



# Local Government Fiscal Framework

Operating Program Guidelines

*Alberta*

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Local Government Fiscal Framework Operating Guidelines | Municipal Affairs

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# Local Government Fiscal Framework

## Operating Program Guidelines

### 1. Introduction to Guidelines

The Local Government Fiscal Framework (LGFF) Operating Program Guidelines are intended to assist applicants in determining eligibility and in completing financial reporting requirements for the LGFF Operating program. These guidelines apply to LGFF Operating Statement of Funding and Expenditures (SFE) as of January 1, 2024.

### 2. Key Program Highlight

The operating guidelines have been revised to reflect the LGFF Operating Program. One program change has been implemented in 2024.

#### Section 6.2 Carrying Forward Funds

- Local governments must spend their annual LGFF Operating allocation in the year it was allocated. Any unspent LGFF Operating funds cannot be carried forward to the next calendar year. Local governments that have not expended their LGFF operating allocation, including credit items, on/before December 31 (March 31 for Metis Settlements) will be required to return those funds to the Government of Alberta (GoA) and/or if applicable, forfeit any unpaid allocation.

### 3. Program Objectives

The LGFF Operating Program is the commitment of government to work in partnership with local governments to manage growth pressures, provide local governments with sustainable funding, and support infrastructure needs.

These objectives are outlined in memorandum of agreements (MOA) signed with each local government. All local governments in Alberta are eligible to receive LGFF Operating funding based on their funding agreement.

### 4. Key Dates and Contacts

ACTIVITY	TIMELINE	QUESTIONS? CONTACT
Annual Allocation Payment	By approximately June 30, following provincial budget approval	Call a Grant Advisor at 780-422-7125 (toll-free 310-0000), or email <a href="mailto:ma.lgffoperating@gov.ab.ca">ma.lgffoperating@gov.ab.ca</a> .
Annual Statement of Funding and Expenditures (SFE)	Due <b>May 1</b> for municipalities. Due <b>August 1</b> Metis Settlements (refer to Section 8.2).	
Communication and Project Recognition Requirements	Ongoing	

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## 5. Submission Method

The LGFF Operating SFE reporting must be submitted through the LGFF Operating online system. Further details on accessing the LGFF Operating online portal, as well as instructions for submitting the 2024 SFE will be communicated later in the 2024 program year.

Questions or requests to access the LGFF Operating portal can be directed to a grant advisor, toll-free by first dialing 310-0000, then 780-422-7125, and/or email [ma.lgffoperating@gov.ab.ca](mailto:ma.lgffoperating@gov.ab.ca) or [LGFFaccess@gov.ab.ca](mailto:LGFFaccess@gov.ab.ca) for access to MACconnect.

## 6. Funding Allocations

Funding is allocated annually after legislative approval of the program budget, and authorization of program funding and individual allocations by the Minister of Municipal Affairs.

The operating allocation has not been recalculated since 2021; funding amounts from 2023 will be continued for 2024. A new LGFF Operating formula is under development and is anticipated to be implemented for 2025/26.

### 6.1) Restructured Municipality

Municipal restructuring will not negatively affect funding allocations to municipalities for a defined period under the LGFF. In cases where amalgamation or dissolution has occurred (post April 1, 2007), the restructured municipality will receive a funding allocation equivalent to that which would have been calculated pre-restructuring for a subsequent five years or until the end of the LGFF Operating Program, whichever is earliest. In addition, any unexpended funding will be transferred to the amalgamated/receiving municipality.

The restructured municipality should be aware these funds, or portions thereof, may have been committed to previously approved activities.

For example, if two municipalities amalgamated on June 1, 2018, the restructured municipality will receive the benefit of an LGFF allocation calculated as if the two municipalities had not amalgamated for the next five consecutive program years (i.e., 2019 through 2023). Municipalities that amalgamate will receive the same benefit for five years following amalgamation or until the end of the LGFF program, whichever is earliest. For example, if two municipalities amalgamated on January 1, 2024, the restructured municipality will receive the benefit of an LGFF allocation, calculated as if the two municipalities had not amalgamated for the next five years.

### 6.2) Carrying Forward Funds

Operating funding **must** be spent on an annual (calendar year) basis. If the operating funding for the current year cannot be completely expended as planned, the unexpended funds **cannot** be carried forward to the next calendar year.

The time limit on unpaid and unspent LGFF funding will be strictly enforced on an annual basis. Local governments that have not expended their LGFF Operating allocation, including credit items, by December 31 (municipalities) and by March 31 (Metis Settlements) will be required to return those funds to the GoA, and/or if applicable, the local government will forfeit its unpaid allocation.

