NGO SERVICE PARTNER FUNDING GUIDE

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Government of
Northwest Territories

CONTENTS

Introduction 1

Principles 2

GNWT Accountabilities and Responsibilities in NGO Funding Relationships 3

- Deputy Ministers 3
- Senior Managers 3
- Program Managers 3

Types of Funding Agreements 5

- Contracts 5
- Contribution Agreements 5
- Grant Agreements 5

Funding and Financial Accountability 6

- Eligible Expenditures 6
- Reporting Requirements 6
- Audit of contributions 7
- New Year Funding 7
- Mid-Year Funding Requests 8
- Eligibility For Funding Requests from new NGOs 8
- Multiple Funding Partners 8
- Remedies if Terms of Agreement Are Not Met 9

DRAFT

INTRODUCTION

This guide outlines a collaborative approach to planning funding relationships between the Government of the Northwest Territories (GNWT) and Northwest Territories Non-Government Organizations (NGOs) that clarifies roles, aligns priorities, and supports ongoing communication to better serve the residents of the Northwest Territories.

It recognizes that the GNWT has a responsibility to provide clear, timely, and proactive support, and that NGOs, which bring community knowledge and direct service delivery expertise, are responsible for managing their organizations effectively. By working together from the start as partners, stronger, more stable, and more responsive services can be built that better meet community needs.

This guide sets out obligations assumed by the GNWT and NGOs when they enter into funding agreements. The guide also provides guidance to GNWT departments on:

- service standards when working in collaboration with NGOs to support effective delivery of programs and services to residents of the NWT,
- Required compliance with GNWT legislation, policy and guidelines, and
- Effective fiscal planning with NGO partners.

For the purposes of this guide, NGOs are defined as non-profit community-based organizations delivering critical service support that is essential for the safety, security, and health of individuals and communities across the NWT and those that deliver programs that enhance social, cultural, or economic wellbeing and complement GNWT priorities through community-driven innovation and partnership.

This definition excludes educational institutions, health bodies, and GNWT agencies established under territorial legislation.

This guide complements and complies with existing GNWT requirements such as:

- Financial Administration Manual,
- Third Party Agencies Accountability Framework,
- GNWT Procurement Guidelines,
- GNWT Service Partner Funding Policy (currently under development), and
- Department-specific policies for program-based contributions/grants and service standards.

This Government of the Northwest Territories Service Standards and Non-Government Partnership Guide replaces the 2014 GNWT Program Managers Guide.

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PRINCIPLES

These principles serve as the foundation for the partnership between the GNWT and NWT NGOs:

Shared Accountability: Public resources should be managed with transparency, effectiveness, and responsibility, supported by consistent, clear, and timely reporting.

Collaborative Responsibility: A collaborative approach should guide planning and problem-solving, with open communication and proactive identification of resource needs to enable sustainable solutions.

Respect and Transparency: Partnerships should be grounded in mutual respect and openness, recognizing independence and advocacy as essential elements.

Sustainable Capacity: Funding arrangements should strengthen organizational capacity and avoid creating undue strain.

Efficiency and Client Focus: Processes should be streamlined, practical, and responsive to the needs of those served.

Outcome Focus: Continuous learning from outcomes should drive improvements in service delivery and community well-being.

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GNWT ACCOUNTABILITIES AND RESPONSIBILITIES IN NGO FUNDING RELATIONSHIPS

DEPUTY MINISTERS

GNWT Deputy Ministers ensure their departmental programs are delivered effectively, efficiently and within legislative, policy and procedural guidelines including required annual reporting to the Financial Management Board and the Legislative Assembly.

With input from program staff and senior managers, Deputies carry out timely reviews of funding relationships to identify opportunities to adjust programs and funding agreements to reduce risks to GNWT-NGO partnerships.

SENIOR MANAGERS

Senior Managers ensure funding agreements are transparent, effective, and aligned with GNWT priorities and accountability standards. They are also accountable for ensuring program goals, objectives and budgets are being met and identifying when they are not and resolving or escalating as required.

PROGRAM MANAGERS

Are responsible for:

- maintaining open, regular communication as the main point of contact for NGOs,
- ongoing promotion of program(s) and sharing information with NGOs across the NWT,
- reviewing NGO proposals for alignment with program goals and budgets,
- coordinating with departmental finance, communications, policy divisions and senior management as needed, and
- ensuring all reporting requirements are met and outcomes analyzed.

Program Managers do this by:

1. **Promoting the Program:** In collaboration with departmental communications, promoting GNWT programs and soliciting applications by public advertising and contacting appropriate NGOs directly to ensure a high level of awareness across the NWT of GNWT support available. Being familiar with other GNWT related contribution programs is considered optimum.

