



Canada Community-Building Fund (CCBF) Program Guide 2022-23



Table of Contents

1) Program Background	Page 3
2) Eligible Recipients	Page 4
3) Non-Municipal Entities	Page 4
4) Eligible Expenditures	Page 5
5) Tangible Capital Asset	Page 5
6) Ineligible Expenditures	Page 6
7) Eligible Project Expenditures	Page 7
8) Capacity Building Category	Page 8
9) Accounting	Page 9
10) Reporting Requirements	Page 9
11) Online Reporting System	Page 11
12) Reporting Deadlines	Page 12
13) Program Outcomes	Page 13
14) Project Assessment	Page 14
15) Use of Internal Resources	Page 15
16) Communications Requirements	Page 16
17) Signage Requirements	Page 17
18) Asset Management	Page 18
19) Contact Information	Page 18
Appendix A: Community Energy Criteria	Page 19
Appendix B: Sample Letter for Non-Municipal Entities receiving CCBF	Page 21
Appendix C: Guidelines for Fire Halls/Fire Station Infrastructure	Page 22

1.) Program Background

The Canada Community-Building Fund (CCBF) provides predictable, stable, up-front funding to municipalities while requiring full reporting and audits on the use of funds and results achieved. It provides maximum flexibility to provinces and territories in respect of federal infrastructure funding. This program design allows the Federal government to flow funds for projects at the local level quickly and efficiently.

The CCBF allows municipalities to:

- Invest funds immediately on eligible projects;
- Bank unspent funds for future projects;
- Pool funds together to support larger cross-community projects; and
- Use future allocations as capital to borrow against in order to invest in current infrastructure needs.

Overall, the flexibility is intended to allow municipalities to more effectively address their local priorities by thinking long-term and investing in larger infrastructure projects than their annual allocation would otherwise support.

On July 3, 2014, the new Administrative Agreement (formally named the Federal Gas Tax Fund) was announced between Canada and Nova Scotia. CCBF provides stable funding to help Canadian municipalities build and revitalize local public infrastructure while supporting the national objectives of a cleaner environment, increased productivity and economic growth and stronger cities and communities.

CCBF is a transfer-based program and is based on a formula (recent census, municipal dwelling units and average 5-year standard expenditures) developed in partnership with the Nova Scotia Federation of Municipalities (NSFM).

The new Administrative Agreement, effective April 1, 2014, represents a ten-year investment of an estimated \$679M for Nova Scotia municipalities. Nova Scotia municipalities received \$553.5 million between fiscal years 2014-15 and 2021-22.

2.) Eligible Recipients

1. A municipality or its agent (including any wholly-owned corporations); and
2. A non-municipal entity, including for-profit, non-governmental and not-for-profit organizations, on the condition that the municipality has indicated support for the project through a formal resolution passed by its council. Please refer to *Schedule A, Section 2.6* in the Municipal Funding Agreement for more specific information.

3.) Non-Municipal Entities

If planning to support an eligible CCBF project to be undertaken by a non-municipal entity (such as a non-profit organization), a municipality must comply with *Section 2.6* of the Municipal Funding Agreement as follows:

- a) The project must be for public use or benefit in Nova Scotia.
- b) The intention to support the project must be authorized by a formal resolution of council, which identifies the eligible project, the non-municipal entity and the amount of funds to be transferred. A copy of this resolution must be submitted to DMAH as soon as it is ratified.
- c) The municipality will continue to be bound by all requirements outlined in the Municipal Funding Agreement.
- d) The non-municipal entity wishing to receive the funds must provide, in writing to DMAH, its intent to abide by the municipality's obligations outlined in the Municipal Funding Agreement (refer to **Appendix B**-Sample letter for non-municipal entity receiving CCBF).

4.) Eligible Expenditures

Eligible CCBF expenditures include those associated with:

“acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by generally accepted accounting principles, and any related debt financing charges specifically identified with that asset”.