## 7. Eligibility Requirements

### 7.1) Eligible Applicants

All local governments in Alberta are eligible applicants and will receive LGFF Operating funding based on their established funding agreements. For program purposes, an eligible applicant includes any city, town, village, summer

village, specialized municipality, municipal district, improvement district, Metis Settlement, the Special Areas Board, or the Townsite of Redwood Meadows Administration Society.

Eligible applicants may contribute funds to other eligible entities for activities and assets that provide a municipal service or benefit and do not limit public access.

Eligible entities include:

- Non-profit organizations, as defined in section 241 of the [Municipal Government Act \(MGA\)](#), (e.g., a society);
- Libraries and library systems established under the [Libraries Act](#);
- Regional services commissions established under [Part 15.1 of the MGA](#);
- Controlled corporations as defined in [section 75.1 of the MGA](#); and
- Provincial agencies, crown-controlled school jurisdictions, universities, comprehensive community colleges, polytechnic institutions, and a health care agency board.

If a municipality chooses to contribute LGFF funding to one of the above entities, the municipality is responsible for including the expenditure on its SFE and ensuring the contribution is used for eligible expenses in accordance with the program guidelines. While municipalities are not required to provide Municipal Affairs with a list of operating expenses on which a recipient will use LGFF funding, it is important this information is collected, as it may be required in future reviews.

Municipalities may choose which (if any) non-profit organization(s) they wish to provide with operational funding support, and in what amount. Municipalities should consider organizations with a charitable and benevolent purpose that benefit the general public in the local community. Non-profit organizations can include either formally incorporated or informally structured organizations. Funding can also be directed to municipal grant funding boards, such as recreation boards, for further disbursement to non-profit organizations.

Funding directed to other entities cannot be used for: activities and projects outside Alberta; religious purposes; political or lobbying activities; commercial or for-profit purposes; and/or expenses related to fundraising activities such as casinos and bingos. Funding cannot be provided to individuals.

## 7.2) Eligible Expenditures

LGFF Operating funding must be used for the purpose of providing good government, providing services, facilities or other items that are necessary or desirable for all or part of the local government, or to develop and maintain safe and viable communities. Expenditures must clearly align with the objectives and criteria set out in these guidelines (see Schedule 1 for a list of eligible expenses).

Effective, January 1, 2024, local governments must spend all available funding within the current program year (e.g., allocations for the 2024 program year must be spent on qualifying operating expenses incurred after January 1, 2024). If a local government is unable to spend its allocation of the current year as planned, unexpended funds must be returned to government.

It is important local governments keep a record of spending details, as reporting of actual expenditures by functional category will be required on the SFE for the program reporting year. To ensure grant funds are properly aligned with qualifying expenditures, Municipal Affairs may require local governments to provide a detailed accounting of plans for spending the grant, or what the grant has funded.

## 7.3) Use of Other Grants

LGFF Operating funding may be used as the municipal contribution of provincial-municipal grant programs and the municipal or provincial contribution of federal-municipal grant programs that require a municipal contribution, unless doing so is prohibited by that program.

If a municipality chooses to use multiple grant funding sources for an activity, it is the responsibility of the municipality to understand the separate requirements of each grant program.

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## 7.4) Provincial Standards

It is expected LGFF-funded activities undertaken by municipalities will comply with provincially regulated standards. For example, LGFF-funded activities involving regional water and wastewater systems should appropriately align with the [Environmental Protection and Enhancement Act](#), administered by Alberta Environment and Protected Areas. Where an LGFF project includes work on a highway under provincial jurisdiction, the local government must enter into a separate agreement with Alberta Transportation and Economic Corridors to carry out the work and/or receive permission to access the highway right-of-way. Program advisors may request confirmation of the agreement.

## 7.5) Requirements for Award of Contract

All calls for proposals or tenders for projects to be funded under LGFF shall be carried out in accordance with all applicable laws, rules, regulations, and guidelines governing such activities and in force in Alberta, and in accordance with current best practices. Calls for proposals or tenders, must also be advertised in accordance with the guidelines of the [New West Partnership Trade Agreement](#) (NWPTA), effective July 2010, and the [Canadian Free Trade Agreement](#) (CFTA). Failure to comply with the NWPTA, CFTA, or other applicable legislation, may result in further action, such as requesting the return of LGFF project funding.

# 8. Payment Process and Financial Reporting Requirements

## 8.1) Payments

LGFF payments are based on annual allocation amounts. For example, payment of the 2024 annual allocation will occur following legislative approval of the provincial budget, and is conditional on meeting the following requirements:

- certification of the SFE from the previous year;
- total reported expenditures (on certified SFEs) must equal the total annual operating allocation, including credit items, of a municipality; and
- submission of the executed LGFF MOA.

