress reports and other program managers responsible for similar programs or involved with the same NGOs.

6) Ensuring all reporting requirements are met

Program managers oversee the funding agreements with NGOs. They monitor program delivery and ensure the NGOs report as required.

4. Determining the Approach to Program Delivery

Each program is delivered differently. Is the program something the GNWT should deliver itself or is it better delivered through an NGO? It is difficult to provide general guidance. Certain factors directly influence the decision of who should deliver a program.

4.1. Program Categories

The following factors affect who should deliver a program:

- Program purpose
- Program fit
- Recipients
- Nature of costs
- Risk control
- Reporting

These factors lead to three broad categories of programs:

1) Category 1 programs

Legislatively mandated or core public programs. In some cases, public boards and agencies deliver these programs, but if the boards and agencies stopped, the GNWT would need to step in and deliver them.

2) Category 2 programs

Assist the GNWT achieve its goals but are not an essential part of its mandate. The GNWT values and supports these programs, as they are beneficial to society.

3) Category 3 programs

Serve specific target groups and may receive GNWT funding for special purposes on a periodic or case-by-case basis.

Table 1: Categories of GNWT funded programs

Program Categories:	Category 1	Category 2	Category 3
A. Program Purpose			
<i>What is the program's purpose and to what degree is it core to GNWT goals, objectives and priorities?</i>	The program is a core service that supports GNWT goals.	The program supports or complements GNWT goals.	The program has a targeted purpose and narrow scope.
B. Program Fit			
<i>How does the program fit within the mandate of the GNWT department responsible for it?</i>	The program is central to the responsible GNWT department's mandate.	The program supports the mandate of the responsible GNWT department.	The program serves a specific interest and is generally outside GNWT mandate.
C. Recipients			
<i>Who will receive or benefit from the program or service?</i>	A broad and large percentage of NWT residents.	More targeted and somewhat smaller percentage of NWT residents.	Narrow or specialized target group, relatively small percentage of NWT residents.
D. Nature of Costs			
<i>What is the nature of costs and resources needed to deliver the program or service?</i>	Large budgets, complex and variable cost factors including changing demand levels.	Costs are of a general nature.	Smaller budgets with specific and constant cost factors.
E. Risk Control			
<i>What degree of control will the GNWT need to maintain over outputs, outcomes and delivery?</i>	GNWT needs considerable direct control over outputs, outcomes or delivery.	GNWT needs some control over outputs, outcomes or delivery.	GNWT does not need control over outputs, outcomes or delivery.
F. Reporting			
<i>How much reporting is necessary?</i>	Often more frequent and detailed reporting, considerable information needed.	Regular reporting.	Limited reporting.

4.2. Suitable Program Delivery

The program category determines who is best suited to deliver a program. Generally, the GNWT or its agencies deliver category 1 programs while NGOs deliver category 2 and 3 programs. Program managers need to assess the costs and benefits in determining who should deliver a program.

How closely the program fits the GNWT's mandate reflects how critical program success is to achieving its goals. When the program is essential, direct government or government agency delivery is more likely. Considerations include who the program clients are and what the program related costs are, including administration costs.

Risk control, reporting and accountability should also be considered. Generally, a higher risk calls for greater control, either through conditional funding or tighter reporting requirements. If the risk is high, GNWT delivery may be more appropriate. When the risk to the GNWT is lower or can be managed, the choice could be for delivery through an NGO. Refer to the *GNWT's Third Party Accountability Framework* for standards.

4.3. Other Considerations Related to Program Delivery

Programs critical to the GNWT's mandate that require close oversight often call for direct government delivery. However, there may be advantages to having an NGO deliver these programs, such as:

- Building the strength and capacity of the community
- Cost-effective program delivery through lower operating costs
- NGO access to people among a specific client group
- NGO access to specialist knowledge or expertise
- More flexibility to encourage innovation in program delivery

5. Funding Agreements

NGOs and the GNWT enter into an agreement for the use of government funds for the public good. The appropriate type of agreement will largely depend on the program or service.

There are three main types of agreements:

- 1) Contract (procurement contract)**
- 2) Contribution agreement**
- 3) Grant agreement**

All GNWT funding agreements should include:

- the recipient NGO's name and address
- reasons GNWT funds are being disbursed to the NGO
- who will benefit and how
- objectives of the program or project
- anticipated results of the program or project
- financial reporting and audit requirements
- a schedule for payments and reporting
- repayment terms (should the NGO cease to operate the program)
- plan for surplus funds (in a multi-year agreement the surplus amount can be deducted from the first possible payment(s) in the new fiscal year)
- GNWT mandatory clauses, including indemnification, Workplace Resolution, Business Incentive Policy, Insurance, etc, as included in Pro-forma Contribution Template (Appendix C)

5.1. Contracts

A contract is used when the GNWT receives goods or services, for instance, if the GNWT is obtaining office equipment and supplies or renting space from a third party. In other situations, the use of a contract is not as clear.

For example, a contract would be used if:

- the GNWT owns and maintains major assets used for a program. If an NGO is managing a program like a women's shelter on behalf of a GNWT department where the GNWT owns the facility specifically for that purpose, it is reasonable to assume that the GNWT department has a mandate to provide the services (since the GNWT owns assets specifically for this purpose).

- no NGO is willing or able to operate a program and the GNWT must do it. In that case, it is reasonable to assume it is within the GNWT's mandate to provide the program or service.
- an NGO is acting on behalf of the GNWT.

If NGOs do not meet the contract terms, contract laws provide for restitution. A contribution agreement or grant will usually only allow for withholding payment since the GNWT does not directly receive any goods or services.

Single and multi-year projects usually go through a competitive tendering process and use contracts.

Sole source contracts, those that do not go through a competitive tendering process, can be used in certain circumstances but should be avoided when there is more than one contractor willing and able to complete the project.

All contracts are legally binding, they are agreements enforceable before a court of law. Therefore, projects that are critical to the GNWT achieving its goals should use contracts.

Further guidance on contracts can be found in the *Government Contract Regulations* and the *Financial Administration Manual Directive 3301*.

5.2. Contribution agreements

If a program does not warrant a contract, the choice is between a contribution or grant agreement. Usually, contribution agreements support a specific NGO initiative or purpose that supports GNWT goals and objectives.

Depending on the type of program, the nature of the relationship between the GNWT and the NGO and the expected outcomes of the agreement, the length of the funding arrangement could extend over more than one year.

All contribution agreements hold the NGO accountable for their use of funds. NGOs are required to provide results, financial information and audits as specified in the agreement. If the NGO does not fulfil its obligations under a contribution agreement, it loses its right to payment. NGOs cannot claim damages in a contribution agreement.

Contribution agreements are often used for category 2 programs. A sample contribution agreement template can be found in Appendix C.

The *Financial Administration Manual Directive 1901* contains more information on contributions and grants.

5.2.1. Multi-year contribution agreements

Multi-year contribution agreements provide a certain degree of funding security to an NGO, its staff and its clients. A multi-year agreement should be used if a program or project can reasonably meet the following:

- The program or service is ongoing or will span two or more fiscal years.
- The NGO is in good standing (conditions of previous and current agreements have been met)
- The GNWT requires regular detailed activity or results reports

All multi-year funding agreements include a standard clause on funds being made available only once the Legislative Assembly has approved the budget for each year. They are limited to, between three and five years, to allow for changes in GNWT priorities.