5.) Tangible Capital Assets

Tangible Capital Assets (TCA)- refer to the financial reporting and accounting manual (FRAM) for more information at:

<https://beta.novascotia.ca/sites/default/files/documents/6-1517/ma-gmfr-001-en-financial-reporting-and-accounting-manual.pdf>

Definition - Local governments acquire tangible capital assets that have economic lives extending beyond the accounting period. Such assets are available for use, may require operating and maintenance expenditures and may need to be replaced in the future. They include assets such as equipment, buildings, land, roads, sewage collection systems and water distribution systems.

TCA Accounting Treatment

(a) In accordance with Public Sector Accounting Standards, as of April 1, 2009 tangible capital assets are capitalized at the time of acquisition and their costs are allocated to future accounting periods through an annual amortization expense.

(b) Only items that will provide a benefit to the municipality in excess of one year are to be capitalized.

(c) The cost of a tangible capital asset includes not only its purchase price or construction cost but also related charges necessary to place the asset in its intended location and condition for use. Such related charges may include freight and transportation charges, engineering costs, site preparation expenditures,

professional fees, salaries and benefits related to the construction costs of the asset and interest costs incurred during construction.

(d) Municipal governments may acquire assets by gift. Donated capital assets or assets acquired at nominal values should be recorded at fair market value at the time of acquisition.

(e) Amortization of tangible capital assets should be expensed in the capital fund.

Repair Expenditures -Repairs to existing capital items are not to be capitalized unless the change is so significant as to enhance the service potential of the asset. Service potential is enhanced when the output capacity is significantly increased, the useful life of the asset is extended or the quality of the output is significantly improved. and Housing

6.) Ineligible Expenses

The following are ineligible CCBF costs:

- Routine repairs and maintenance (however, upgrades to infrastructure are considered eligible)
- Land purchases
- Legal fees
- Leasing of equipment (except under the conditions noted in *Schedule C* of the Municipal Funding Agreement)
- Staff salaries (except under the conditions noted in *Schedule C* of the Municipal Funding Agreement)

For a complete list of ineligible costs, refer to *Schedule C* of the Municipal Funding Agreement.

7.) Eligible Project Categories

Eligible projects include investments in infrastructure for its construction, renewal or material enhancement in each of the following categories:

1. **Local roads and bridges** – roads, bridges and active transportation infrastructure (active transportation refers to investments that support active methods of travel; this can include cycling lanes and paths, sidewalks, and hiking and walking trails)
2. **Highways** – highway infrastructure
3. **Short-sea shipping** – infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean
4. **Short-line rail** – railway-related infrastructure for carriage of passengers or freight
5. **Regional and local airports** – airport-related infrastructure (excludes the National Airport System)
6. **Broadband connectivity** – infrastructure that provides internet access to residents, businesses, and/or institutions in communities
7. **Public transit** – infrastructure that supports a shared passenger transport system which is available for public use
8. **Drinking water** – infrastructure that supports drinking water conservation, collection, treatment and distribution systems
9. **Wastewater** – infrastructure that supports wastewater and storm water collection, treatment and management systems
10. **Solid waste** – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage
11. **Community energy systems** – infrastructure that generates or increases the efficient usage of energy
12. **Brownfield redevelopment** – remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes: the construction of public infrastructure as identified in the context of any other category under the CCBF, and/or; the construction of municipal-use public parks and publicly-owned social housing

13. **Sport infrastructure** – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams, e.g., Junior A)
14. **Recreational infrastructure** – recreational facilities or networks
15. **Cultural infrastructure** – infrastructure that supports arts, humanities and heritage
16. **Tourism infrastructure** – infrastructure that attracts travelers for recreation, leisure, business or other purposes
17. **Disaster mitigation** – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters
18. **Capacity building** – includes investments related to strengthening the ability of municipalities to develop long-term planning practices
19. **Fire Halls and Fire Station Infrastructure** - includes investments related to fire halls and related fire station infrastructure (refer to Appendix C for more information).

Please Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.

8.) Capacity Building Category

Eligible expenses under the capacity building category include those related to strengthening the ability of municipalities to improve local and regional planning, including the development of capital plans, life-cycle cost assessments and asset management plans. These expenditures could include developing and implementing:

- studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
- training directly related to asset management planning; and,
- long-term infrastructure plans.