## 8.2) Statement of Funding and Expenditures (SFEs)

Municipalities are required to submit an SFE by May 1 of each year to align with their financial year end of December 31 (e.g., the 2024 SFE is due by May 1, 2025). Metis Settlements are required to submit their SFE by August 1 of each year, to align with their financial year end of March 31 (e.g., the 2024 SFE is due by August 1, 2025).

In instances where a municipality dissolves in the middle of the program year (e.g., a municipality dissolves into another municipality on July 1), the receiving municipality must submit an SFE for both itself and the dissolved municipality.

The SFE captures the following information:

- the operating carry-forward amount from the previous year (amount should be \$0 unless there is a refund);
- grant allocation for the reporting year, whether or not it was received;
- credit items earned in reporting year;
- total funding available in reporting year;
- list of actual reporting year expenditures by functional category; and
- total LGFF funds expended in the reporting year.

All supporting documentation, such as reports, illustrations and invoices for each qualifying expense must be retained by the local government for a minimum of three years. SFEs may be subject to a review by the Provincial Auditor General.

SFEs must be submitted through the LGFF Operating portal by the Chief Administrative Officer (CAO) or an authorized representative of the local government (see section 5).

LGFF Operating SFEs cannot be reset under any condition.

### 8.3) Credit Items

When an LGFF allocation results in net proceeds to the local government, if generated within five years of small capital purchase/acquisition, these proceeds become part of the LGFF allocation and shall be expended on eligible operating activities.

These credit items are to be reported on the reporting year SFE, and can include:

- income earned on deposited LGFF grant funds;
- net proceeds (to a maximum of grant applied) from the sale or trade-in of small capital assets purchased with LGFF funds;
- net proceeds from an insurance claim on small capital assets purchased with LGFF funds; and
- net salvage value (to a maximum of grant applied) on disposal of an asset purchased with LGFF funds.

Credit items must be spent in the year they were earned.

### 8.4) Calculation on Income Earned

The local government must maintain separate accounting records for LGFF grant funds.

The local government is encouraged to invest and earn income on all unexpended grant funds, subject to the provisions of [Section 250 of the MGA](#). The amount of income earned on the funds is to be reported on the SFE and becomes part of the total LGFF Operating funding available for eligible expenditures.

The amount of income earned on grant funds may be calculated by one of two methods:

- the actual income earned on the funds being held; or
- notional income earned on the funds.
  - This can be calculated by multiplying the average LGFF funding balance by the number of months the grant funds were held in an account, by the average annual interest rate for those months. For example, if a local government has a carry-forward amount of \$100,000 held in an interest-bearing account for a period of eight months with an annual interest rate of one per cent, the credit item amount reported should be \$667 (e.g.,  $\$100,000 \times 8/12 \times 1\%$ ).

## 9. Site Visits

On an annual basis, Municipal Affairs program representatives may select and visit several local governments to discuss the LGFF program specific to a completed project(s).

The main objectives of a site visit are to share the overall experiences of a local government with the LGFF program, including project selection, application process, project implementation, expenditure reporting process, and to highlight the resulting benefits impacting the community.

A site visit offers an opportunity for local government and Municipal Affairs program representatives to discuss how the program operates, explore suggestions for improvement, and to view completed projects when applicable.



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## 10. Communications and Project Recognition Requirements

Local governments are required to highlight the provincial-municipal partnership on LGFF-funded projects by publicizing the projects (e.g., council minutes, annual reports, local newspapers).

Local governments may also choose to mark a project milestone through advertising, public information campaigns, or ceremonies and events. If a local government initiates a communications event related to an LGFF-funded project, they are asked to advise Municipal Affairs of the proposed event a minimum of 15 working days prior to the celebration/launch/completion.

News releases should acknowledge the contribution of the province and must include a quote from the Minister or other government representative as determined by the province. Any advertising of LGFF-funded projects should include a reference to the LGFF program and the contribution of the province.

To discuss project recognition options or communications requirements, please call Municipal Affairs, toll-free by first dialing 310-0000, then 780-422-7125, or email [ma.lgffoperating@gov.ab.ca](mailto:ma.lgffoperating@gov.ab.ca).

For scheduling events with the Minister to recognize projects, an invitation that includes event details, proposed date, and project information (e.g., name of project, grant funding source) should be sent to the Minister's Office general mailbox at [minister.municipalaffairs@gov.ab.ca](mailto:minister.municipalaffairs@gov.ab.ca), and copy the grant program area at the email address above.

# **Schedule 1 – Government-wide Objectives, Functional Categories, and Eligible Expenses**

## **Government-wide Objectives**

The four government-wide objectives (GWOs) for municipal grant funding are:

1. to support initiatives that promote the viability and long-term sustainability of municipalities;
2. to support the maintenance of safe, healthy, and vibrant communities;
3. to support the development and maintenance of core municipal infrastructure to meet existing and changing municipal needs; and
4. to support capacity building within municipalities.

