

## **Cultural Hotspot SPARK Grant Tip Sheet – Working with a Trustee**

Groups that do not have official not-for-profit status must work with a trustee organization to receive funding. The trustee organization should have knowledge about the issues your project addresses or experience in the community your group works with. It could be an organization that you/your collective are currently working with or have worked with in the past.

### **What is a trustee organization?**

A trustee is an incorporated not-for-profit organization with audited financial statements and the financial systems in place to administer your group's grant funds. A trustee will distribute the funding according to the approved project budget. Trustees can also provide additional support to funded groups, such as project management and mentorship.

### **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)
- 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-Harassment/Discrimination Legislation and Policy](#)

### **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
- Provides assurance that all funding received will be spent only for the purposes outlined in the trustee agreement according to the approved project budget
- Acts as the project's financial manager for the duration of your project
- Ensures compliance with accountability and legislative requirements



- Signs the funding agreement\* issued by the City with the grant recipient group  
*\*The funding agreement outlines the terms and conditions of the grant funding.*

**The trustee organization should not:**

- Determine, heavily influence or take control over the creation, development or implementation of the project
- Take on the role of a group member or project manager

**Trustee fees:**

Trustee organizations may charge administrative fees for their services. The fee arrangement should be included in the trustee agreement. The Cultural Hotspot allocates additional funding for trustee fees of up to 10% of the total grant (up to \$7,500.00 for SPARK and \$22,000.00 for Signature projects). If you will be working with a trustee, please account for the trustee fee in your proposed budget.

**Trustee Agreement:**

A trustee agreement is a formal agreement between your group and your trustee organization. Your group and the trustee organization will need to write your own agreement together. You can review a sample [Trustee Agreement from Social Planning Toronto](#) document for reference.