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2. **Evaluating Proposals:** Evaluate applications, to make sure they meet all program criteria. To do this, staff may contact the NGO applicants if not all relevant information has been provided to support a successful application. NGOs are under no obligation to provide additional information if they do not wish to proceed with their application.
3. **Funding Arrangements:** Identify the appropriate GNWT funding arrangement: grant-in-kind, contribution or service contract dependent on the funding program objectives, applicant's eligibility and in direct consultation with their managers and the departmental finance divisions.

   Timely payments to NGOs are expected to be standard practice. If delays cannot be avoided, the Program Managers should inform the NGO as soon as possible and adjust program reporting requirements as needed.
4. **Working with NGOs:** Establish and maintain ongoing communication with NGOs to obtain or provide information related to the project or program being funded. Program Managers are encouraged to use their expertise and experience to determine the frequency of communication in collaboration with the NGO at the beginning of the funding relationship and should consider the nature of the project and funding amount.

   Larger, more complex funded projects or programs, particularly direct service delivery, require more engagement to ensure the program is being delivered in alignment with the funding agreement and to identify emerging issues that need to be jointly addressed. Typically, this would include any funding agreement for $50,000 or more during any one fiscal year.
5. **Business Plan Alignment:** In consultation with their supervisors, program managers are responsible for identifying funding pressures that may require additional resources and/or a revised funding approach for a specific program or service. This process should be carried out in collaboration with NGOs, supported by substantiated data, and aligned with the GNWT business planning schedule. Please see Section 4 New Year Funding for further guidance.
6. **Working with Departmental and other GNWT Colleagues:** Program Managers should communicate relevant program information to other departmental 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.

   This will also include communication with other departments responsible for similar programs or involved with the same NGO(s).
7. **Ensuring all Financial Administration Manual Requirements are Met:** Program Managers are responsible for overseeing funding agreements with NGOs. They monitor program delivery and work collaboratively with NGOs to ensure all required reports are submitted accurately and on time, in alignment with the Financial Administration Manual.

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TYPES OF FUNDING AGREEMENTS

GNWT uses several funding agreement types based on program nature and oversight required. The main types of agreements are contracts, contribution agreements and grant agreements.

CONTRACTS

Legally binding, used when:

- services are delivered in GNWT facilities,
- services are essential and otherwise delivered by GNWT, and/or
- specific programs are delivered on GNWT behalf.

TYPES OF CONTRACTS

Competitive Contracts: For services over $25,000, via Request for Proposal (RFP) with Procurement Shared Services.

Sole Source Contracts: Used when only one provider is uniquely qualified; requires Deputy Head approval.

CONTRIBUTION AGREEMENTS

Used when GNWT funds NGOs who also receive funding from other sources. Agreements may be single- or multi-year (usually 3–5 years) based on program duration and complexity.

Multi-year agreements are suitable for ongoing programs spanning more than one fiscal year. GNWT program policies typically inform criteria for multiyear agreements.

Single-year agreements are for programs/projects completed within one fiscal year.

GRANT AGREEMENTS

Grants provide flexible, often one-time, support for smaller programs or projects that complement GNWT objectives. They are appropriate when:

- detailed financial reporting is not required, and reports are limited to high level results,
- GNWT does not need control over delivery or outcomes, and
- Deputy Ministers determine grant amounts for their respective departments.

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FUNDING AND FINANCIAL ACCOUNTABILITY

ELIGIBLE EXPENDITURES

Subject to the funding agreement criteria eligible costs directly relate to program delivery and include:

- **Operational**: HR, program delivery, travel, communications, supplies, and program audits/statistics.
- **Infrastructure**: Rent, utilities, and facility costs.
- **Administrative**: Office/admin costs directly related to the program (max 5%).

Funding should only cover the portion of costs related to the program (e.g., partial salary if staff split time).

REPORTING REQUIREMENTS

All funding agreements must specify reporting, typically including:

- term of the agreement;
- activities delivered;
- expenditures (type and amount);
- participation levels; and
- program results.

More complex agreements may require more detailed reporting which must be clearly laid out in the funding agreement and in communication with the NGO receiving funding.

All reporting must comply with the Government of the Northwest Territories' applicable policies and legislation, including the *Financial Administration Act*, and any other relevant directives or standards governing financial management, accountability, and program evaluation.

Funding Agreements must be finalized by the finance division and of each department and cannot be backdated. While agreements signed later in the fiscal year can cover earlier eligible expenses, funds must not be disbursed until both parties have signed the agreement, according to the Financial Administration Manual (FAM) IB 805.02 Ongoing Contribution Agreement.