## **Functional Categories and Eligible Expenses**

LGFF Operating funding is reported by functional categories under the GWOs. A functional category is an area of municipal operations to which operating funding can be applied. Eligible expenses under each of the functional categories are outlined in the tables below. Ineligible expenses are outlined in Schedule 2.

The eligible expenses listed in the tables are commonly supported expenses, but the lists are not exhaustive. Definitions of terms used in the tables can be found in Schedule 3 – Glossary.

## GWO #1: To support initiatives that promote the viability and long-term sustainability of municipalities.

Functional Category	Eligible Expenses
<p><b>General Administration<sup>1</sup></b></p> <p>Activities that provide for the overall operation of the municipality and are common to, or affect all of the services provided by, the municipality.</p> <p>Eligible expenses under this category are limited to those activities that increase the efficiency or effectiveness of overall municipal operations.</p>	<ul style="list-style-type: none"> <li>• Shared administrative staff.</li> <li>• Contracted administrative services as part of a joint initiative.</li> <li>• Municipal association memberships.</li> <li>• Computer hardware and software, including:               <ul style="list-style-type: none"> <li>- peripherals, such as printers and scanners;</li> <li>- geographic information systems;</li> <li>- technology support expenses;</li> <li>- telephone systems;</li> <li>- website development;</li> <li>- organizational reviews; and</li> <li>- contracted or purchased data gathering.</li> </ul> </li> </ul>
<p><b>Governance</b></p> <p>Activities that support the ongoing management of the municipality through its elected officials.</p>	<ul style="list-style-type: none"> <li>• Councillor training.<sup>2</sup></li> <li>• Exploring opportunities for regional cooperation.</li> <li>• E-council initiatives.</li> </ul>

<sup>1</sup> Repair and maintenance of administration buildings falls under the functional category Municipal Buildings and Facilities under GWO #2.

<sup>2</sup> Some exceptions apply. See Schedule 2 for details.

<p><b>Planning<sup>3</sup> and Development</b></p> <p>Activities that contribute to land-use planning, integrated community sustainability planning, or to the economic diversification of the municipality.</p>	<ul style="list-style-type: none"> <li>• Operating support for regional planning commissions and municipal planning departments.</li> <li>• Contracted planning services.</li> <li>• Salaries, wages, and benefits for planning staff.</li> <li>• Development of: <ul style="list-style-type: none"> <li>- statutory plans (<i>MGA</i>, sections 631-638);</li> <li>- municipal and intermunicipal development plans;</li> <li>- area structure plans;</li> <li>- area redevelopment plans;</li> <li>- sustainability plans;</li> <li>- land-use and development plans;</li> <li>- by-law reviews and updates;</li> <li>- agricultural development plans;</li> <li>- regional plans;</li> <li>- economic development and diversification initiatives;</li> <li>- agricultural development, such as education and promotional initiatives;</li> <li>- small capital purchases/acquisitions;</li> <li>- data gathering; and</li> <li>- hosting, rental, travel, and accommodation expenses for events.<sup>4</sup></li> </ul> </li> </ul>
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<sup>3</sup> Planning related to a specific municipal function or service should be categorized under that service (e.g., the development of an affordable housing strategy would be categorized under GWO #2 – Housing).

<sup>4</sup> Some exceptions apply. See Schedule 2 for details.

## GWO #2: To support the maintenance of safe, healthy and vibrant communities.

Functional Category	Eligible Expenses
<p><b>Culture</b></p> <p>Activities that support and promote the development of arts and culture within the municipality.</p>	<ul style="list-style-type: none"> <li>• Operating support for municipal and non-profit facilities and programs in the arts and heritage, community halls, museums, community fairs, rodeos, and festivals.</li> <li>• Contracted culture services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>5</sup></li> <li>• Plans or feasibility studies related to culture.</li> </ul>
<p><b>Children and Family Services</b></p> <p>Activities that support social programming for people in need, children, families, and seniors.</p>	<ul style="list-style-type: none"> <li>• Operating support for municipal and non-profit facilities that house family counselling, parent and child development programs, drop-in centres for youth and seniors, facility-based childcare.</li> <li>• Operating support for cemeteries and crematoriums.</li> <li>• Contracted children and family services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Physician retention initiatives.</li> <li>• Plans or feasibility studies related to children and family services.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>6</sup></li> </ul>

<sup>5</sup> Some exceptions apply. See Schedule 2 for details.

<sup>6</sup> Some exceptions apply. See Schedule 2 for details.

