



City of Richmond

Report to Committee

To: General Purposes Committee

Date: August 31, 2006

From: Cynthia Chen
Councillor

File:

Re: **Financial Assistance**

Recommendation

That staff prepare and bring forward for Council's consideration a policy which will guide the process by which Council will entertain unsolicited requests from outside agencies for financial assistance that occur outside the formal grant process and which may be received by the City in written form or through presentation by a delegation to Committee or Council Meetings.

Cynthia Chen
Councillor

Report

Origin

Council provides financial assistance to eligible individuals and groups who make significant contributions to the community under the grants program after a stringent review and evaluation process. During my initial tenure on Council, I observed community groups appearing as delegations to Council to request financial assistance, as opposed to, going through the regular grants program. As I have concerns about this process, I am bringing forward for Council's consideration the Recommendation that accompanies this report.

Analysis

Three important factors that should influence Council's granting of financial assistance are transparency, fairness and equity. The City needs to be transparent in the way in which financial assistance is provided to groups and individuals, and therefore must take care to ensure that whatever process is utilized is available to all applicants. Council also needs to be able to demonstrate that all requests for financial assistance are considered in a fair and equitable manner. In other words, applicants should be confident regardless of the outcome that their application was evaluated under the same criteria as any other application. Providing financial assistance to individuals or groups without the normal due diligence, review and evaluation of details which normally accompany a regular process could set a precedent and encourage other groups to circumvent the formal process in the future. Financial assistance given in isolation of the regular budget process and cycle will also create challenges to maintaining financial control of the City's expenditures and ongoing efforts to make optimal use of limited budget dollars.

A formal policy would be beneficial under the circumstances as it would state Council's position on financial assistance, clarify the process by which applicants can approach the city, and make clear the roles and responsibilities of staff within a defined process. At the same time the policy would still provide a mechanism to deal with special exceptions, but in all cases would ensure that decisions on granting financial assistance are perceived to be fair and consistent.

The pitfalls of not having a formal policy to cover the approval of funding requests without detailed background information are as follows;

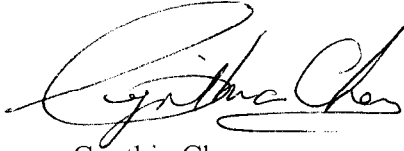
- Limited opportunity to verify important information that is provided in support of the request,
- Difficult to assess or understand potential financial implications if approved in isolation,
- More challenging to maintain cost control,
- Risk of setting a precedent that will attract other groups to approach the city outside of the formal process,
- The risks and inefficiency of running an unofficial informal process parallel to a formal process,
- No controls to manage the transactions,
- Undue duress placed on Council to make uninformed and possibly irrational decisions,
- Does not ensure accountability.

The advantages of having a formal policy include the following;

- Allows Council to streamline the management of requests and transactions;
- Ensures proper analysis to determine and address the most worthy needs;
- Assists with the challenge of comparing and prioritizing competing applications;
- Eliminates any favouritism or pre-determined bias towards any citizen/groups;

Conclusion

Under the City's grants program, financial assistance is provided to eligible individuals/groups who make significant contribution to the community. The City should have a formal policy concerning how applications for financial assistance will be received, processed and awarded in order to eliminate any inequities when groups appear as delegates before Council.

A handwritten signature in black ink, appearing to read 'Cynthia Chen', written in a cursive style.

Cynthia Chen
Councillor