CCNS Policy on Grants from Reserve Funds (Draft 3.1 – Dec 15, 2017)[1]

▪ CCNS has two sources of funding for grants to member clubs:

1) **External grants** that CCNS applies for (e.g. from Sport Nova Scotia; the Department of Communities, Cultures and Heritage; Cross Country Canada). These grant funds will be announced by CCNS to member clubs. Grant funds must be allocated and spent in accordance with the funders' guidelines.
2) **Internal grants** from the CCNS Reserve Funds. The Reserve Funds are a result of surplus funds from various sources that CCNS accumulated over many years.

▪ This policy concerns grants from the CCNS Reserve Funds.

Financial Management of the CCNS Reserve Funds

▪ The CCNS Board has agreed that the Reserve Funds serve three purposes:
1) To enable CCNS to survive in the event of a short term financial crisis;
2) to enable CCNS to responsibly wind down its operations if core funding is unavailable for more than 1 year;
3) to promote the growth of cross country skiing in Nova Scotia through support to CCNS member clubs.
▪ To support purposes 1 and 2, the CCNS Board will keep a minimum of $30,000 in the Reserve Fund at all times. This $30,000 fund is the **Restricted Reserve Fund.**

▪ The Reserve Funds are held in two accounts:
1) $5,000 is held in the CCNS chequing account to cover any short-term cash flow needs;
2) the remaining funds are held in an RBC Investment Account. RBC provides quarterly statements of the value of the investment funds.
▪ The CCNS Board voted on Oct 3, 2017 to invest the Reserve Funds in a "very conservative risk" investment fund, defined by RBC as 20-25% equities, which was projected in 2017 to earn an average annual interest of 2-5% (after RBC fees of 1.68% are deducted).
▪ Future CCNS Boards may choose to revisit the decision to invest the funds in a "very conservative risk" investment fund.

Objectives of CCNS Grants

▪ The goal of CCNS is to support the growth of cross-country skiing in Nova Scotia through support to its member clubs. The Reserve Fund is one of the primary sources of finance available to CCNS to play this role. The CCNS Board of Directors will seek to manage the Reserve Funds to maximize impact on the growth of our sport, primarily through growth in the membership of member clubs. To do this, the Board will need to balance two competing objectives:

1) Protecting the Reserve Fund for the future by making grants from interest earned by the fund, and

2) Making strategic grants to member clubs that will leverage other funding and have a significant impact on the growth of cross-country skiing. In some instances, the CCNS Board may decide that it is more strategic to spend principal from the Reserve Funds to support strategic initiatives

[1] On October 3, 2017 the CCNS Board of Directors approved a motion "To invest the Reserve Funds in a very conservative portfolio and loans or grants can be made from those funds with the Board's approval. The principle shall not go below $30,000." (CCNS Board of Directors, Minutes, October 3, 2017).

that will help to grow our sport even at the cost of reducing the Reserve Fund. The ultimate goal of CCNS is to promote the growth of cross country skiing in Nova Scotia.

Guidelines for Grants to CCNS member clubs

▪ At the approval of the CCNS Board of Directors, CCNS may vote to make grants to its member clubs from the Reserve Funds.

▪ CCNS will not make grants to any other clubs or organizations.

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▪ A CCNS grant will require:

a) A grant application to CCNS endorsed by both the club President and Treasurer that includes the following information:

▪ the amount requested.

▪ the purpose of the grant including the timeline for spending the grant. Clubs are encouraged to align grant requests with the CCNS Strategic Plan. CCNS will prioritize grant applications that aim to increase club membership and increase the diversity of club membership.

▪ an indication of other funds available to support the initiative (at least 50%). CCNS will grant a maximum of 50% of the cost of any initiative. Other funds must come from other grants or the club's own funds (not including in-kind contributions).

▪ the club's financial statement for the current and previous year.

▪ the clubs current membership and projected membership for the following year.

b) A Letter of Agreement signed by the President of CCNS and the President of the member club that confirms the terms of the grant.

c) A report from the club to CCNS on how the grant was spent to be submitted to CCNS within 60 days of the completion of the project or initiative funded by the grant (as indicated in the Grant application letter).

▪ **CCNS grants to member clubs will observe the following guidelines:**

▪ Normally, CCNS will only grant funds generated through interest earned on its Reserve Funds and / or other revenue, such as other grants received by CCNS or the sale of equipment.[2]

▪ In exceptional circumstances, CCNS may choose to make grants to member clubs from the principal of the Reserve Funds. Such exceptional circumstances could include instances in which a grant from CCNS would have a major impact on the growth of cross country skiing in Nova Scotia.

▪ CCNS grants from the Reserve Fund will only be provided as matching funds to leverage funds from other sources (not including in-kind contributions). The maximum CCNS contribution will be 50%.

▪ CCNS will consider grant requests from member clubs once per year at its October meeting. The deadline for Grant applications to CCNS will be September 25 of each year. In exceptional circumstances as judged by the CCNS board, Grant applications may be considered at other times during the year.

[2] Based on the total amount of the Reserve Fund in 2017 invested at a "very conservative" risk level, CCNS can expect to generate a total of **$1,000 to $3,000 per year to be available as grants from the Reserve Fund**. This amount may be lower during years when CCNS has loaned Reserve Funds to member clubs as the size of the Reserve Fund to earn interest will be smaller.

▪ At the September CCNS Board Meeting, the Treasurer of the Board will present a quarterly financial report that indicates the size of the Reserve Funds, including interest earned over the previous year.
▪ The size of grants that member clubs can request will not be capped, but CCNS will communicate to clubs each year how much is reasonable to apply for (e.g. $1,000 to $3,000). In years when 3-4 clubs all apply for grants, less might be available to each club.
▪ The CCNS Board will apply consistent and objective criteria (see below) when evaluating grant applications.
▪ CCNS will develop grant application instructions to share with member clubs and post on the CCNS website.
▪ CCNS will communicate the results of all grant competitions to all member clubs.

Criteria for Evaluation and Selection of Grants from Member Clubs:

▪ Quality of the grant proposal: Does it respond to all of the grant request guidelines, with appropriate supporting documents?
▪ Anticipated impact of the grant on increased membership and / or increased participation in cross country skiing.
▪ Equitable distribution of grant funds to member clubs, taking into consideration membership size and club budget. The CCNS Board will strive to ensure that no single club receives a disproportionate share of grant funds. Clubs should not expect to receive more than 1 grant every 2-3 years, but may apply annually.