<p><b>Environmental Sustainability</b></p> <p>Activities that support the protection of the environment.</p>	<ul style="list-style-type: none"> <li>• Building retrofits that improve energy efficiency of current operations.</li> <li>• Exploration of renewable and alternative energy projects.</li> <li>• Environmentally sustainable planning strategies.</li> <li>• Emissions inventories and energy audits.</li> <li>• Environmental education and awareness initiatives.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>7</sup></li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> </ul>
<p><b>Housing</b></p> <p>Activities that support affordable housing and supportive living options for seniors, low-income families, and those with special needs.</p>	<ul style="list-style-type: none"> <li>• Operating support for municipal and non-profit assisted living facilities.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Plans or feasibility studies related to affordable housing.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>8</sup></li> </ul>
<p><b>Libraries</b></p> <p>Activities that support library programming and associated facilities.</p>	<ul style="list-style-type: none"> <li>• Operating support for libraries.</li> <li>• Contracted library services.</li> <li>• Salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Support for high-speed internet and technological advancements.</li> <li>• Plans or feasibility studies related to libraries.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>9</sup></li> </ul>
<p><b>Municipal Buildings and Facilities</b></p> <p>Buildings and facilities that are necessary to the overall operation of the municipality and that are common to the services provided by the municipality.</p>	<ul style="list-style-type: none"> <li>• Repairs and maintenance<sup>10</sup> of administration buildings.</li> <li>• Operating support for public works shops, municipally owned staff accommodations, public wharves, and other beach infrastructure and municipally owned gas, and electrical utility systems.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Shared municipal staff salaries, wages, and benefits.</li> <li>• Contracted services.</li> <li>• Fuel and maintenance for public works equipment, and other equipment used to maintain municipal infrastructure.</li> </ul>

7 Some exceptions apply. See Schedule 2 for details.

8 Some exceptions apply. See Schedule 2 for details.

9 Some exceptions apply. See Schedule 2 for details.

10 See expanded definition of maintenance in Schedule 3 – Glossary.

<p><b>Parks, Sport and Recreation</b></p> <p>Activities related to the development and operation of facilities and related programming for recreational opportunities, such as sports and parks.</p>	<ul style="list-style-type: none"> <li>• Operating support for municipal and non-profit playgrounds, arenas, swimming pools, beaches, golf courses, skating and curling rinks, skateboard parks, ski areas, baseball and softball diamonds, sports fields, campgrounds, gymnasiums, and community parks and trails.</li> <li>• Contracted parks, sport, and recreation services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Contributions to recreation boards.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>11</sup></li> <li>• Plans or feasibility studies related to parks, sport, and recreation.</li> </ul>
<p><b>Public Security and Safety</b></p> <p>Activities related to the reduction of crime and the promotion of safe and secure communities.</p>	<ul style="list-style-type: none"> <li>• Operating support for police, fire, ambulance, and bylaw enforcement service facilities.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Contracted protective services.</li> <li>• Fuel and maintenance of protective and emergency services vehicles.</li> <li>• Small and specialized equipment purchases.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Plans or feasibility studies related to public security and safety.</li> <li>• Hosting, rental, travel, and accommodation expenses for events.<sup>12</sup></li> </ul>

<sup>11</sup> Some exceptions apply. See Schedule 2 for details.

<sup>12</sup> Some exceptions apply. See Schedule 2 for details.

**GWO #3: To support the development and maintenance of core municipal infrastructure to meet existing and changing municipal needs.**

Functional Category	Eligible Expenses
<p><b>Airports</b> Activities related to air transportation services.</p>	<ul style="list-style-type: none"> <li>• Operating support for airports and related infrastructure, such as lighting and signage.</li> <li>• Contracted airport services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Plans or feasibility studies related to airports.</li> </ul>
<p><b>Infrastructure Management</b> Activities that support systematic infrastructure planning and management.</p>	<ul style="list-style-type: none"> <li>• Purchase of and support for infrastructure management systems such as Municipal Infrastructure Management System (MIMS).</li> <li>• Software related to the management of tangible capital assets (TCA).</li> <li>• Purchase of infrastructure data or contracted data gathering.</li> <li>• Development of master infrastructure management plans.</li> </ul>
<p><b>Public Transit</b> Activities related to the provision of public transit services.</p>	<ul style="list-style-type: none"> <li>• Operating support for municipal and non-profit transit vehicles, service buildings, garages, handi-buses, and accessible public transit.</li> <li>• Contracted transit services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Transit feasibility and implementation studies.</li> </ul>
<p><b>Roads and Bridges</b> Activities related to the construction and maintenance of roadways, bridges, and related structures.</p>	<ul style="list-style-type: none"> <li>• Maintenance<sup>13</sup> of roadways, bridges, sidewalks, commuter bikeways, lighting, and related maintenance equipment, including contracted road maintenance services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Traffic management studies.</li> <li>• Plans or studies related to roadway systems.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Dust control programs.</li> </ul>

<sup>13</sup> See expanded definition of maintenance in Schedule 3 - Glossary.