9.) Accounting

Any unspent CCBF funding can be held in reserve and used for projects in subsequent years. Unspent CCBF funding must be recorded, *separately and distinctly*, as well as any interest accrued.

For example, as a best practice, CCBF funding should be kept in a separate account that tracks annual interest accrued, and not combined with other capital funding. The closing balance of the Annual Expenditure Report (AER) should reflect your separate CCBF reserve account.

CCBF accounting on AER is ‘cash-based’ vs. ‘accrual based.’ Municipalities are required to report on ‘actual’ expenditures incurred in a given fiscal year.

10.) Reporting Requirements

The CCBF includes reporting conditions for ultimate recipients, including the submission of an Annual Expenditure Report (AER), and a five-year Capital Investment Plan (CIP). The Municipal Funding Agreement also requires that municipalities provide information for a pre-construction report in the Spring to assist Infrastructure Canada with planning future CCBF events.

Pre-construction Report

Infrastructure Canada requires DMAH to submit at Pre-construction (communications) Report that captures information on all CCBF projects anticipated to be underway in the given fiscal. This includes all CCBF projects that a municipality expects to be continuing, beginning and completing within the fiscal year. DMAH uses the information provided by municipalities in their Capital Investment Plan to prepopulate a report that includes all anticipated CCBF projects. This information is typically sent to each municipality in early Spring and they are asked to confirm and update it, identify any new projects not captured

and provide any missing information (including estimated project start and end dates, and project costs).

The information compiled for the Pre-construction Report is for planning purposes only and is intended to help the federal government develop a list of possible CCBF projects to highlight for events, press releases, stories, etc. in Nova Scotia. DMAH also uses this information to screen all planned CCBF projects for general eligibility.

Capital Investment Plan (CIP)

Municipalities are required to submit Capital Investment Plans (CIPs) by September 1 annually. It is typically a five-year capital budget focused on planned CCBF projects that are approved by municipal councils in their annual capital budgeting process. It also has information that shows how the CCBF will be used by the municipality to meet the objectives of the program.

The CIP process facilitates long-term capital planning, project prioritization, asset management, and financing of future infrastructure for municipalities. DMAH reviews each of the municipal CIPs submitted annually to ensure planned (budget year 1) projects are eligible under the Municipal Funding Agreement. However, municipalities are ultimately responsible for ensuring all projects and costs meet eligibility requirements under the Agreement.

The CIP is due annually on September 1, submitted to DMAH for review via the online Municipal Reporting System.

Annual Expenditure Report (AER)

CCBF recipients are required to report annually on the projects funded through the Program. Municipal Annual Expenditure Reports (AERs) are used to prepare an annual Provincial report to Infrastructure Canada. The actual CCBF expenditures and detailed project information are captured through this reporting process as well as information on project outcomes (Schedule 2 of AER).

The AERs are subject to a risk-based compliance audit, which involves a sampling of municipalities by an auditor, hired by the Province, to attest to the municipal compliance of the Agreement.

The interim (draft) AER version is due annually on May 30, submitted to DMAH for review via the online Municipal Reporting System. The final version (including all corrections) must be completed by July 31 annually.

Reporting Best Practices:

- Project descriptions (AER/CIP) must be very detailed to screen for eligibility
- All projects (title and descriptions) must include project location
- Provide outcomes if available (pre-construction report will require outcome indicator)
- Non-municipal entities require letter of Agreement (DMAH provided an example letter in Appendix B)

11.) Online Reporting System

In 2017, the Province updated the online Municipal Reporting System (MRS) software from Adobe-based to Excel to assist with completion of the AER and CIP. This online portal greatly enhanced the streamlined DMAH's internal processes and has allowed increased flexibility and ease of use for Nova Scotia municipalities.

DMAH also updated all reporting templates and educational guidebooks. These tools enables municipalities to provide more consistent reporting to the Province and assists them in long-term capital financing and planning.

