

Northern Capital Grants Program

Information Guide

1. What is the Northern Capital Grants program?

The Northern Capital Grants (NCG) program enables municipalities to acquire, construct and equip capital assets such as public works shops, graders, roads and recreational facilities. Investing in capital assets helps support the municipality in providing and delivering services that benefit the quality of life for northern residents.

2. What are capital works?

Capital works are projects that lead to the acquiring, constructing, or equipping of physical (capital) assets.

3. What are capital assets?

Capital assets are physical assets that are used to support municipal operations and drive future economic benefits. They are:

- Used to produce or supply goods and services for:
 - rental to others;
 - administrative purposes; and/or
 - the development, construction, maintenance, or repair of other capital assets.
- Have a lifespan of greater than one year.
- Used on an ongoing basis (not one-time use).
- Not intended for sale in the ordinary course of operations.

4. What are eligibility requirements?

The following eligibility requirements apply to all applicants:

- Applications must be submitted by the program period deadline,
- Applications must meet the minimum application amount,
- Applicants must be an eligible recipient,
- Applications must be for an eligible cost, and
- Applicants must meet the audited financial statement requirement unless otherwise exempt (refer to question 10).

5. What is the program period and when is the deadline to apply?

The current program period starts October 1, 2023, and ends September 30, 2028. Application packages must be completed and submitted by August 31, 2028. Incomplete packages will not be accepted.

6. What are the minimum application amounts?

\$2,000 – northern hamlet

\$3,500 – northern village

\$5,000 - town

The minimum application amount does not apply when a municipality does not have enough remaining NCG allocation.

7. Who are eligible recipients?

Northern incorporated municipalities are eligible to apply for the program.

8. What costs are eligible?

The program supports costs associated with:

- Purchasing, constructing, equipping, renovating or expanding new or existing capital assets. This includes designing and planning costs, and land purchased to construct an asset.

The following applies:

- Renovations and expansions must significantly increase the asset's lifespan or energy efficiency for the costs associated to be eligible.
- Repairs must significantly increase the asset's lifespan.
- Purchase or construction of shared capital assets resulting from regional partnerships where the owner is a municipality or controlled corporation.
- The outstanding balance of the required municipal contribution for a project that has been approved under the following eligible Northern Municipal Trust Account (NMTA) programs:
 - Northern Water and Sewer program
 - Emergency Water and Sewer program
 - Northern Regional Solid Waste Management program
 - Northern Residential Subdivision Development program
- Emergency water and sewer projects where approval is recommended based on preserving the health, safety, and quality of life for residents.

8- Examples of Eligible Costs

Parks and recreational facilities (e.g. indoor, outdoor recreational spaces).

Community and cultural infrastructure.

Utility infrastructure (e.g. water, sewer).

Public transportation.

Civic facilities (e.g. town hall, administration office).

Public works facilities (e.g. waste management facilities, maintenance shop).

Roads and bridges (e.g. paving, road expansion).

Fire halls.

Land improvements (e.g. subdivision).

Animal rescue and control facilities.

Heavy construction equipment (e.g. grader, loader).

Machinery (e.g. landscaping, ice resurfacing, snow clearing).

Vehicles (e.g. municipal fleets, emergency vehicles, garbage trucks, public transportation).

9. What are the audited financial statement requirements?

Unless otherwise exempt, applicants require:

- The prior year's audited financial statement when applying after July 1, or
- The audited financial statement from two years prior when applying on or before July 1.

9 – Example Audited Financial Statement

A municipality submits a complete application on April 30, 2023, therefore the 2021 audited financial statement would be required.

A municipality submits a complete application on August 15, 2023, therefore the 2022 audited financial statement would be required.

10. Which applications are exempt from the audited financial statement requirement?

- Applications to support emergency water and sewer projects that are approved under this program.
- Applications for costs associated with a municipality's required contribution owing on a project resulting from an eligible NMTA program.

11. What are the requirements for applications made for new buildings and facilities?

To promote sustainable infrastructure development, applications made for new buildings and facilities must meet all eligibility requirements, and in addition, applications must include the following:

- A submission prepared by a person associated with a profession and/or professional body of practice that provides details on how the operation and maintenance of the new building or facility will impact municipal finances over its lifetime.
- Qualified project management oversight where required. A final construction report from a project manager will be required before any funds are released.

12. When is asset insurance not a requirement?

Asset insurance is not a requirement when the asset is something that is not insurable, such as roads.

