Nunavut Tunngavik Inc.

Policy on the Administration of Distinctions-Based Funding

*Approved by the Board of Directors on March 21, 2024**
*(*Approved to take effect on April 1, 2024)*

1. PURPOSE

1.1 The purpose of this Policy is to ensure the streamlined and efficient administration of the Distinctions-Based Funding (the "Funding") at NTI, and that such Funding is managed responsibly, with accountability, transparency and fairness.

2. APPLICATON

2.1 The Funding refers to all sources of funds from government related to Inuit self-determination, Inuit specific programs or general programs applicable to Inuit, and covered by Section IV of the Expenditure Policy, that generally include all funds that are outside (i) NTI core funding from the Nunavut Trust, (ii) designated funding from government for implementation activities directly related to the *Nunavut Agreement*, or (iii) revenues from resource development.

2.2 Except as otherwise directed by the Board of Directors or the Executive Committee, this Policy applies to all streams of the Funding that have been allocated to NTI and are administered by NTI for Nunavut-wide programs and services. For clarity, decisions on whether and how to allocate a stream of the Funding amongst NTI and the Regional Inuit Associations (RIAs) will be decided by the Board of Directors or the Executive Committee, based on recommendations of the Senior Management Committee.

2.3 Except as otherwise directed by the Boad of Directors or agreed upon by the RIAs, the Policy does not apply to the RIAs on their portions of regional allocations from the Funding. However, NTI will collaborate with the RIAs to seek consensus and/or coordinate delivery of programs and services, to promote consistency, avoid duplication and improve efficiency for both NTI and the RIAs.

2.4 Any terms and conditions associated with a stream of the Funding (the "Original Terms and Conditions"), based on any agreement with government, will automatically apply to the allocation and spending of all funds flowing from that stream of the Funding, including regional allocations to the RIAs or any arrangement with a proponent under this Policy.

3. CRITERIA AND PROCESS

<u>Spending Plan</u>

3.1 Spending Plans based on a Board approved strategy, framework, action plan, needs assessment or similar are the preferred approach to sending the Funding and balancing accountability, efficiency and transparency, especially given that many streams of the Funding are required to be spent within a specific time period by the Original Terms and Conditions. NTI departments and the RIAs are encouraged, working with potential proponents, to develop Spending Plans in accordance with the objective and requirements of the Original Terms and Conditions.

3.2 For a Spending Plan to be approved, it should contain a reasonable level of detail commensurate to the level of the Funding applied. Spending Plans should generally include detailed explanations on how the objective of the Funding will be achieved, what kind of expenses (including out-of-pocket expenses and labour costs) will be covered, the anticipated timelines to carry out the Spending Plan, whether identified through one or multi-year funding cycles, and how the intended proponents/recipients, if any, will be selected.

3.3 Spending Plans need to be approved as follows:

(a) For a Plan covering the total amount of $1 Million or less, by the CEO based on recommendation of the department managing the file, with an update to the Senior Management Committee;
(b) For a Plan covering the total amount of more than $1 Million but less than $5 Million, by the CEO in consultation with the Senior Management Committee in accordance with section IV of the Expenditure Policy; and
(c) for a Plan covering more than $5 Million dollars in total, by the NTI Board of Directors or the Executive Committee.

<u>Fair Process</u>

3.4 Except as otherwise covered by an intergovernmental agreement based on the objective of the Funding or the nature of the program, a Board of Directors or Executive decision, an approved program policy, an approved Spending Plan, or a CEO decision based on consensus of the Senior Management Committee (for a single allocation or multi-year arrangement with a total amount under $5 Million), all allocations of and contributions from the Funding will be made based on a fair and transparent process as follows:

(a) open advertisements, or invitations to all known proponent(s) in the field (General Invitations), for a single allocation or multi-year arrangement with a total amount of $500,000 or more. For clarify, nothing in this paragraph is intended to limit the use of open advertisements or General Invitations for any amount under $500,000;