Before releasing funds, GNWT staff must:

- confirm the NGO has met all obligations,
- Verify valid insurance where applicable, and

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- coordinate with departmental finance or policy to ensure all legal and legislative requirements are met.

The funding agreement will specify payment schedules; staff must ensure timely disbursement according to these terms.

AUDIT OF CONTRIBUTIONS

Financial audit requirements vary by funding amount. Audited financial statements are:

- not required for agreements under $250,000,
- required every two years for agreements between $250,000–$500,000, and
- required annually for agreements over $500,000.

Departments may set more specific standards and GNWT required audits will be funded by the GNWT.

NEW YEAR FUNDING

Funding NGOs that support GNWT priorities must be strategically planned and clearly justified to be considered during the annual business planning cycle.

Typically, identification of the need for ongoing and/or additional funding would be well known to both the GNWT and NGO(s) based on ongoing and transparent communication. Funding requests can be developed for potential consideration in the next years' budget cycle pending GNWT priorities and resources.

GNWT budgeting cycle occurs on a regular established schedule to ensure effective planning and expenditure of public funds and to create transparency and accountability. For more information about the GNWT budgeting cycle, please refer to How the Budget Works – A Guide for NGOs.

To support effective budget planning departments must:

- maintain ongoing collaborative communications with NGOs currently receiving funding,
- collaborate with NGOs to assess current funding effectiveness of programming.

To support effective planning, departments must:

- identify the potential need for repeated and/or additional funding in collaboration with NGOs,
- establish data gathering requirements appropriate to the program and funding amount,
- ensure clear rationale is developed and substantiating data is available,
- review and understand funding needs well in advance of GNWT budget deadlines,

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- make recommendations to departmental senior management for potential new year funding, and
- prepare substantiated funding submissions for consideration as directed.

MID-YEAR FUNDING REQUESTS

Increased communications and collaborative planning are expected to minimize mid-year NGOs funding requests. NGOs' requests for additional mid-year funding will not be automatically considered.

If such a request is received it will be assessed based on the following criteria:

- GNWT and NGO collaboration efforts have taken place in advance of the additional funding request,
- the request includes clear rationale and substantiating data from the NGO,
- an evaluation of NGO capacity to adjust operations to minimize potential funding increase, and
- availability of departmental program funding.

The assessment will be provided to departmental senior management for consideration.

Changes to a program's scope, costs, or structure require formal approval via a signed amendment to existing funding agreement before any new funds are released.

This section does not apply to mid-year additional funding that may be required in the event of natural disasters and/or emergencies.

Should this lead to depts seeking FMB approval for incremental appropriations departments must adhere to FAM IB 310.03 – Supplementary Appropriation Criteria.

ELIGIBILITY FOR FUNDING REQUESTS FROM NEW NGOS

New NGO requests for funding should be guided to appropriate contribution programs. Mid-year requests for funding from new NGOs will be subject to the same process for NGO funding request to the GNWT and must be supported by substantiated data and aligned with the GNWT business planning schedule.

MULTIPLE FUNDING PARTNERS

NGOs often receive funding from multiple sources. For each program, the GNWT requires disclosure of all funding sources both existing and new including other governments' funding, donations and fundraising.

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When multiple GNWT departments support the same NGO, staff will coordinate before signing a new agreement to reduce administrative burden on the NGO. This may include collaborating to align funding levels, terms, and reporting requirements and managing a single agreement with input from all involved GNWT departments or funders.

These coordinated efforts should be reflected in the agreement to ensure clarity, consistency, and efficiency.

REMEDIES IF TERMS OF AGREEMENT ARE NOT MET

Regular communication helps GNWT staff monitor program delivery and fund use. Funding agreements may include specific checkpoints or timelines for these updates.

If an NGO does not meet its obligations as outlined in the funding agreement, issues should be addressed through a collaborative process seeking to identify the context and seek a resolution. This should occur immediately once an issue is identified by the NGO or the Program Manager.

Agreements typically outline steps for resolving non-compliance. GNWT staff should ensure the NGO understands its responsibilities, and past performance should inform how flexible the response should be.

If problems continue, available remedies may include:

- requesting repayment of funds not used as agreed,
- deducting the cost of uncompleted or corrective work from future payments,
- recovering costs through other means.

If the matter remains unresolved the program manager will escalate the matter to their supervisor.

Ongoing non-compliance may affect the NGO's eligibility for future GNWT funding. These decisions are made by the Assistant Deputy Minister.

If the NGO experiences issues such as delays in payment or lack of appropriate communications contact should be made with the program manager to discuss solutions. If the issue remains unresolved, the NGO can escalate the matter to the appropriate departmental Director or Assistant Deputy Minister.

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