The *Financial Administration Manual Directive 1902* contains more information on multi-year or ongoing contributions.

5.2.2. Single year contribution agreements

Use single-year contribution agreements for programs or projects that will be completed within one fiscal year. This includes:

- Specific projects, eligible for funding under the terms of an established program
- When obligation or objective will be concluded within one fiscal year
- The NGO is in good standing (conditions of previous and current agreements have been met, if there was a prior arrangement between the GNWT and a NGO)
- When the GNWT requires activity or results reports

If the NGO can meet the criteria for a multi-year agreement, the GNWT should not use a one-time contribution agreement.

The *Financial Administration Manual Directive 1903* contains more information on one-time contributions.

5.3. Grant agreements

Organizations and individuals may receive funds, through an approved grant program, to support programs and projects that complement or further the GNWT's objectives. Grants are suitable:

- For minor program or project specific support
- For one time funding for a short term program or project
- When detailed financial reporting is not necessary
- When GNWT may require some account for funds provided

A grant is appropriate when the GNWT does not require direct control over outputs, outcomes or delivery mechanisms. While the recipient is financially accountable to spend the funds for the purposes specified in the agreement, detailed financial accountability is generally not required although the GNWT may require a report on results or product.

Grant contributions typically support Category 3 programs.

The *Financial Administration Manual Directive 1904* contains more information on grants.

6. Funding Considerations

The GNWT should provide reasonable funding to the NGO consistent with the nature of work required under the agreement.

Three factors affect funding considerations:

1) Ability to influence and control costs

An NGO may be able to control the costs of a program or vary the service to match the funding. If that is not possible, the funding agreement needs to include tracking, measuring and adjusting for actual program or service delivery.

2) Proportion of fixed to variable costs

NGOs may deliver some programs that vary by client and demand. The greater the cost variability associated with the program or service delivery, the greater the need to monitor costs.

3) Operating environment

The stability and predictability of the funding environment affects NGOs' ability to fulfill their responsibilities. An NGO may be able to adjust to funding fluctuations each year, but if the program requires stability, the funding arrangement should strive to provide it.

Program costs can fluctuate substantially when:

- Service costs are high (small changes in demand can have significant changes in total program costs);
- Service levels cannot be adjusted and must be kept at current levels (cannot adjust services to stay within a specified budget); and/or
- Demand for the service can change a lot during the year and between years.

In such cases, program delivery costs should be specified in the initial funding and tracked and adjusted over time. A negotiated budget with provisions to revisit the budget regularly will be necessary. Where needed, restrictions on the NGO's ability to move funds to other functions or change service levels may be required.

The funding agreement does not need to be sensitive to demand levels if service levels can be adjusted in the NGO program or if the service levels can be adjusted without significant effect. On the other hand, maintaining service levels and costs vary with demand and should be factors in the funding agreement.

6.1 Eligible Expenditures

Funding should reflect the costs of the resources needed to deliver the program assigned. Eligible expenditures are costs directly needed for program delivery. These include:

1) Operational expenditures

Human resources, program and service delivery costs, travel, communications, supplies, audits of the program (if required) and program specific reporting such as gathering statistics on a regular basis.

2) Infrastructure expenditures

The cost associated with the facilities needed to deliver the program, such as rent and utilities.

3) Administrative costs

Bookkeeping and office administration.

Funding levels should only reflect costs related to delivering the program and achieving the intended goals and objectives.

For example, when staff members only spend a portion of their working hours on a program or service, the funding should only be for that portion of their salary.

Another example is operational costs. If the space an NGO needs to fulfill obligations under an agreement with the GNWT is small compared to what it uses for its other operations, the funding won't be expected to include the NGO's entire lease or facility operations and maintenance costs.

Funding origin is also important. If the agreement is a flow through of third party funding, such as federal funds, the GNWT funding level should match the original agreement.

You can find a schedule of eligible expenditure in Appendix B.

6.1.1. Administration fees

Administrative funding may be required to support the NGO in delivering a program

In some cases, the delivery of a program will have little impact on an NGO's overall administrative burden. In others, there may be a major increase in the administrative costs.

This funding can cover any increase directly related to the program or service, over and above the ongoing administrative costs of the NGO.. This could include increases in costs for telephone use, photocopying, bookkeeping and office supplies.

While administration costs vary using a percentage of total funding may not always be the appropriate approach. Cost estimates can be appropriate if these can be reasonably determined.

6.2. Changes to Funding Requirements

Expanding or reducing a program or service or adapting to unforeseen changes may result in changes to the funding agreement. The GNWT and the NGO must confirm and approve any decision to change funding levels.

Program managers should work closely with NGOs to review cost changes and consider how to limit increases while still achieving intended goals and objectives.

Funding increases only happen if the GNWT department's budget allows. Funding increases should reflect factors such as the ability of the NGO to adjust services or costs to stay within budget and whether the program is a category 1, 2 or 3, among others. A signed amendment must show any changes before more money is given to the NGO. The signed amendment requires information and calculations supporting why the change is needed. The NGO will need to assess available measures and their effects on reducing the need for the increased funding.

6.2.1. Unexpected Funding Requirements

There may be a need to change funding agreements prior to the end date to provide for unexpected costs associated with the delivery of the program. Events could occur that are beyond the plan and budget. NGOs need to practice sound financial planning. The GNWT should not penalize NGOs for factors outside their control.

6.2.2. Forced Growth

Forced growth may explain uncontrollable cost increases where the increased costs may affect the ability of the NGO to deliver the program. This is consistent with the principles of reasonable and consistent funding. Funding arrangements should not have a negative effect on the capacity of an NGO.

Forced growth does not include increases resulting from service delivery costs, voluntary changes or improvements to existing programs. Cost increases based on projections of growth, volume or rate increases also do not apply

If forced growth is considered, a GNWT department is encouraged to fund it from within their existing budgets. If the GNWT department cannot do so, a request can be made through the Financial Management Board. Forced growth is subject to approval and availability of funding.

7. Reporting Requirements

All funding agreements will include reporting requirements. These differ based on the type, purpose, duration and amount of funding. Reporting requirements reflect realistic and measurable outputs and outcomes, specified in the funding agreement.

NGOs will typically be required to report on:

- Activities (the program / service provided)
- Expenditures (types and amounts of program spending)
- Participation in the program
- Results of the program / participation

At times, formal evaluation may be called for.

Where there is a higher risk associated with the funding, more detailed reporting is required. A higher risk could be a greater consequence to the public and GNWT should the program not be completed as agreed, on time or on budget.

The funding agreement must detail all reporting requirements. Program managers should coordinate the required reporting with other government funders, to streamline reporting for NGOs.

Generally, NGOs should file financial reports within 90 days of the end of the GNWT fiscal year (March 31). The GNWT will provide a response to the NGO within 60 days of receiving the year-end report. This response will provide notification if the report has been accepted as provided or if there are any further requirements.