(b) for a single allocation or multi-year arrangement with a total amount of more than $250,000 but less than $500,000, invitations to five or more proponents in the field may be sufficient if they are deemed to be in the best position to deliver programs or projects;

(c) for a single allocation or multi-year arrangement with a total amount of less than $250,000, invitations to two or more proponents in the field may be sufficient if they are deemed to be in the best position to deliver programs or projects; or

(d) for a single allocation or multi-year arrangement with a total amount of less than $100,000, an invitation to one potential proponent may also be sufficient

(1) if it is the only eligible proponent in the field, or
(2) if, although there are more than one potential proponents,

i. it is in urgent need of the Funding to maintain core operations (e.g., without an infusion of funding, the organization would likely cease operation within three months),
ii. there are no other funding sources available to the organization,
iii. it serves the critical needs of Inuit or a group of Inuit in one or more communities, and
iv. other similar organizations will be given opportunities to apply within a short timeframe (i.e., within one month).

<u>Eligible Proponents and Recipients</u>

3.5 “Proponent” in this Policy refers to organizations or individuals that manage programs or projects that provide benefits to individual Inuit as the end recipients (i.e., except for approved administrative fees, honouraria or other reasonable labour costs, and reimbursement for reasonable out-of-pocket expenses, proponents are not intended to be the end recipients of the Funding or the program benefits).

3.6 The following organizations or individuals may be eligible as proponents:

(a) The primary proponents are intended to be not-for-profit organizations including community organizations across all three regions of Nunavut, that meet the following requirement (“Inuit Control Requirement”):
i. primarily operating in Nunavut (e.g., a majority of their directors and officers are Inuit residing in Nunavut),
ii. being managed by Inuit (e.g., two-thirds or more of their directors are Inuit), or
iii. primarily serving Inuit (i.e., two-thirds or more of their clientele are Inuit).

For greater certainty, except as otherwise approved by the Board of Directors or the Executive Committee in exceptional circumstances, a stream of the Funding will not be available to a RIA or a RIA-Controlled entity if the RIA has been provided a regional allocation for the stream.

(b) Recognized national Inuit organizations may be eligible as proponents to receive the Funding if NTI and/or RIAs partner with them to develop joint programs to benefit Nunavut Inuit. Funding provided by NTI and RIAs will be proportional to the number of Nunavut Inuit being served by a program.

(c) Territorial or municipal governments may be eligible as proponents to receive the Funding if NTI partners with them to develop joint programs to benefit Nunavut Inuit.

(d) Except on programs or projects with a primary objective of providing Inuit training, Inuit Firms on NTI’s Inuit Firm Registry may be eligible as proponents to receive the Funding if it is established that the Inuit Firm is the only potential proponent in the field or in a community that is capable of providing or willing to provide the desired programs or projects. On programs or projects with a primary objective of providing Inuit training, Inuit Firms may be eligible as proponents on the same basis as not-for-profit organizations.

(e) An Inuk (including a group of individual Inuit) may be eligible as a proponent to receive the Funding up to $100,000, if it is established that the Inuk (including a group of individual Inuit) is the only potential proponent in a community that is capable of providing or willing to provide the desired programs or projects.

(f) Other Nunavut-based for-profit organizations may be eligible to receive the Funding in exceptional circumstances, with the approval of the Board of Directors or the Executive Committee, if it is established that the Nunavut-based organization is the only potential proponent in the field or in a community that is capable of providing or willing to provide the desired programs or projects.

3.7 Nothing in this paragraph is intended to restrict NTI's ability to directly administer a program (the "Direct Program") from a stream of the Funding to benefit eligible not-for-profit organizations or individual Inuit as the end recipients. If NTI administers a Direct Program, any not-for-profit organizations as the end recipients shall also meet the Inuit Control Requirement, and the Fair Process in Section 3.4 and the approval process in Part 4 of this Policy shall also be followed, unless similar or stricter requirements have been specifically approved for the program.