<p><b>Solid Waste Management</b></p> <p>Activities related to the collection and management of garbage and other waste material.</p>	<ul style="list-style-type: none"> <li>• Operating support for sanitary landfill sites, incinerators or other plants, and material recovery facilities.</li> <li>• Contracted solid waste management services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Fuel and maintenance of trucks and other equipment used for collection, disposal, and recycling.</li> <li>• Small capital purchases/acquisitions.</li> <li>• Operating support for regional waste management services commissions.</li> </ul>
<p><b>Wastewater</b></p> <p>Activities related to the collection or removal, treatment, and disposal of sanitary wastewater.</p>	<ul style="list-style-type: none"> <li>• Waste management plans and studies.</li> <li>• Operating support for sanitary wastewater and combined sanitary-storm water systems, lagoons, plant and equipment, public comfort stations, catch basins, manholes, and booster stations.</li> <li>• Contracted wastewater services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Reclamation of sludge areas.</li> <li>• Operating support for regional wastewater services commissions.</li> <li>• Wastewater plans and studies.</li> <li>• Small capital purchases/acquisitions.</li> </ul>
<p><b>Water</b></p> <p>Activities related to acquiring, treating, and supplying water.</p>	<ul style="list-style-type: none"> <li>• Purchase of water supply.</li> <li>• Operating support for facilities and lines.</li> <li>• Operating support for regional water services commissions.</li> <li>• Contracted water services.</li> <li>• Non-profit and/or shared municipal staff salaries, wages, and benefits.</li> <li>• Water and conservation plans and studies.</li> <li>• Water meter replacement.</li> <li>• Small capital purchases/acquisitions.</li> </ul>

## GWO #4: To support capacity building within municipalities.

Functional Category	Eligible Expenses
<p><b>Municipal Careers</b></p> <p>Activities that support the retention and attraction of skilled employees of municipalities.</p>	<ul style="list-style-type: none"> <li>• Consultant fees for succession planning.</li> <li>• Municipal career promotion initiatives.</li> <li>• Advertising and promotional materials related to recruitment.</li> <li>• Contracting a recruiting firm.</li> </ul>
<p><b>Staff Development</b></p> <p>Activities that support the development of municipal staff.</p>	<ul style="list-style-type: none"> <li>• Tuition, books, and travel expenses or consultant fees for training or courses related to current and future employment and occupational health and safety.<sup>14</sup></li> </ul>
<p><b>Volunteer Development</b></p> <p>Activities that promote the development of the non-profit and voluntary sector.</p>	<ul style="list-style-type: none"> <li>• Tuition, books, and travel expenses or consultant fees for volunteer training or courses.<sup>15</sup></li> </ul>

<sup>14</sup> Some exceptions apply. See Schedule 2 for details.

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## Schedule 2 – Ineligible Expenses

- Salaries, wages, and benefits, including incentives for physicians under a physician retention initiative, unless they are part of a joint initiative or supporting local government planning, libraries, or non-profit organizations (see Glossary for definitions).
- Expenses related to administrative services (see Glossary for definition), unless expenses are incurred as part of a joint initiative or expenses related to activities that increase the efficiency or effectiveness of overall local government operations.
- Rent, utilities, insurance, and property taxes on administration buildings/offices unless expenses are incurred as part of a joint initiative.
- Purchase of furniture, office equipment (excluding computer hardware, software, and peripherals), appliances, and consumable supplies required to deliver administrative services unless expenses are incurred as part of a joint initiative.
- Construction or acquisition of new facilities and large fixed infrastructure, for example: land, buildings, parking structures, engineered structures, roadways, runways, bridges, lighting structures, traffic control signals, towers, stationary power generators, water and wastewater systems, storm water drainage systems, solid waste management facilities, parks, sports fields, cemeteries, crematoriums, utility systems.
- Large motor vehicles and heavy duty construction/maintenance equipment (purchases and capital leases), for example: tandem trucks, motor graders, backhoes, loaders, pavers, scrapers, bulldozers, excavators, skid steers, landfill compactors, solid waste material handlers, sanding trucks, street sweepers, gravel trucks, street snow ploughs, vacuum trucks, cranes, tractors, ice resurfacers, pickup trucks, cars, buses, aircraft, motor boats, ambulances, fire fighting vehicles, and public transit vehicles.
- Payments in contradiction of the [MGA](#), , e.g., requisitions to seniors lodge management boards established by ministerial order and covered by [Section 326\(a\)\(v\) of the MGA](#), and Section 7 of the [Alberta Housing Act](#).
- Project costs structured to be financed by an established, long-term funding strategy (e.g., off-site or community revitalization levies).
- Celebratory events, such as centennial celebrations, community dances, volunteer appreciation events, etc.
- Activities/projects outside Alberta, including learning opportunities.
- Religious activities.
- Political or lobbying activities.
- Expenses related to fundraising activities, such as casinos and bingos.
- Legal settlements.
- Depreciation.
- Goods and Services Tax.
- Income taxes.
- Interest, loan fees, debt principal payments.
- Contributions to individuals.
- Costs funded under other grant programs.