Category 1 programs typically require regular financial reporting throughout the year. Annual reporting could include:

- Audited financial statements
- Findings of reviews and evaluations
- Information on public participation
- Results reports measuring success and performance

Category 2 programs may require regular reporting throughout the year. Annual reporting could include:

- Audited financial statements
- Findings of reviews and evaluations
- Results reports measuring success and performance

Category 3 programs are not likely to require regular reporting throughout the year. A simple account of spending is more appropriate.

Reporting requirements for funding agreements should always be reasonable and reflect the nature of the program or service. Detailed reporting should only be required where necessary.

The *GNWT Third Party Accountability Framework* (link in Appendix F) provides more information on accountability and reporting.

7.1. Audited Financial Statements

GNWT departments may set their own audit standards. Generally audits are:

- not necessary for funding agreements of less than \$250,000
- required every two years for funding agreements between \$250,000-\$500,000
- required each year for funding agreements of \$500,000 or more

Auditors should:

- know and understand the programs
- review the books and determine applicable revenues and expenditures
- express an opinion on their audit of the program

When the GNWT requires an audit, it pays for it. Where an audit of GNWT funded programs is a part of a wider audit, the GNWT will only pay for the increased cost associated with the GNWT funded programs, not the entire audit. It is therefore important to weigh the need for a yearly audit of a program against the cost because paying for an audit reduces the funds available for program delivery.

8. Disbursing funds to NGOs

Prior to providing funds, program managers must confirm the NGO has fulfilled all previous obligations to the GNWT.

Funds should not be released until an agreement is signed by both parties. However, section 1901 of the Financial Administration Manual, paragraph 4.4.3, notes funds can be provided before an agreement is signed IF certain conditions are met. Agreements should be promptly signed in order to avoid NGOs having to wait on funding.

Agreements should not be backdated. However, an agreement signed later in the fiscal year can cover eligible expenses made prior to the actual signing of the agreement.

Many GNWT departments have templates for funding agreements. (Appendix C provides one such example). Funding agreements should be finalized with the Finance section of the GNWT department involved.

The NGO may need to acquire and keep insurance for activities necessary for program delivery such as:

- Workers' Safety and Compensation insurance for employees
- Commercial General Liability insurance
- Motor Vehicle Liability insurance
- Aircraft Liability insurance
- Professional Liability insurance

Insurance coverage requirements will depend on the project. In some cases, such as Workers' Safety and Compensation and Motor Vehicle Liability insurance, the requirement to have the insurance is legislated. In other cases, such as personal and commercial liability insurance, the insurance is optional. Consider the amount of the contribution and the nature of the program. A small contribution or grant that fulfills most of the criteria for a category 3 contribution (refer to Section 4.1) may not need insurance.

If in doubt, the program manager should consult with the department's Finance section or the Risk Management Section, Department of Finance.

Where insurance is required, program managers need certificates of insurance from the NGO before providing funds.

The funding agreement will outline the payment schedule. Program managers are responsible for disbursing funds to the NGO on time. Payment schedules

typically include an advance payment when the NGO signs the agreement, as well as a guide to future payments.

Ideally, funding agreements should allow program savings to be redirected within a fiscal year (through restructuring, adding or deleting project elements) where the aim is to meet the program objectives more effectively. The GNWT recommends that multi-year agreements allow savings in one year to be used on other project elements that meet the program objectives.

The GNWT and the NGO must agree to any funding change, and record it in an amendment agreement (see Appendix D for an example).

The *Financial Administration Manual Directive 2100* provides details on control over disbursements.

The *Financial Administration Manual Directives 3300 and 1901-4* provides guidelines for contracts, contribution agreements and grants.

8.1. Multiple Funding Partners

NGOs often receive funding from multiple sources. The GNWT requires NGOs to disclose all sources of funding for their program, previous and new, including donations and fundraising.

Where an NGO has multiple government funding sources, program managers should work with other departments and funders prior to a new agreement being signed to streamline the NGO's administrative requirements. This could mean:

- collaborating to set up suitable funding levels, arrangements and reporting requirements
- designating one program manager who will organize funding and reporting to simplify the NGO reporting process.
- designating one program manager to manage a single agreement, with input from other government departments or funders

This helps ensure consistent and suitable government funding levels and arrangements and simplifies the NGO's reporting process. These efforts should be reflected in the respective agreements.

8.2. Remedies if Terms of Agreement Are Not Met

Regular communication with NGOs allow program managers to monitor the program's delivery and use of funds. Funding agreements can even include particular details or point times for this communication.

Funding agreement problems need to be addressed as soon as they arise with the NGO. Funding agreements typically outline processes in case NGOs do not meet their agreement obligations.

Program managers may need to help NGOs understand their obligations. Past performance and relationships with NGOs will influence how flexible program managers should be when problems arise.

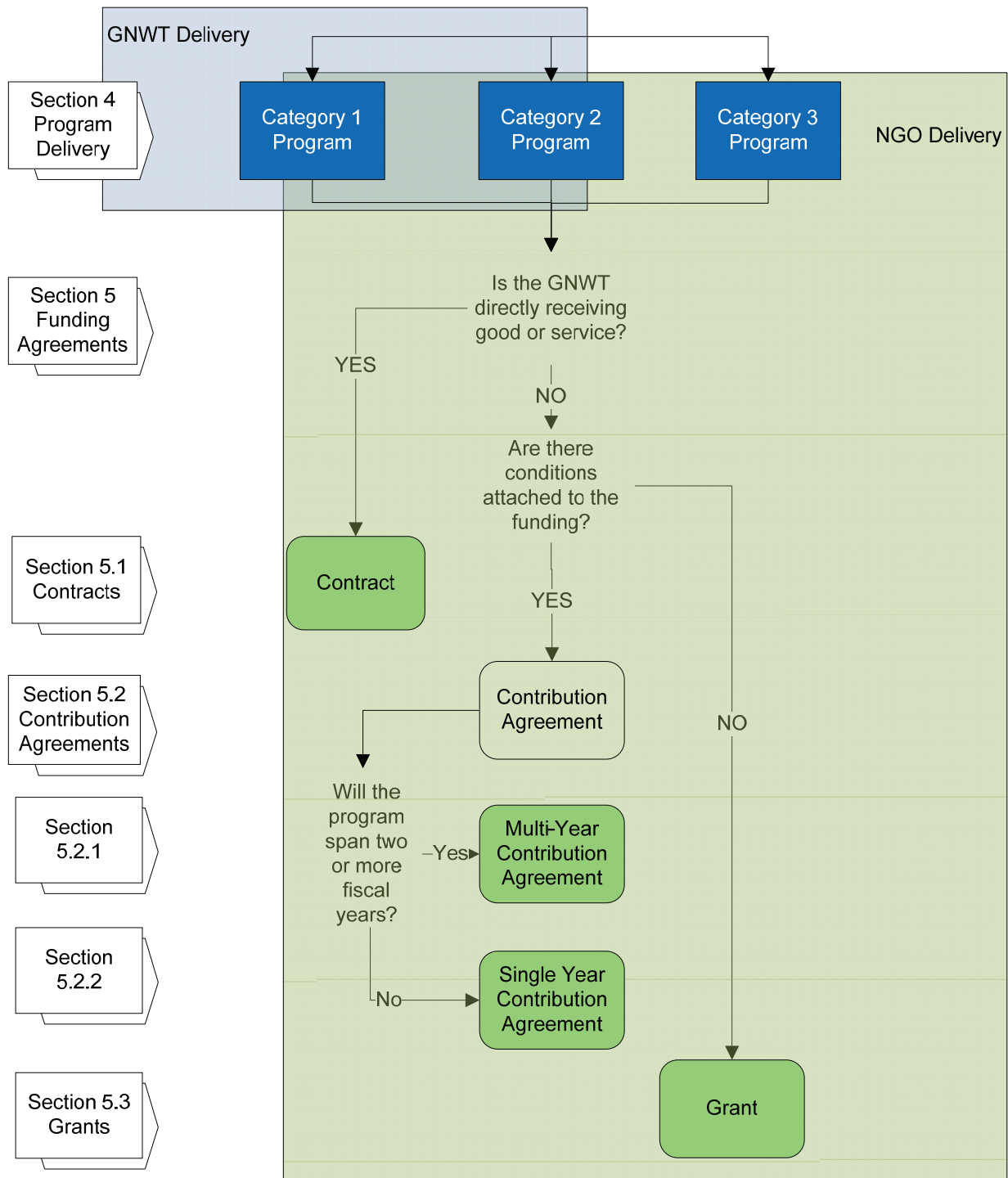
If problems persist, program managers have several options, including:

- Invoicing the NGO for funding that has been contributed but not used for specified purposes
- Deducting the GNWT's full cost for carrying out any uncompleted or remedial work from any payment otherwise due to the recipient NGO
- Recovering the full cost from the recipient NGO by other means

Failure to meet the requirements of a funding agreement could jeopardize future funding agreements between the GNWT and the NGO. A successful agreement is in the best interest of both parties.

NGOs may experience problems administering a program or contribution, such as delays in receiving payment, feedback or answers to questions. In such cases, NGOs should correspond with the respective program manager to attempt to resolve the problem. Program Manager's should inform an NGO that the next recourse would be the funding section's departmental Director or the Deputy Minister of the department.

Appendix A: Determining the Agreement



Appendix B: Funding Considerations

The following is a schedule of possible expenses and suggestions for determining reasonable amounts for funding. It is not a complete list as different agreements require different budget items.

Salaries & Benefits:

Salaries and benefits must be directly related to the approved project.

Appropriate expenses include salaries and benefits for contract employees or new employees involved in delivering the program. Existing employees should have their salaries and benefits prorated based on time spent in delivering the program only when their existing position is backfilled by a new employee. Existing employees already involved in delivering the program would be exempt, as they would relate to a renewal or extension of a program.

With multi-year agreements, any collective agreement or Cost of Living increases should be considered and adjusted for. Staff training and retention incentives when funding an ongoing program should also be considered, if funding is available and the initiatives relate to the program objectives.

Operating Budget:

General operating costs related to program delivery are eligible. The types of costs will vary with programs. The following list is a guideline and may not address all scenarios.

- Costs to maintain a building, office, facility used to deliver the program. These could include custodial, security, maintenance, utilities, insurance, rent and leasing costs. If the NGO uses only a portion of the space in delivering the funded program then costs should be prorated based on square footage used as a percentage of total square footage.

For reasonable costs per square metre check with the Department of Public Works and Services office or with local providers of commercial space in the community.

- Costs of materials directly used in program delivery. For example, food, bedding and other consumables for shelters.
- Additional costs of goods, supplies and related shipping or transportation costs.
- Additional costs for rental or lease of facilities, equipment or machinery related to the program. If an NGO has to upgrade equipment or rent more space because of the program then the costs over and above the amount already paid would be eligible.
- Minor assets such as computers, equipment and supplies, valued each at less than \$5,000 if specifically required for the execution of the project.
- Production of materials needed to meet program obligations including translation and production of materials in the official languages, if required.
- Travel expenses relating to the approved project only, including meals, accommodation and transportation. GNWT guidelines outline maximum allowable spending guidelines. Existing rates can be found at <http://www.hr.gov.nt.ca/library/dutytravel.htm>

- Costs associated with financial audits of the program if required. Eligible cost is limited to the work done to audit the funded program and not an NGO's full operation. If a recipient is already having yearly financial audits performed, the agreement should outline what portion or dollar limit is related to the program funded. This may be prorated based on the program's net effect on the NGO's total revenue and expenses.

Administration Fee:

Administration fees should only cover additional administrative costs associated with the program and depend on the amount and complexity of the work.

Administrative fees are not likely in the case of a grant program where little reporting and administrative work is required.

Administration fees would be allowed for a contribution program that requires quarterly reporting on activities and expenses. To calculate appropriate administrative fees consider:

- The time administrative staff such as receptionists, secretaries, administrative assistants and clerks have to spend fulfilling program requirements.
- The additional costs for paper, envelopes, photocopying, pens and faxing, etc. not described in the operating budget.
- Various additional expenses an NGO may experience as a result of delivering the program that are too small to include separately as an item in the operating budget or too small to account for.

Using a percentage of the total expenses and factoring in the above costs is an easy way to determine administrative costs.

The following expenses are not eligible:

- loans and payments of instalments and interests;
- costs incurred for the preparation of the project proposal;
- purchase of buildings;
- costs of contracted works calculated as a percentage of total costs;
- costs of purchase of land and real estate;
- machines and devices the value of which exceeds 10 percent of total costs of the project;
- construction costs, except minor adaptation of premises to meet program needs;
- depreciation on fixed assets; and
- fines, penalty fees and court fees.

Appendix C: Contribution Agreement (Single & Multi-Year)

THIS AGREEMENT

SC - #####

BETWEEN:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES

as represented by the Minister of **[DEPARTMENT NAME]**

(referred to as the "GNWT")

- and -

[NAME OF RECIPIENT]

duly incorporated under the Laws of the Northwest Territories

(referred to as the "Recipient")

The Recipient has, by proposal, requested financial assistance from the Minister of **[DEPARTMENT NAME]** to carry out the following project(s): **[Program / Project Name(s)]**

The Minister wishes to provide a financial contribution to the Recipient for the purpose stated in Schedule A to this Agreement;

The Minister and the Recipient intend to set out the terms and conditions of the financial contribution to Recipient;

DEFINITIONS

For the purpose of this Agreement:

- a) **"GNWT"** means the Government of the Northwest Territories;
- b) **"Minister"** means the Minister of **[DEPARTMENT]**, Government of the Northwest Territories;
- c) **"Recipient"** includes all officers, employees, and agents of the Recipient;
- d) **"Contribution"** means a conditional transfer payment made to a recipient, which may be subject to audit, and for which the GNWT will not receive any goods or services.
- e) The **"GNWT's Contact"** person means the **[GNWT Contact's Title]**, or a delegate.
- f) **"Capital item"**: Any item with an acquisition cost of \$50,000.00 or more per item.
- g) **"Minor Capital item"**: means item such as furniture and equipment or minor renovations costing less than \$50,000.00.
- h) **"Budget"** means the revenue and expenditures set out in Schedule B to this Agreement.
- i) **"Party"** means the GNWT or Recipient.
- j) **"Surplus"** means:
 - Any amount that the recipient has received from this agreement that exceeds expenditures or commitments made pursuant to this Agreement, or
 - Any payment made to the Recipient exceeding the amount the Recipient is entitled to receive pursuant to this Agreement.