Criteria

3.8 NTI may develop appropriate criteria prior to open advertisement or invitations for a stream of the Funding, based on factors including identifying the intended objectives that the stream of the Funding aims to achieve, fair application of programs and services across all three regions of Nunavut, consistency of the proposed activities with NTI's current organizational priorities, and the anticipated timelines.

3.9 All project proposals, regardless of whether the proponent is a not-for-profit organization, a for-profit organization or an individual, will be based on a not-for-profit model, i.e., the funding will be used to cover reimbursements of actual out-of-pocket expenses, honouraria and other reasonable costs of labour, that are directly related to a proposed project, in addition to any reasonable administrative fees consistent with NTI policies or as otherwise approved by NTI. Capital expenses, general overhead and similar expenses that are not directly related to the project will not be covered unless they are contemplated or allowed by the Original Terms and Conditions of the Funding.

3.10 In the event that NTI administers a Direct Program, efforts will be made to minimize overlap with programs or benefits that are already covered by existing NTI programs and policies (e.g., Social and Cultural Contribution Program under the Contribution Policy).

4. SELECTION AND APPROVAL

Screening

4.1 All proposals by proponents will be screened by a screening committee consisting of the director or an assistant director of the department managing the file, one assistant director from the same or a different department, and another senior staff member (director or assistant director) from a different department, within a reasonable time (e.g. within 10-15 business days) following the closing of the open advertisement or invitation. Only proposals recommended by the committee proceed to the approval stage.

Approval

4.2 Proposals shall be funded only with approval by the appropriate approving authority in accordance with the following based on recommendation of the screening committee, and after contribution agreements are signed in accordance with NTI policies and practices:

(a) Up to $100,000, by the departmental director responsible for the administration of the stream of the Funding, if the allocation falls under paragraphs 3.4(a) (b) or (c);

(b) Up to $250,000, by the CEO, or the Chief Administrative Officer or Chief Operating Officer as delegated by the CEO, if the allocation falls under paragraphs 3.4(a), (b), (c) or (d); or

(c) $250,000 or more, by the CEO or other appropriate authority:

(1) for an allocation (single or multi-year) in the total amount of up to $1 Million, by CEO, with an update to the Senior Management Committee;
(2) for an allocation (single or multi-year) in the total amount of more than $1 Million but under $5 Million, by the CEO in consultation with the Senior Management Committee in accordance with section IV of the Expenditure Policy; or
(3) for an allocation (single or multi-year) in the total amount of $5 Million or more, by the Board of Directors or the Executive Committee.

The above approval authorities also apply to any allocation or spending decision related to a matter covered by an approved Spending Plan, in the absence of any provisions in the Spending Plan that provides otherwise. For clarity, a Spending Plan may provide approving authorities that are different from those provided in this Section.

4.3 In approving a proposal for Funding or recommending a proposal to the Board of Directors or the Executive Committee, the Chief Executive Officer and/or the Senior Management Committee should consider, in addition to the merits of the proposal, additional factors such as equitable and fair distribution among regions and the desirability for multi-year projects that aims to advance Nunavut Inuit.

4.4 A written record of decision shall be maintained for each decision. A clearly worded email request and reply will be considered a sufficient written record.

5. OTHER REQUIREMENTS

5.1 All selected proponents will be required to enter into a contribution agreement with NTI (including grant agreement where appropriate at the discretion of NTI).

5.2 Notwithstanding anything to the contrary in this Policy, procurement of goods or services in the form of a consulting, service or purchase agreement by NTI, and funded by the Funding or related to any Direct Program, is subject to the processes and procedures provided in the Procurement Policy and related Guidelines.

6. GUIDELINES

The Chief Executive Officer may make guidelines to implement this Policy.

7. REVIEW

The Policy shall be reviewed every five (5) years. Nothing in this Part is intended to prevent the CEO from reviewing the Policy on a more frequent basis.

8. TRANSITIONAL PROVISION

Existing projects based on Spending Plans and spending decisions made prior to this Policy coming into effect may continue without having to meet any additional requirements under this Policy.