## Schedule 3 – Glossary

### “Administrative services”:

- Routine administrative functions, including corporate services, property assessment and taxation, licensing administration, local government census-taking, budgeting, and accounting, audit, and legal functions, public relations and election processes and plebiscites.
- Note that administrative services are only eligible as part of a joint initiative (see definition below).

### “Betterment”:

- The enhancement of the service potential of a capital asset, including an increase in physical output or service capacity, lowering of associated operating costs, extension of the useful life, or improvement in the quality of output.

### “Contracted services” (e.g., “contracted culture services” or “contracted solid waste management services”):

- Contracts with other local governments, private companies, or non-profit organizations for the provision of local government services.
- Contributions to other local governments/local government partnerships to support shared local government service delivery arrangements.

### “Infrastructure management system”:

- A system used by local governments to record and analyze their infrastructure assets. The infrastructure assets are recorded and analyzed based on several characteristics, such as type (roads, bridges, and parks), age, condition and value.

“Joint initiative” means an undertaking that involves two or more local governments. A joint initiative must meet one of the following criteria:

- it supports expenses for shared administration;
- it supports regional or intermunicipal plans or studies;
- it supports expenses related to the shared delivery of a local government service; or
- it supports membership fees or contributions to a pre-existing regional services commission or service agreement.

### “Maintenance”:

- Any routine, recurring, superficial, or cosmetic activity necessary to ensure an asset reaches its normal design life and/or retains an acceptable appearance throughout its life. This also includes the life cycle replacement of individual parts or subcomponents of a capital asset system. This includes the rehabilitation and betterment as eligible expenses so that local governments may use LGFF Operating funding on structural changes to buildings (e.g., installation of an elevator, structural changes to meet fire safety codes, building additions, etc.).

### “Non-profit organization”:

- non-governmental (i.e., institutionally separate from governments);
- not distributing profits (i.e., does not return any profits generated to its owners or directors);
- self-governing (i.e., independent and able to regulate its own activities); and
- voluntary (i.e., benefits to some degree from voluntary contributions of time and/or money).

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**“Operating support”:**

- Rent, utility, insurance, technology, property tax, and repair and maintenance support for local government owned and/or non-profit owned/operated facilities and infrastructure.
- Furniture, office equipment, appliances, and telephone systems for the above.
- Computer hardware and software, including technology support expenses.
- Purchase and maintenance of consumable supplies or services required to deliver local government services or operate assets, e.g., library books and materials, educational programming supplies, water purification and treatment supplies, gasoline, gravel, etc.
- Membership fees or contributions to a regional services commission or other eligible entity under the program for purposes consistent with these guidelines.

**“Rehabilitation”** means any activity intended to extend the useful life of a fixed asset beyond its original expected or design life.

**“Small capital purchases/acquisitions”** includes:

- hand-operated tools, such as chainsaws, shovels, rakes, hoes, push lawn mowers, wastewater cameras, meter-reader devices;
- electrical, mechanical, or computerized systems required to maintain or operate capital assets, such as security systems, water quality monitoring systems, irrigation systems, air conditioning systems, lighting and sound systems;
- lifecycle replacements of heavy equipment attachments (e.g., worn out blades);
- new attachments for heavy equipment that modify the function of the piece of equipment (e.g., blades, buckets, etc.);
- small motorized and drivable light-duty equipment (e.g., lawnmowers, sidewalk sweepers/ploughs, golf carts, power bicycles, mini-bikes, motorcycles, scooters, all-terrain vehicles, snow vehicles, etc.);
- protective equipment including uniforms, police equipment, firefighting equipment, and medical equipment for EMS;
- computer peripheral equipment, such as webcams, microphones, GPS units, printers, projection screens;
- benches, picnic tables, planters, portable and stationary recreation and playground equipment, waste management bins, sheds, fences;
- signage, addressing systems, poles; and
- curbs, parking lots, sidewalks, and trails.