13. How do I apply for the program?

First, confirm that the eligibility criteria have been met. To initiate the application process, complete and submit a Capital Works Plan (NCG-1) and an Application for Grant Approval (NCG-2), including all mandatory supporting documents stated on the forms, to Northern Municipal Services via email to nmsgrants@gov.sk.ca. Where an application is for a shared asset, refer to question 18.

- Submit one application at a time (do not submit multiple applications in one email).
- In the email subject, state the program name, municipality name and the eligible expenditure description. For example: NCG program, Town of ABC, grader.

Applications will also be accepted via mail at:

Ministry of Government Relations
Northern Municipal Services
Box 113
La Ronge SK S0J 1L0

14. Can I apply after I make the purchase?

Yes, an application can be made at any time within the program period, including after the expense is incurred. The following apply:

- Expenses must be incurred within the program period in which it was applied, with the exception of expenses related to applications for eligible NMTA program support.
- Only applications that meet the eligibility criteria at the time of the application will be considered.
- Application forms NCG-1, NCG-2 and the Application to Request Grant Payment (NCG-3) must be completed and submitted, including all mandatory supporting documents requested on these forms.

15. How much funding is available?

Each municipality is provided with an allocation for the program period (October 1, 2023, to September 30, 2028). Allocations are outlined on the last page of this document.

The maximum allowable grant depends on the type of application:

- Standard grant applications: maximum grant is 90 per cent of the net total estimated cost.
- Applications for shared capital assets (not resulting from an eligible NMTA program):
 - Only one municipality can apply for a maximum of 90 per cent of the net total estimated cost.
 - All other partners can apply for a maximum of 90 per cent of their net financial contribution.
- Applications for eligible NMTA program support:
 - Where project deductions have not occurred the maximum grant is 90 per cent of the total eligible cost.
 - Where project deductions have occurred the maximum grant can be up to 100 per cent of the outstanding balance, provided it is within 90 per cent of the total eligible cost.
 - The total eligible cost is the total required municipal contribution for the project.

The following are considered when determining a municipality's eligible grant:

- The requested amount is within the maximum allowable grant and
- The municipality has enough remaining allocation (considering all concurrent applications).

15 – Example #1 of maximum NCG available funding

A municipality applies for funding for an asset with a total estimated cost of \$100,000. The municipality expects to receive a provincial grant of \$10,000 for this purchase. The net total estimated cost for this asset is $\$100,000 - \$10,000 = \$90,000$. The maximum NCG is 90 per cent of the net total estimated cost (90 per cent of $\$90,000 = \$81,000$). However, the municipality only has \$50,000 NCG remaining allocation available, therefore, the maximum NCG that can be received for this application is \$50,000.

15 – Example #2 of maximum NCG available funding

A municipality has a project under the Northern Water and Sewer program and the required municipal contribution is \$100,000. The current deduction schedule is \$20,000 per year over five years. Two deductions have already occurred, and the remaining balance is \$80,000. The maximum NCG that can be applied for is \$80,000. This is within 100 per cent of the remaining balance and is within 90 per cent of the total eligible cost.

16. What are the net costs?

Net costs are the remaining costs after all other funding sources specifically received for the capital asset have been considered. Refer to question 15 regarding how much funding is available.

17. What are other funding sources to consider on your application?

Other funding sources that need to be considered are those received specifically towards the capital project or asset being applied for (capital asset-specific funding sources). General funding sources received are not applicable.

17 - Examples of other capital asset specific funding sources to consider.

Grants (Federal, Provincial, private)
Partner contributions
Donations
Special tax levies
Fundraising
Partner contributions

18. My municipality partnered with another municipality for the construction of a capital asset. How do I apply for the program?

- Shared assets resulting from regional partnership projects facilitated by an eligible NMTA program:
 - Each municipality submits an Application for Eligible NMTA Program Support (NCG-6).
- All other shared assets:
 - One municipality coordinates the completion and submission of the application package (applicant municipality). The maximum NCG the applicant municipality can apply for is 90 per cent of the net total estimated cost.
 - Partnering municipalities complete section 6 of application form NCG-2 based on their financial contribution. The maximum NCG that partners can apply for is 90 per cent of their net financial contribution.

19. My municipality needs support with their required municipal contribution owing under an eligible NMTA program. How do I apply?

Applicants are required to complete the Application for Eligible NMTA Program Support (NCG-6), including all mandatory supporting documentation requested on this form. This includes regional partnership projects facilitated by an eligible NMTA program (each municipality must submit their own NCG-6 application for this support).

20. My application has been approved. How do I receive funding from the program?

Funding can be received for approved applications by completing and submitting funding application forms after expenditures have been incurred.