PROJECT

1. The Recipient agrees to carry out the project described in more detail in the attached Schedule A.

2. Written approval to change the objectives and activities set out in Schedule A, must be approved in writing, by the contact for the GNWT.

FUNDING PROVISIONS

3. The GNWT agrees to contribute an amount not to exceed [Amount in Dollars (\$XX.XX)] towards the expenditures described in the Budget (attached as Schedule B) which will be incurred by the Recipient for the period from [start date of contract] to [end date of contract].
4. The GNWT agrees to make payments to the Recipient according to the payment provisions set out in Schedule C unless the project is terminated according to this Agreement.
5. The Recipient agrees to spend the Contribution only in accordance with Schedule B, unless the funds are reallocated pursuant to this agreement.
6. The GNWT is not responsible or liable to the Recipient for any expenses incurred in excess of the amount set out in Schedule B.
7. The Recipient may purchase minor capital items out of the operations budget if the purchase is identified as an expenditure or money is reallocated with the approval of the GNWT's Contact.
8. Reallocations affecting the Budget require prior written consent of the GNWT's Contact. Reallocations affecting salary and wages and capital or operations maintenance Budget items require the prior written consent of the Deputy Minister or Minister.
9. Four months prior to the expiry of this Agreement, the Recipient shall, in consultation with the GNWT Contact, review the Budget. If the review identifies a Surplus, the GNWT Contact may reallocate the Surplus to other projects.
10. The parties agree that surplus funds will not be carried over from one year to the next year or after the expiry of this Agreement.
11. The Recipient declares it has disclosed to the GNWT all sources of funding for the project. If new sources of funding are obtained for this project, that information will be provided to the GNWT's contact within five (5) working days of its receipt by the Recipient.
12. The Recipient agrees to repay any surplus to the GNWT within 5 working days from the receipt of an invoice for same. If the surplus is not repaid that amount may be deducted from any other payments payable to the Recipient by the GNWT.
13. If the Recipient raises money in relation to this project, either by donations or fund-raising activities, that information shall be disclosed to the GNWT's Contact. The Recipient shall account for those monies separately from the accounts relating to this Agreement.

TRAVEL EXPENSES

14. If travel is required and identified in Schedule A, travel expenses shall be reimbursed at the rates set out in Schedule B or in the event that the rates are not set out therein, at GNWT rates applicable at the time of travel. All directives and conditions applicable for GNWT travel shall apply to the Recipient.
15. Reimbursement for travel outside Canada requires a prior recommendation by the GNWT's Contact and prior written approval by the Minister.

CAPITAL PURCHASES

16. The Recipient can purchase using project funds only those capital items set out as expenditures in Schedule B from project funds. The Recipient shall provide the GNWT's Contact with receipts of purchase and serial numbers for the items purchased. The Recipient shall keep a current inventory of capital items purchased and will not dispose of any item without the approval of the GNWT Contact. If the project is expired or terminated all capital items shall be returned to the GNWT.

FINANCIAL AND ACCOUNTING PROVISIONS

17. The Recipient shall provide the GNWT's Contact with monthly or periodic financial statements of income and expenditures as required in Schedule C.
18. The Recipient shall keep proper records and accounts of the revenues and expenditures including all invoices, receipts, and vouchers relating to the project for a period of at least five (5) years after the termination of this Agreement.

19. The Recipient shall establish separate accounting procedures for the purposes of this Agreement and conduct its financial affairs related to this Agreement according to generally accepted accounting principles.

AUDITS/INSPECTIONS

20. The Recipient must provide the GNWT Contact with audited financial statements from a professional auditor if the contribution for one fiscal year exceeds \$50,000.00. If the contribution for one fiscal year exceeds \$10,000.00 but is less than \$50,000.00 the Recipient will provide to the GNWT contact an annual financial statement prepared by an accountant who is independent of the Recipient. If the contribution is \$10,000.00 or less for one fiscal year the Recipient shall provide an annual financial statement prepared by the Recipient. Audited financial statements shall be provided in writing to the GNWT's contact within 90 days of the termination of the agreement.
21. Any accounts, records, invoices, receipts and vouchers shall at any reasonable time be made available for audit and inspection by the GNWT, and the GNWT may make copies of the documents at any time during the term of this Agreement or up to 5 years thereafter. The Recipient shall cooperate and provide a location for an audit and copies of any documents requested.
22. The Recipient agrees to allow the GNWT to carry out an inspection pursuant to paragraph 21, at any reasonable time.
23. The Recipient shall allow access to the GNWT's staff or the Minister, to visit the premises where the project takes place upon reasonable notice given by the GNWT.

PUBLICITY/CONFIDENTIALITY

24. The Recipient shall keep and hold as strictly confidential any information it obtains from the GNWT concerning the program or clients of the program. This obligation of the Recipient shall survive the expiry or termination of this Agreement.
25. The Recipient shall not release information, allow media coverage or publish any information about the program or clients of the program, either past or present, without the prior written consent of the Minister.
26. Should the Minister consent pursuant to paragraph 24, The Recipient shall acknowledge the contribution made by the Minister.

LEGAL RESPONSIBILITY AND PROTECTION AGAINST LOSS, INJURY OR DAMAGE

27. The GNWT shall not be liable for any loss, injury or damage to the Recipient or for any loss, injury or damage (including death) to its officers, employees, servants and agents resulting from or relating to the Agreement. The GNWT shall not be liable for any loss or damage to the property of the Recipient or any of its officers, employees, servants and agents resulting from or relating to this Agreement.
28. The Recipient shall indemnify and hold harmless the GNWT, its officers, employees, servants and agents from and against all claims, actions, causes of action, demands, costs, losses, damages, expenses, suits or other proceedings by whomever made, brought or prosecuted in any manner based upon the activity of the Recipient under this Agreement, including the activities of its officers, employees, servants and agents pursuant to the Agreement, or based upon any other aspect or element of the Agreement.

INSURANCE

29. Without limiting paragraphs 27 and 28, the Recipient shall obtain and maintain insurance coverage as set out pursuant to Schedule D.
30. The Recipient shall provide the GNWT Contact with documentation evidencing, to the satisfaction of the GNWT Contact, compliance with the insurance requirements set out pursuant to Schedule D.

TERMINATION

31. This Agreement may be terminated by one party giving to the other party 30 days notice in writing.
32. The GNWT reserves the right to terminate this Agreement at any time for any reason whatsoever. In the event of such termination, the Agreement and its Schedules will have no further effect and all funds not yet spent by the Recipient shall be returned to the GNWT.
33. When this agreement is terminated the Recipient shall, within five working days, deliver to the GNWT all correspondence, files, documents, papers and property which may have come into the Recipient's possession relating to any aspect of the Agreement or the carrying out the project.