Reporting templates, such as the Annual Expenditure Report (AER) and Capital Investment Plan (CIP), are located at the following web address:

<https://mrs.novascotia.ca/>

12.) Reporting Deadlines

CCBF funding is distributed to municipalities in two installments. The first CCBF installment is typically released annually during the month of November and is subject to compliance with reporting requirements, including AER, CIP, Financial Information Report (FIR), Statement of Estimates (SOE) A-B and audited financial statements.

The final CCBF installment is typically released annually during the month of March; however, this is subject to the timing and outcome of a provincial compliance audit.

- **Communication Pre-Construction Report is due in Spring annually**
- **Interim Annual Expenditure Report is due May 30 annually**
- **Final Annual Expenditure Report is due July 31 annually**
- **Capital Investment Plan is due Sept 1 annually**

Before the final installment can be released, the Province prepares an annual CCBF summary report, which is subject to an audit compliance review. Once the provincial audit is completed, the report and summary AER data is submitted to Infrastructure Canada for review and approval. Upon approval, Infrastructure Canada releases funding to the Province, which it then releases to municipalities.

The following shows the reporting deadlines required to receive the final installment transfer from Infrastructure Canada.

13.) Program Outcomes

The Province submitted an Outcomes Report to Infrastructure Canada on March 31, 2018, that reports in aggregate the degree to which Canada Community-Building Fund (Federal Gas Tax) investments are supporting progress in Nova Scotia towards achieving the following program benefits:

- Beneficial impacts on communities of completed Eligible Projects;
- Enhanced impact of CCBF as a predictable source of funding including incrementality; and,
- Progress made on asset management as detailed in Schedule F of the Municipal Funding Agreement (Asset Management).

The Outcomes Report presented performance data and a narrative on how each program benefit is being met. Performance measurement methodology in respect of each program benefit was approved by the Oversight Committee.

CCBF project outcomes, including outcome indicators and project benefits, are recorded on the AER once a project is complete. Each project category has several indicators to choose from and municipalities are required to provide outcomes for at least one indicator.

The final Outcomes Report is due to Infrastructure Canada by March 31, 2023.

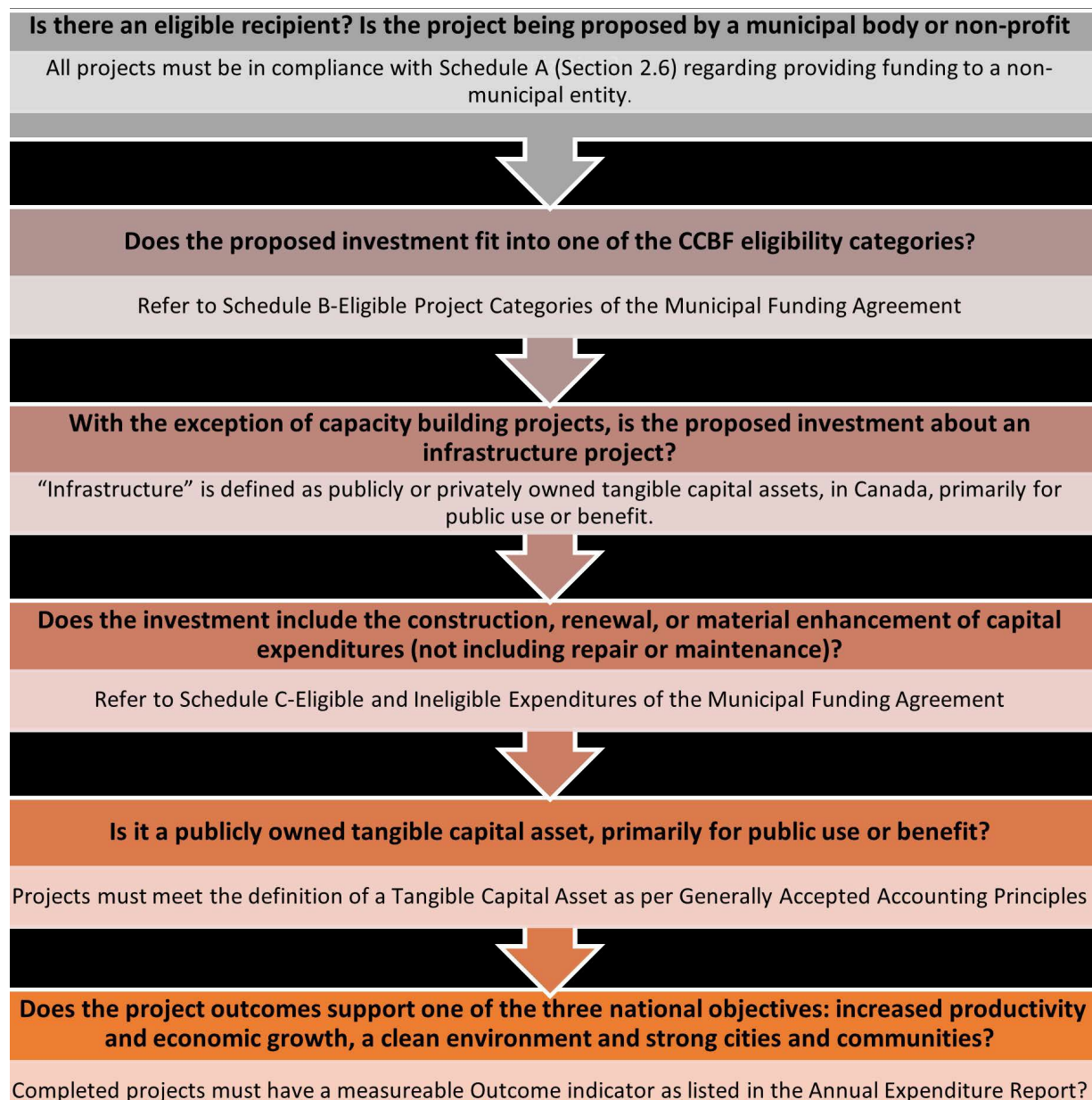
The 2014-2017 Outcomes Report is available to download on the CCBF website at:

