

Working with a Trustee

What is a Trustee?

A trustee is an incorporated not-for profit organization with the financial systems and organizational structure to administer your group's grant funds. A trustee will distribute the grant funding according to the approved project budget as well as be accountable for reporting on the grant funds to your group and the City. Trustees will often also provide additional administrative supports to funded groups, such as project management, or as the employer of project staff.

Your trustee should be an organization your group is working with or has worked with in the past. If that is not possible, the trustee organization should be knowledgeable about the issues your project addresses or the community your group works with. Having a shared understanding, interest and experience in the issues that your group is addressing is an important consideration when selecting a trustee organization.

Who can be a Trustee Organization?

Trustee organizations must meet all of the following eligibility criteria **and be approved by City staff** to act as your Trustee:

- Be an incorporated not-for-profit organization with recent audited financial statements;
- Demonstrate effective management and administrative capacity;
- Be based in the city of Toronto (this means the organization's head office must be located in Toronto and a majority of their programs and services take place in Toronto);
- Be accountable to the community it serves through an elected Board of Directors or executive and must represent the community it serves;
- 50% or more of Board members reside in the City of Toronto, or 50% or more of the organization budget is allocated to Toronto;
- Have existed for at least one year;
- Be in good standing with the City of Toronto (be up to date on all requirements for any City funds the organization may have received in the past);
- Collaborate with other service providers and community groups;
- Demonstrate a clear separation between religious and community service functions (if religious activities are provided by the organization);
- Comply with the City of Toronto Anti-racism, Access and Equity Policy (see "City of Toronto Grants Policy - Anti-Racism, Access and Equity Policy and Guidelines" on toronto.ca/grants under "Resources for Applicants");
- Have a service mandate related to the funded project;
- Agree to take responsibility for the management of financial and project activities proposed by the applicant organization; and
- Report on the use of grant funds to the City and maintain documentation for audit purposes.

Trustee organizations may charge reasonable fees for their services of up to 20% of the grant (within the Project Administration Expense Line). Any charges or fees should be stated in advance and clearly identify what is covered. The fee arrangement should be included in the Trustee Agreement.

What documentation is required for the Trustee to be approved?

Feel free to contact your Agency Review Officer (listed on page 3 of your Letter of Understanding) in advance to make sure your trustee is eligible.

- If the potential Trustee organization does NOT currently receive grant funding from the City they will need to complete the Trustee Organization Form.
 - You can get this from your Agency Review Officer by email if you don't already have it.
 - Ask the organization you are considering as a trustee to complete the Trustee Information Form and to include the other required documents (recent audited financial statements, bylaws, letters patent) listed in the Form.
 - Your Agency Review Officer will let you know if the organization has been approved to be a trustee for your group's grant.
- Does the organization currently receive grant funding from the City? If yes, we will have their information to know if they are eligible to be a trustee. Talk with your Agency Review Officer to confirm the group is eligible to be a trustee for your group's grant.

What are the roles and expectations of the Trustee?

The trustee organization:

- Holds financial authority and a position of trust and responsibility for the project grant funds;
- The Trustee provides support and guidance to the grant recipient's project leadership throughout the project;
- Maintains proper fiscal oversight including using their existing financial systems and policies when dispersing the grant funds to your group (i.e. petty cash disbursements, honoraria, invoice payment, expense reimbursements etc.);
- Has overall legal responsibility for the grant funds;
- Provides assurance that all funding received will be spent only for the purposes outlined in the Trustee Agreement and in the Letter of Understanding and according to the approved project budget;
- Acts as the project's financial and administrative manager for the duration of your project;
- Ensures compliance with accountability and legislative requirements; and
- Signs the Letter of Understanding issued by the City with the grant recipient group. The Letter of Understanding outlines the terms and conditions of the grant funding.

Writing the Trustee Agreement

A trustee agreement is a formal agreement between your group and your Trustee organization. City staff must approve the Trustee Agreement before funds will be paid. Your group and the Trustee Organization will need to write your own agreement together.

What should be included in the trustee agreement:

- The name of the grant program, your group's name , the trustee organization's name and the project name;
- The agreement should identify how funds will be held, accessed and reported on. Your agreement should include the amount of funding and the time period for spending (when you get the money, how you spend it and how you report that back to the trustee);
- How the two parties will communicate with each other - who are the contacts and what method of communication will be used? ;

- How will questions, issues and disputes be addressed? What is the process of dealing with conflict between the 2 parties? ;
- What documentation is each party responsible for? State who is responsible for maintaining project records, what information will be kept and how the information is shared with the trustee organization (monthly, annually, at any time upon reasonable request etc.);
- Who is responsible and how will decisions be made regarding hiring and supervising project staff? ;
- The agreement should identify how decisions will be made if any changes are required to the project activities or timeline;
- Identify any provisions for insurance that must be carried by either party;
- The trustee should indicate that it understands and agrees to the terms and conditions of the funding program as outlined in the funding agreement (i.e. Letter of Understanding issued by the City of Toronto; both the recipient and the trustee are responsible for signing the Letter of Understanding); and
- The Trustee's Board of Directors and your group's leadership/Board should approve the trustee agreement. Include the date, phone number, title and printed name of the people signing the trustee agreement.

What if you need to change the Trustee Agreement?

If you need to change the trustee agreement during the year, you must provide a draft of the changes to your Agency Review Officer for approval, in advance.

Where can I get more information?

Contact your Agency Review Officer – we are here to help you. If you don't know who your Agency Review Officer see page 3 of your Letter of Understanding or call the Community Funding general line at (416) 392-9125 or send an email to cgis@toronto.ca