ASSIGNMENT

34. This Agreement may be assigned by the GNWT and the assignee shall have all the rights and be subject to all the obligations of this Agreement in favour of or against the GNWT. Notice of the assignment will be given in writing to the Recipient.
35. The Recipient consents to an assignment pursuant to paragraph 34, and acknowledges that it shall continue to be bound by all the terms of this Agreement after the assignment.

EVALUATION

36. The Recipient agrees to complete any reports or forms for the purpose of an evaluation of the project by the GNWT and to cooperate with the GNWT if an independent evaluation of the project is requested by the GNWT, either during the term of this Agreement or for up to 1 year after its termination.

PROJECT RESULTS

37. The Recipient shall submit to the GNWT, no later than ninety (90) days after the expiry of this Agreement, a report on the results and success of the project. This report shall set out the degree to which project objectives were met.

COPYRIGHT

38. The copyright in all work prepared or submitted in accordance with this Agreement is the property of the GNWT but in the publication of that work on behalf of the GNWT, the recipient's contribution shall be acknowledged.
39. The Recipient is given permission to quote from, reproduce, or publish any part or parts of the work it authored as if the copyright in such part or parts of the work was not the property of the GNWT.

VOLUNTEERS

40. Throughout the term of the relationship with the GNWT, the Workplace Conflict Resolution Policy will apply to and govern relations between the volunteer and any employee of the GNWT.

GENERAL

41. This Agreement shall only be amended in writing by the mutual consent of the parties.
42. Monies payable under this Agreement shall not be assigned without the prior written consent of the Comptroller General of the GNWT, pursuant to the Financial Administration Act.
43. The Recipient will comply with all laws applicable in the NWT.
44. The Recipient is aware of s. 46 of the Financial Administration Act, which states:
"... an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract."
45. The Recipient shall notify the GNWT's Contact immediately of any potential or actual claim or lawsuit threatened or made by anyone relating to any aspect of the project funded by this Agreement. The Recipient will cooperate fully with the GNWT and its insurers in the event of a threatened or actual lawsuit.
46. In this Agreement, if any notice is required to be given by the GNWT or the Recipient, it shall be in writing and deemed to have been received:
 - a. immediately, if delivered in person;
 - b. one day after transmittal, if sent by telegram or fax;
 - c. ten (10) days after mailing, if sent by registered mail;

to the following addresses:

If, to the GNWT at:

[Program Manager]
[Unit]
[Division]
[Department]
Government of the Northwest Territories
Box 1320

Yellowknife, NT X1A 2L9
Telephone: [(867) XXX-XXXX]
Fax: [(867) XXX-XXXX]

If, to the Recipient at:

[NGO Contact]
[NGO]
[NGO Address]
Telephone: [(867) XXX-XXXX]
Fax: [(867) XXX-XXXX]

47. This Agreement shall be interpreted and governed by the laws of the Northwest Territories.
48. Nothing in this Agreement shall be construed or deemed to create the relationship of employer and employee between the GNWT and the Recipient or the Recipient's officers, employees, servants and agents.
49. The GNWT certifies that the property and services purchased by the Government of the Northwest Territories from the Recipient are being purchased with Government funds and are not, therefore, subject to the Goods and Services Tax (the GST).

Even though the Recipient will not charge GST, the Recipient may be eligible to receive input tax credits with respect to any GST liability incurred by the Recipient in providing the property and services if such a refund would be available in other circumstances. It is the sole responsibility of the Recipient to determine if input tax credits are available in respect of the provision of property and services to the GNWT. The GNWT will not compensate the Recipient for any GST liability incurred in the provision of property and services to the GNWT.
50. The Recipient agrees that the application of the Government of the Northwest Territories Business Incentive Policy (April 1992) is a requirement of this Agreement.
51. This Agreement shall be binding upon the parties and their executors, administrators, successors and assigns.
52. No Member of a municipal government in the NWT, or of the Legislative Assembly of the Northwest Territories or of the House of Commons of Canada shall be entitled to receive any financial benefit from this Agreement.
53. All schedules attached to this Agreement form part of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the date and year as written below.

SIGNED, SEALED AND DELIVERED in the presence of:

**GOVERNMENT OF THE
NORTHWEST TERRITORIES**

Witness

Date

[GNWT Signing Authority]
[Title]
[Department]

RECIPIENT

Witness

Date

[NGO Contact]
[Title]
[NGO]

SCHEDULE A

[Program]

Program: [Program and Location]
Agency Applying for Funding: [NGO]
Mailing Address: [Street or P. O. Box]
[Community] NT
[Postal Code]

Contact Person(s): [NGO Contact's Name(s)]
[Title]
Phone: [Phone Number]
Fax: [Fax Number]
E mail: [e-mail]

Request:

With this request, the [NGO] is requesting the sum of [Dollar Amount] for [Program].
(Details in the request can include:

- purpose;
- authorities;
- time period;
- objectives;
- clientele.)

Background:

(Background details about the program should be included here and may include:

- historical context;
- when the program began;
- past clientele;
- employees required and to what degree;
- NGO structure (Board of Directors);
- program operating details including hours and/or availability;
- reporting information;
- scope of the program; and
- usage of the program.)

Rationale:

(Rationale for the program should be included here and explain why the program is being or was initiated. This may include:

- social need;
- program appropriateness;
- clientele requests; and
- availability of trained staff.)

Program Deliverables:

(List the expected program deliverables within the term of the agreement and/or by the end of the fiscal year. Include time frames for reporting. This may include:

- service delivery reports;
- information evaluation of services;
- program statistics - number of clients; service #s (hours, contacts);
- formal evaluation; and
- recommendations for revision, continuation or termination.)

Program Outcomes:

(List the program outcomes within the term of the agreement and/or by the end of the fiscal year. This may include:

- target number of clients served;
- target percentage of clients indicating that service is meeting needs.)

Budget:

The sum of [\$ Amount] is being requested in order to support the [Program]. The Budget is included under Appendix B.

Insurance:

A copy of the Insurance covering this program and the [NGO] is included under Appendix C.

SCHEDULE B

BUDGET

Fiscal Year [Fiscal Year #1 in Agreement]

	Revenue	Expense	Totals
[Program A] [enter line items, as appropriate]			
GNWT – [Department]	\$0.00		
Salaries & Benefits			
Staff		\$0.00	
Operating Budget			
Program expenses		\$0.00	
Travel, Meals & Accommodation		\$0.00	
Administration Fee		\$0.00	
<i>Sub-total</i>			<i>\$0.00</i>
[Program B] GNWT – [Department]	\$0.00		
Salaries & Benefits		\$0.00	
Operating Budget		\$0.00	
Administration Fee		\$0.00	
<i>Sub-total</i>			<i>\$0.00</i>
[Program C] GNWT – [Department]	\$0.00		
Salaries & Benefits		\$0.00	
Operating Budget		\$0.00	
Administration Fee		\$0.00	
<i>Sub-total</i>			<i>\$0.00</i>
Totals	\$0.00		\$0.00

Fiscal Year [Fiscal Year #2 in Agreement]

[enter line items by program and fiscal year, as appropriate]

Grand Total	\$0.00		\$0.00
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SCHEDULE C

The contribution shall not exceed [Dollar Amount].