<https://beta.novascotia.ca/documents/canada-nova-scotia-agreement-federal-gas-tax-fund-outcomes-report-2014-2017>

14.) Project Assessment

DMAH screens both the pre-construction report and Capital Investment Plans to ensure all CCBF projects meet general eligibility as per the Municipal Funding Agreement.

The following screening lens is used to determine if a CCBF project meets basic eligibility:



Please note that eligibility and compliance to the Municipal Funding Agreement is ultimately each municipality's responsibility. All CCBF projects must be approved through the municipal capital budgeting process by Council (prior to incurring project costs).

DMAH project screening is the first step of the process. CCBF projects are subject to compliance audit and Infrastructure Canada review and may be deemed ineligible at any time if the project is not in compliance with the Municipal Funding Agreement. For instance, even if a project is screened as eligible during the pre-construction or Capital Investment Plan phase, it may later be deemed ineligible (i.e. Annual Expenditure Report review), in part or full if it was later found that ineligible costs were incurred on the project.

15.) Use of Internal Resources

The incremental costs of municipal employees or leasing of equipment may be included as an eligible CCBF expense under the following conditions (refer to Section 1.2 of the Municipal Funding Agreement):

- A municipality is able to demonstrate that it is not economically feasible to tender a contract;
- The municipal employee or equipment is engaged directly in the work that would have been the subject of the contract; and
- The arrangement is approved in advance and in writing by DMAH.

Section 1.2 was intended more for remote Northern Canada or rural locations that may have challenges due to limited availability of qualified contractors or consultants. In less remote areas this is typically not the case. Municipalities would need to describe in writing why it is not economically feasible to use external consultants. For instance, municipalities would need to demonstrate that internal staff have specialized skills or knowledge that cannot be resourced externally.

The Municipal Funding Agreement requires that all municipalities follow the intent of Provincial procurement, and the use of internal resources is not a recommended approach unless there are extenuating circumstances. These conditions would need to be met for projects to be considered by DMAH for use of internal staff resources.