- To apply for interim funding, complete and submit the Application for Interim Funding (NCG-4) as well as any mandatory supporting documentation stated on the form.
- To apply for grant release after purchase/project is completed, submit application form NCG-3 including any mandatory supporting documentation stated on this form.
- To apply for a grant advance, refer to “**22. What are grant advances and how do I apply for a grant advance?**”

Email all forms and supporting documents to nmsggrants@gov.sk.ca. Include the form number (NCG-3, NCG-4 or NCG-5) and the assigned application number in the subject line.

Submissions can also be made via mail.

21. What is interim funding?

- Interim funding is available to help support eligible recipients in constructing capital works and can be applied for using the application form NCG-4.
- Interim funding is released based on project progress over time. Proof of expenditures must be submitted along with application form NCG-4 for release of progress payment.

22. What are grant advances and how do I apply for a grant advance?

A grant advance is the advancement of funding to an eligible recipient to assist in the purchase of a capital asset. To apply for a grant advance, the following criteria must be met:

1. Applicants must meet all program eligibility requirements.
2. Applicants can't have any concurrent NCG applications under review or approved NCG applications where funding has yet to be released.
3. Applicants must submit application forms NCG-1 and NCG-2, including all mandatory supplementary documents.
4. Applications shall not exceed 90 per cent of the net total estimated cost and shall not exceed 50 per cent of the applicants remaining grant allocation.

Once the criteria above are met, complete and submit the Application for Grant Advancement (NCG-5) in conjunction with NCG-1 and NCG-2.

22 – Example #1 Grant Advance

A municipality applies for a \$50,000 grant advance on an asset that has an estimated cost of \$60,000. To be eligible for the advance they must have a remaining grant allocation of \$100,000 and meet all other grant advance eligibility requirements.

The following conditions apply to grant advances:

- The municipality's remaining NCG allocation will be reduced in the amount two times the grant advance until proof of payment has been submitted.
- Where proof of payment is not provided, no other grant advance applications will be approved.

- Where there has been no proof of payment by the end of the program period the amount reduced is carried over into the next program period and withheld until proof of payment is provided.

22 – Example #2 Grant Advance

A municipality is approved for a grant advance of \$50,000. Their remaining NCG allocation is \$150,000. Their NCG allocation will be reduced by a total of \$100,000 until proof of payment for the approved expenditure is received.

23. My approved project will not be completed by September 30, 2028. What happens?

Some projects take longer than anticipated to complete. To request to carry over the project:

- Submit the request by August 31, 2028.
- Include rationale, project description, cost estimate, project schedule, and capital works plan.
- Send the request to nmsgiants@gov.sk.ca and state the application number and “project carry-over request” in the email subject line.

2023-2028 Northern Capital Grant program allocations per municipality			
NORTHERN MUNICIPALITY	Base Funding	2018-2023 Carryover	Total (Base Funding + Carryover)
Towns			
CREIGHTON	419,191.89	474,279.36	893,471.25
LA RONGE	842,729.48	735,562.92	1,578,292.40
Northern Villages			
AIR RONGE	456,297.40	357,246.82	813,544.22
BEAUVAL	228,984.41	293,306.00	522,290.41
BUFFALO NARROWS	338,963.78	508,703.00	847,666.78
CUMBERLAND HOUSE	180,513.26	362,508.00	543,021.26
DENARE BEACH	228,984.41	159,335.91	388,320.32
GREEN LAKE	137,390.64	147,895.52	285,286.16
ILE A LA CROSSE	476,354.43	55,818.41	532,172.84
LA LOCHE	890,532.06	1,295,590.00	2,186,122.06
PELICAN NARROWS	50,000.00	18,450.00	68,450.00
PINEHOUSE	338,629.50	323,992.82	662,622.32
SANDY BAY	224,304.43	319,429.00	543,733.43
Northern Hamlets			
BLACK POINT	30,000.00	30,000.00	60,000.00
COLE BAY	64,851.06	77,910.00	142,761.06
DORE LAKE	30,000.00	0.00	30,000.00
JANS BAY	50,000.00	20,040.00	70,040.00
MICHEL VILLAGE	30,000.00	50,000.00	80,000.00
PATUANAK	50,000.00	50,000.00	100,000.00
ST. GEORGE'S HILL	50,000.00	0.00	50,000.00
STONY RAPIDS	73,208.15	120,072.00	193,280.15
TIMBER BAY	50,000.00	50,000.00	100,000.00
TURNOR LAKE	50,000.00	50,000.00	100,000.00
WEYAKWIN	50,000.00	50,000.00	100,000.00
DISTRICT	609,065.10	410,000.00	1,019,065.10
FLIN FLON	50,000.00	50,000.00	100,000.00