PAYMENT

For Fiscal Year [fiscal year 1 in agreement]

1. An advance payment, [dollar amount], equal to one half of the funding of the total contribution for fiscal year [fiscal year one in agreement], will be paid to the Recipient upon signing of this Agreement.
2. Future payments will be based on actual expenditures. The Recipient will submit a monthly financial statement showing their actual expenditures. After the [designated time] a second payment of [dollar amount], equal to the second half of funding of the total contribution, will be paid to the Recipient upon receipt and verification by the GNWT of a financial statement showing their actual expenditures accounting for the first half (advance) of the funding. The financial statement will be prepared in accordance to the budget categories set out in Schedule B. Payment shall be due to the Recipient within 20 days after receipt of the financial statement.

For Fiscal Year [repeat section for each subsequent and agreed to fiscal year]

3. An advance payment, [dollar amount], equal to one half of the funding of the total contribution for fiscal year [fiscal year], will be paid to the Recipient in April, [year].
4. Future payments will be based on actual expenditures. The Recipient will submit a monthly financial statement showing their actual expenditures. The financial statement will be prepared in accordance to the budget categories set out in Schedule B. Payment shall be due to the Recipient within 20 days after receipt of the financial statement.

ACCOUNTING

5. Statements (and reports) shall be due until expenditures (and activities) for the project have been accounted for. Any concerns with the financial statement or conduct of the program may result in delay or non-payment of funds.
6. The Recipient shall submit to the GNWT, no later than twenty (20) days after the expiry of this Agreement, a financial statement (unaudited) showing the total actual expenditures of the project. This statement shall include any unpaid/expected bills for the project and clearly identify any surplus, if applicable, owing to the GNWT.

AUDIT

7. The audited/unaudited financial statement prepared in accordance to the levels identified in paragraph 19 of this Agreement shall be provided to the GNWT in accordance with the schedule outlined below:
 - Fiscal year [fiscal year 1] – financial statement due June 30, [year of fiscal year end]
 - Fiscal year [repeat for each subsequent fiscal year] – financial statement due June 30, [year of fiscal year end]
8. Failure to submit the audited and un-audited financial statements within the time frames specified will result in payments under future agreements being delayed until the statements are received. When future agreements are not entered into, the entire amount of this Contribution may become repayable to the Government of the Northwest Territories.

SCHEDULE D

INSURANCE REQUIREMENTS

1. The Recipient shall without limiting its obligations or liabilities hereto, obtain, maintain at its sole cost and expense and pay for during the period of this Agreement, the following minimum insurance. (the amount and types of insurance specified herein in no way reduces or limits the liability or responsibility of the contractor hereunder):
 - a. Workers' Compensation insurance covering all employees engaged in the work in accordance with the statutory requirements of the Territory or Province having jurisdiction over such employees. If the Recipient is assessed any additional levy, extra assessment or super-assessment by a Workers' Compensation Board as a result of an accident causing injury or death to an employee of the Recipient or subcontractor, or due to unsafe working conditions, then such levy or assessment shall be paid by the Recipient at its sole cost and the Recipient will not be reimbursed by the GNWT.
 - b. Commercial General Liability insurance on an occurrence basis with limits of not less than two million dollars (\$2,000,000.00) inclusive per occurrence for bodily injury, death and damage to property including loss of use thereof. Such insurance shall include but not be limited to the following terms and conditions:
 1. Products and Completed Operations Liability; *
 2. Contractor's Protective Liability; *
 3. Blanket Contractual Liability;
 4. Broad Form Property Damage;
 5. Personal Injury Liability;
 6. Cross Liability;
 7. Medical Payments;
 8. Non-owned Automobile Liability; *
 9. Full Employer's Liability; * and
 10. Employees As Additional Insured; ** where applicable
 - c. Motor Vehicle Liability, including snowmobiles and ATV's, standard liability insurance, if applicable, covering all vehicles owned or non-owned, operated and/or licensed by the Recipient and used by the Recipient in the performance of this Agreement, in an amount not less than one million dollars (\$1,000,000.00) per occurrence for bodily injury, death and damage to property.
 - d. Buses shall have limits of not less than one million dollars (\$1,000,000.00) for vehicle hazards and not less than one million dollars (\$1,000,000.00) for bodily injury to or death of one or more passengers and loss of or damage to passenger property in one accident. (School buses shall include the relevant School Bus endorsements with limits not less than two million dollars (\$2,000,000.00) for bodily injury to or death of one or more passengers and loss of or damage to passenger property in one accident.)
 - e. Aircraft Liability insurance, if applicable, covering all aircraft, owned or non-owned, operated and/or licensed by the Recipient and used directly or indirectly in the performance of this Agreement with a bodily injury, death and property damage and passenger hazard limit of six million dollars (\$6,000,000.00) inclusive.
 - f. Professional Liability insurance, if applicable, with limits of not less than five hundred thousand dollars (\$500,000.00) per claim and one million dollars (\$1,000,000.00) in the annual aggregate, to cover claims arising out of the rendering of or failure to render any professional service under this Agreement.
2. The Recipient shall provide, maintain and pay for any additional insurance which is required to be provided by the Agreement, or by law, or which the Recipient considers necessary to cover risks not otherwise contemplated by the insurance specified in these conditions.
3. Umbrella/Excess Liability insurance may be purchased to achieve the limits required.
4. All policies shall provide that thirty (30) days written notice be given to the GNWT prior to any material changes or cancellations of any such policies.
5. The policies shall name the GNWT and all subcontractors as additional insured only with respect to the terms of this Agreement (except on Workers' Compensation insurance and Professional Liability insurance) and shall extend to cover the employees of any insured hereunder.
6. The Recipient shall be responsible for any deductibles, exclusions and/or insufficiencies of coverage relating to such policies.
7. The Recipient shall deposit with the GNWT, prior to commencing with the work, certificate(s) of insurance evidencing the insurance required by this Agreement in a form satisfactory to the GNWT and with insurance companies satisfactory to the GNWT.

Appendix D: Amending Agreement

THIS AMENDING AGREEMENT

SC-_____am_

BETWEEN:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES
as represented by the Minister of Health and Social Services
(referred to as the GNWT)
-and-
[NAME OF RECIPIENT]
duly incorporated under the Laws of the Northwest Territories
(referred to as the "Recipient")

The GNWT entered into a Contribution Agreement with the Recipient on **[ENTER START DATE OF ORIGINAL AGREEMENT]**. This Agreement is referenced by the GNWT as SC-_____. Both parties desire to change certain terms, conditions and/or provisions of the original Agreement.

AMENDMENTS:

- The following paragraphs and schedules in the Agreement are amended as follows:
 - Schedule "A" is deleted and a new Schedule "A" replacing the original Budget is attached and labelled as Schedule "A-1", which shall form part of the original Agreement.
 - Schedule "B" is deleted and a new Schedule "B" replacing the original Budget is attached and labelled as Schedule "B-1", which shall form part of the original Agreement.
 - Schedule "C" is deleted and a new Schedule "C" is attached and labelled as Schedule "C-1", which shall form part of the original Agreement.
 - Paragraph 3 is amended to read as follows:

The GNWT agrees to contribute an amount not to exceed **[DOLLAR AMOUNT]** (\$_____.00) towards the expenditures described in the Budget (attached as Schedule "B1") which will be incurred by the Recipient for the period from **[START DATE]** to **[END DATE]**.
- The parties agree that all the terms, conditions and provisions of the original Agreement shall remain in force except where specifically amended by this amending Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the date and year as written below.