16.) Communication Requirements

As of April 2015, the Nova Scotia Federation of Municipalities (NSFM and previously named UNSM) has been providing support to DMAH to administer the 2014-24 CCBF agreement, focusing its efforts on requirements for communications, signage and asset management. Some of NSFM's tasks include:

- collecting information for pre-construction and signage reports;
- developing project spotlights to highlight best practices and innovation in Nova Scotia;
- creating communication and asset management resources, and training opportunities; and,
- conducting project site visits and assisting municipalities to undertake sustainability initiatives that support the CCBF pillars.

Through this work, NSFM aims to help municipalities meet the requirements of the program by providing support and resources to assist them in making the most of the CCBF. NSFM works with municipalities to raise the profile of local CCBF initiatives, making a strong case for continued (and possibly enhanced) federal support.

Prior to announcing a CCBF project or hosting an event, municipalities must contact DMAH. As outlined in the Municipal Funding Agreement, the requestor of a media event must provide at least 15 working days' notice to other parties (municipality, province or federal government). All communications material related to an event must be approved by DMAH in advance of their release.

toll-free: 1-877-250-7154 or **TTY:** 1-800-465-7735).

The expenditures directly associated with joint communication activities and with federal project signage for CCBF funded projects are eligible expenses, which must be included as part of the overall project costs.

17.) Signage Requirements

Municipalities are required to install temporary signs for all CCBF projects, as part of the terms of their Municipal Funding Agreement. To support municipalities in meeting this requirement, NSFM collects information typically three times a year (in June, September and December) to develop reports that track the installation of signs on all CCBF projects.

Expenditures directly associated with federal signage for CCBF projects are considered eligible costs. These expenses must be included as part of the overall eligible project costs.

Signage design files can be downloaded from Infrastructure Canada's website at:

<https://www.infrastructure.gc.ca/pub/signage-panneaux/intro-eng.html>

As well, Infrastructure Canada is available to answer any signage questions municipalities may have by email: INFC.Signs-Panneaux.INFC@Canada.ca or **telephone: 1-613-948-1148.**

18.) Asset Management

The CCBF Municipal Funding Agreement defines an asset management plan as a document that *“supports integrated life-cycle approaches to effective stewardship of infrastructure assets in order to maximize benefits and manage risks”*.

The Nova Scotia Asset Management Program continues to make progress to support municipalities with their infrastructure planning efforts. The Program, developed in collaboration with the Nova Scotia Asset Management Working Group, aims to provide tools and resources that help lay a foundation for making informed, evidence-based decisions to manage municipal assets.

The outcomes of current Program initiatives (i.e., both the Pilot Projects and the Asset Registry) are intended to support the continued development of a standardized methodology for collecting data and assessing the condition of assets, incorporating lessons learned and industry best practices.

For more information on asset management, visit:

<https://novascotia.ca/dma/funding/asset-management-program.asp>

19.) Contact Information

Provincial CCBF website:

Visit: <https://beta.novascotia.ca/canada-community-building-fund-municipalities>

NSFM website related to CCBF:

Visit:

<https://nsfm.ca/canada-community-building-fund-ccbf.html>

CCBF Program email: ccbf@novascotia.ca

Appendix A: Community Energy Criteria

This schedule provides the municipality with criteria for determining eligible costs for community energy projects for buildings using Canada Community Building Funds (CCBF). It is recommended that the province review projects for eligibility prior to a municipality using CCBF.

Category definition as per Schedule B of the Municipal Funding Agreement:

Community Energy Systems - *infrastructure that generates or increases the efficient usage of energy.*

For both new building construction and existing building retrofits, energy-efficient components may be eligible for CCBF but are subject to the following:

New Building Construction:

An energy audit is not required for new building construction if the energy efficiency gained from the new components can be measured by other means (See Outcome Measures below).

- Documentation of components paid for by CCBF that exceed the National Building Code of Canada (NBCC) standards must be maintained. Only the cost difference of energy efficient upgrades in excess of NBCC requirements are eligible for CCBF.

Municipal Building Retrofit:

- An energy audit is to be completed to show quantifiable outcome measures for the new items (see below).
- Documentation of upgrades paid for by CCBF that exceed the National Building Code of Canada (NBCC) standards must be maintained. Only the cost difference of energy efficient upgrades in excess of NBCC requirements are eligible for CCBF.