**“System”**

- A group of independent, but interrelated elements that share functional or structural relationships, which comprise a unified capital asset, and where the function of an independent component impacts the functioning of the entire system.

# Schedule 4 – Frequently Asked Questions

## 1. Why are salaries ineligible for LGFF Operating funding?

- Administration expenses are not eligible for LGFF Operating funding.
- Local governments are encouraged to direct funding towards strategic projects that will enhance long-term sustainability, rather than routine operations.
- Salaries associated with joint initiatives, planning activities, non-profit organizations or libraries remain eligible for LGFF Operating funding.

## 2. Can I use LGFF Operating funding to host an event?

- Projects that primarily involve hosting celebratory and commemorative events do not support the LGFF program objectives of enhancing local government sustainability and enabling local governments to meet the demands of growth, and therefore, do not qualify for LGFF Operating funding.
  - Examples of non-qualifying special events include parades, New Year or party celebrations, centennial celebrations, community dances, and volunteer appreciation events.
- Special events that contribute to ongoing economic, cultural or agricultural development, such as rodeos, stampedes, fair/exhibits, or community festivals remain eligible for funding.
  - Qualifying project activities should relate to planning, advertising, and programming rather than food, beverage, and entertainment costs.
- Projects that support hosting expenses related to events that clearly align with the goals and objectives of the LGFF Operating program remain eligible for funding (e.g., hosting expenses related to public consultation, sustainability workshops, etc.).

## 3. What learning opportunities qualify for LGFF Operating funding?

- Workshops, courses, and other learning activities directly related to local government leadership, administration or operations and offered in Alberta qualify.
- This includes courses/workshops required for staff certification/accreditation and conferences/conventions with a specific service delivery focus.
- Where appropriate, bringing trainers directly to the community in order for several staff and/or elected officials to have access to the training or professional development opportunity also qualifies.
- Qualifying project expenses:
  - registration/tuition fees;
  - textbooks/materials not included in registration fee;
  - transportation expenses;
  - meals and accommodations; and
  - trainer fees, preparation and travel costs.
- Non-qualifying project expenses:
  - salaries/honoraria; and
  - incidental and entertainment expenses.

#### 4. What types of economic development activities will LGFF Operating support?

- Eligible expenses include:
  - the purchase of computers, software, (small) business machinery, program supplies and any other equipment needed to complete economic development plans;
  - room rental, equipment rental, and the development of promotional or educational materials (handouts, brochures, presentations) related to carrying out consultations;
  - developing and compiling targeted, strategic economic development data and information to support business decision-making;
  - publishing an inventory of available privately owned and local government-owned land for sale, as well as industrial and commercial buildings for sale or lease;
  - developing materials for participation in tradeshow, investment seminars, special events and hosting visiting delegations (e.g., trade show banners, promotional and resource materials about the local government);
  - compiling and maintaining an inventory of government programs and services available to business, such as trade missions and export opportunities (e.g., handbook or database);
  - developing and presenting small business seminars;
  - developing a tour and briefing to orient businesses to the geography, economy and demographics of the area;
  - developing an inventory of information on the area economy including lists of major employers, manufacturers, exporters, and new industry;
  - website development;
  - assessing local government policies and practices in relation to best practices for rural and agricultural development;
  - developing policies that encourage rural tourism and agricultural development; and
  - consultants or staff time to develop plans.

#### 5. What types of project expenses are eligible under physician retention initiatives?

- Eligible expenses include:
  - advertising, promotional materials and costs related to recruiting prospective physicians, such as travel and accommodation costs;
  - retention committee costs, including meeting hosting costs, administrator salary, councillor honoraria, and travel costs;
  - maintenance and operational costs of medical clinics;
  - maintenance costs of housing owned by the local government; and
  - physician salaries, benefits, and cash incentives when part of a joint initiative.

#### 6. What restrictions apply to providing LGFF Operating support to seniors housing?

- Restrictions apply to management bodies established by ministerial order to provide lodge accommodations for seniors.
- [Section 326\(a\)\(v\) of the MGA](#), in conjunction with Section 7 of the [Alberta Housing Act](#), allows these management bodies to requisition local governments the amount to be paid to them to provide lodge accommodations for seniors.
- Local governments must raise the revenue for the requisition through a property tax.
- LGFF funding may be used for qualifying expenses of lodge accommodations for seniors, if the funding is not applied to the actual requisition amount.
- LGFF funding can be stacked with other provincial grants to reduce qualifying expenses and planned requisitions, or it can be used to fund emergent activities, such as major repairs or maintenance that arise after requisitions are set and collected through property taxes.
- Local governments may use LGFF Operating funds to support any qualifying project expenses associated with housing facilities for seniors that are not lodge accommodations.