SIGNED, SEALED AND DELIVERED in the presence of:

**GOVERNMENT OF THE
NORTHWEST TERRITORIES**

Witness
[Title]
[Department]

Date

[GNWT Signing Authority]

RECIPIENT

Witness
[NGO]

Date

[NGO Contact]
[Title]

SCHEDULE A-1
[new page]

A new Schedule A (program check list) that reflects the amendment should be inserted here.

SCHEDULE B-1
[new page]

A new Schedule B (program budget) that reflects the amendment should be inserted here.

SCHEDULE C-1

The contribution shall not exceed \$.00

PAYMENT

1. An advance payment of \$.00 equal to one half of the funding of the total contribution, will be paid to the Recipient upon signing of this Agreement.
2. Future payments will be based on actual expenditures. The Recipient will submit financial statements showing their actual expenditures. Financial statement will be prepared in accordance to the budget categories set out in Schedule B1. Payment shall be due to the Recipient within 20 days after receipt of the financial statement.

ACCOUNTING

3. Statements (and reports) shall be due until expenditures (and activities) for the project have been accounted for. Any concerns with the financial statement or conduct of the program may result in delay or non payment of funds.
4. The Recipient shall submit to the GNWT, no later than twenty (20) days after the expiry of this Agreement, a financial statement (unaudited) showing the total actual expenditures of the project. This statement shall include any unpaid/expected bills for the project and clearly identify any surplus, if applicable, owing to the GNWT.

AUDIT

5. The audited/unaudited financial statement prepared in accordance to the levels identified in paragraph 20 of this Agreement shall be provided to the GNWT no later than June 30, 2010.
6. Failure to submit the audited and unaudited financial statements within the time frames specified will result in payments under future agreements being delayed until the statements are received. When future agreements are not entered into, the entire amount of this Contribution may become repayable to the Government of the Northwest Territories.

Appendix E: Glossary of Terms

Activity: An action or group of actions undertaken in support of government programs.

Administrative costs: Expenses incurred controlling and directing an organization that do not relate to financing, marketing or a specific program. Administrative costs relate to the organization as a whole opposed to expenses related to individual departments or projects.

Asset: A physical resource such as a building or major piece of equipment owned or controlled by the government.

Audit: An inspection of the accounting procedures and records by a trained accountant authorized to perform financial audits. Also refers to the actual report produced by the accountant.

Benefit: An item or service of value to the recipient or something that aids or promotes well-being.

Client: The party who benefits primarily from the government spending. The client must be either the public or the government itself. The government is the client when the spending benefits only the government's internal operation and cannot be attributed to specific public benefits.

Contract: (Also referred to as **procurement contract** in this Guide) An agreement between the GNWT and an outside party whereby the GNWT purchases goods, services or leases real property. Often, the outside party is selected through a competitive selection process, as described in the *Government Contract Regulations*.

Contribution: A conditional transfer of approved funds to a third party to fulfill a statutory obligation or other government objective which will conclude within one year or extend beyond one year.

Department: a department of the Government of the Northwest Territories.

Disbursement: The actual payment of funds to a third party by the GNWT.

Expense or Expenditure: An outflow of money to another person or group to pay for an item or service, or for a category of costs.

Fixed Costs: Expenses that do not change in proportion to the activity of a business.

Forced Growth: Adjustment due to identified, uncontrollable cost increases.

Goods: Materials, supplies or equipment.

Grant: An unconditional transfer of approved funds to another party for a specified purpose.

Infrastructure expenditures: Spending for facility costs associated with delivery of program such as rent and utility costs.

Multi-Year Contract: Any contract that requires construction or the supply of goods or services and the related expenditure for more than one fiscal year.

Non-Government Organization: The term “non-government organization” is not defined in legislation, but is generally interpreted to mean any one of a variety of entities that receive public funding to provide public service or programs that support government objectives. These include NGOs, volunteer groups and other third parties.

One-time Contribution: A conditional transfer of approved funds to a third party to fulfill an obligation or other government objective which will be concluded within one year.

Operational costs / expenditures: Spending, incurred carrying out operations. This includes salaries and benefits, material and supplies, contracted services and does not include capital spending

Program Evaluation: A process to ensure a department or agency has timely, strategically focused, objective and evidence-based information on the performance of its programs.

Program Manager: Person named within a department who oversees the planning, control and management of a program or project completed through a funding agreement with a third party.

Proposal: An offer to provide goods, services, or construction submitted to the GNWT, often in response to a request by public advertisement or private invitation.

Public: Individuals, groups and organizations other than the government and its agencies.

Public Money: (also known as **Public Funds**) Funds that belong to the government, including public revenue, money borrowed by the government, money received or collected on behalf of the government or special purpose funds.

Recipient: An individual or organization that is in receipt of funding from the Government of the Northwest Territories.

Responsible Department: The department whose program or service is under consideration.

Services: Services other than the provision of goods and construction. Examples are: legal, architectural, engineering, and other consulting services; insurance, security, and investigation services; repair, custodial and other trade type work; and ordinary rental or lease of equipment. Services do not include lease-to-purchase agreements. Such agreements are contracts for the purchase of goods and are subject to special regulation and control.

Tender: An offer submitted in response to an invitation from a contracting authority to carry out work or to supply goods or services for a certain price under defined terms and conditions.

Third Party Funding: Funding transferred to the GNWT by another party, usually the federal government, for a specific purpose whereby the GNWT is obligated to provide

goods or services on behalf of the other party either through GNWT staff, agencies or through agreements with other interested third parties.

Transfer Agreement: The formal written agreement between the GNWT and an NGO spelling out the terms of a transfer of government funds to the NGO. Two main types are Contribution Agreements and Grant Agreements.

Variable Costs: Expenses that change in proportion to the activity of a business.

Appendix F: References

GNWT Links

Business Incentive Policy

<http://www.iti.gov.nt.ca/businesseconomicdevelopment/businessincentivepolicy.shtml>

Financial Administration Manual

<http://www.fin.gov.nt.ca/FAMWeb/index.html>

Grants and Contributions Guide

<http://www.gov.nt.ca/research/publications/index.html>

Third Party Agencies Accountability Framework

<http://www.fin.gov.nt.ca/documents/legislation-policy/3rdpartyaccountpolicy.pdf>

Other References

The Northwest Territories Voluntary Support Initiative

<http://www.volunteernwt.ca/research/documents/2005VolunteerSupportInitiative.pdf>

Toward New Voluntary Sector-Government of the NWT Relationships and Funding Arrangements – Final Report

<http://www.volunteernwt.ca/home/documents/TowardNewVoluntarySector-GovernmentoftheNWTRelationshipsandFundingArrangements.pdf>