There is no requirement to submit above documentation to the province, but it must be made available upon request. Project information is tracked through Communications Report, Capital Investment Plan and Annual Expenditure Report.

Eligible Costs:

- The cost difference of non-load bearing building components that contribute to energy reduction when compared to minimum NBCC standards.
- The cost of the energy audit is eligible for CCBF.

Ineligible Costs:

- Refer to Schedule C of your CCBF Municipal Funding Agreement.

Outcomes Measures per eligible component (as recorded on the Annual Expenditure Report):

- # kilowatt hours saved
- # litres fuel saved

Appendix B: Sample Letter for Non-Municipal Entities receiving CCBF

Dear (3rd party entity contact's name);

On behalf of the Municipality of (your municipality), I am pleased to inform you that the (name of the non-municipal entity) has been approved for funding in the amount of \$ (funding amount). We are pleased to partner with your organization to assist with the costs of the (project type) located at (project location). Eligible expenses for this project will be for capital costs associated with (scope of work). The project work must be completed prior to (project deadline).

As with other similar funding opportunities, there are conditions that must be met in order for the Municipality to be able to provide a full report for auditing purposes throughout the project.

Funding provided for this project comes from the Canada Community-Building Fund (CCBF) which also has specific guidelines which must be adhered to. This includes having your Executive read the attached Municipal Funding Agreement requirements and signing this letter below, indicating your agreement and compliance with the terms and conditions.

Please take particular note of the length of time that you are required to hold detailed project information (including receipts) and follow all communications protocols. Also, your organization will be required to provide detailed project information as required in the Municipal Annual Expenditure Report.

The Municipality recognizes the valuable service that your organization provides to our communities, making our community a great place to live, work and play. Strong communities are built on many people working together, and (type of non-municipal entity: not-for-profit, for profit or non-governmental organization) organizations are one of the many partners that municipalities recognize as being key players in their communities.

Sincerely,

(name of authorized municipal representative)

I, (3rd party entity contact's name), as an authorized representative of (the non-municipal entity organization) confirm that I have read the Canada Community-Building Fund Municipal Funding Agreement for the Municipality of (name) and agree to comply with the terms and conditions contained within.

Name:

Witness:

Date:

Appendix C: Guidelines for Fire Halls/Fire Station infrastructure

This document outlines eligibility and is intended to act as a general guideline for eligibility assessments of projects and expenses associated with the new category of fire halls and fire station infrastructure under the Canada Community Building Fund (CCBF). These guidelines are set out in accordance with the Program terms and conditions, which limit eligible expenditures that are associated with the acquiring, planning, designing, constructing or renovating of a tangible capital asset, as defined by the Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset.

For this program, infrastructure is defined as publicly or privately owned tangible capital assets, in Canada, primarily for public use or benefit. Eligible investments include the construction, renewal or material enhancement of capital expenditures for infrastructure projects in each of the following categories that support the program objectives.

The new category and associated projects will be governed by the existing administrative agreements. While this document provides an overview on eligibility under the new category, individual projects and eligibility questions can still be subject to review on a case-by-case basis.

Category: #19: Fire Halls – fire halls and fire station infrastructure.

Program Objective: Building stronger and more resilient communities.

Effective Date: 1 April 2021

Infrastructure / Component Eligibility

For definition purposes “fire halls” and “fire stations” are considered to be the same / interchangeable.

In general, eligible projects must be associated to infrastructure as a capital asset.

Examples of Eligible Projects may include:	Examples of Ineligible Items may include:
<ul style="list-style-type: none">• New fire hall (building) for housing fire-fighting apparatus and staff (may include attached dorms, basic training facilities and administration areas)• Retro-fit and modernization of existing fire halls and attached building space• Acquisition of a fire truck as a capital asset when associated to a new infrastructure project or retro-fit	<ul style="list-style-type: none">• Routine repair and maintenance expenditures• Acquisition or replacement of fire trucks or other vehicles as a standalone project• Personal protective equipment (PPE) and gear• Fire hydrants• Communications devices (e.g. : Cell phones, radios, pagers)