

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ONTARIO TRILLIUM FOUNDATION
AND
THE MINISTER OF CULTURE

1. DEFINITIONS

“**Act**” means the *Corporations Act (Ontario)*, R.S.O. 1990, c. C.38, as amended from time to time, and the regulations enacted pursuant to it;

“**Board**” means the board of directors of the Foundation consisting of members approved by the Lieutenant Governor in Council;

“**by-laws**” means the by-laws of the Foundation in force and effect from time to time that provide for the Foundation’s internal governance and operation;

“**Chair**” means the elected Chair of the Board;

“**CEO**” means the Chief Executive Officer of the Foundation;

“**Deputy Minister**” means the Deputy Minister of Culture;

“**eligibility criteria**” means those eligibility requirements, approved by the Lieutenant Governor in Council, that must be satisfied by organizations seeking funding from the Foundation;

“**fiscal year**” means the period of time commencing on April 1 in each year and ending on March 31 in the following year;

“**Foundation**” means the Ontario Trillium Foundation, incorporated as a corporation without share capital under the Act by letters patent dated November 17, 1982;

“**Government**” means the Government of Ontario;

“**Grant Review Teams**” means the volunteer committees, members of which are appointed by the Lieutenant Governor in Council, that report to the Foundation and make recommendations to the Board on the allocation of local grants;

“**Letters Patent**” means the letters patent incorporating the Foundation and any supplementary letters patent of the Foundation;

“**Minister**” and the “**Ministry**” respectively mean the Minister of Culture and the Ministry of Culture;

“**MOU**” means this Memorandum of Understanding; and

“**TB/MBC**” means Treasury Board/Management Board of Cabinet.

2. PURPOSE

- (a) The purpose of this MOU is to clarify the roles, responsibilities, relationships, mutual expectations, and accountability mechanisms of the Foundation and the Ministry, and to specify the principles and administrative procedures that the Foundation must follow in order to fulfill its mandate.
- (b) This MOU sets out the framework for accountability between the Minister and the Deputy Minister, and the Chair, Board, and CEO of the Foundation, and meets the requirements of the Treasury Board/Management Board of Cabinet Directive: *Agency Establishment and Accountability*, dated February 2000.
- (c) This MOU shall not affect, modify or interfere with the responsibilities of either party under law. For greater certainty, this MOU shall not limit in any way the ability, authority and obligation of the Board to manage the Foundation in light of the best interests of the Foundation and in accordance with the other legal duties and responsibilities of the Board, including, without limitation, any duties of care or fiduciary duties. These legal duties and responsibilities shall prevail over any provision of this MOU in the event of any conflict between the provisions of this MOU and the legal duties and responsibilities of the Board.

3. LEGISLATIVE AUTHORITY AND MANDATE

- (a) Order in Council O.C. 2527/82 authorized certain persons to apply for the incorporation of a corporation without share capital for the purpose of funding private, non-governmental social service agencies that provided services directly to the public in Ontario. The Foundation was incorporated as a corporation without share capital by Letters Patent dated November 17, 1982 under the *Corporations Act*, R.S.O. 1990, c. C.38.
- (b) In accordance with Supplementary Letters Patent granted on June 5, 2002, the Foundation has the following objects:
 - To provide funds in a fair and cost-efficient manner with community involvement in decision-making, and by way of supplementing rather than replacing regular sources of income, to eligible charitable and not-for-profit organizations in Ontario for the following purposes:
 - to help finance, through time-limited, results oriented grants, programs undertaken by such organizations; and
 - to help finance initiatives that increase organizational and/or community capacity and self-reliance.

- (c) The Foundation's mission is to build healthy and vibrant communities throughout Ontario by strengthening the capacity of the voluntary sector through investments in community-based initiatives. The Foundation provides grants to Ontario's charitable and not-for-profit organizations working in the arts and culture, environment, human and social services, and sports and recreation sectors.
- (d) The affairs of the Foundation are governed and managed by the Board, whose members are elected and recommended by the Minister for approval by the Lieutenant Governor in Council, and whose membership shall not exceed twenty-five (25) directors.
- (e) The Chair is elected by the Board, and no individual shall be qualified to be elected Chair of the Board unless the Minister has approved that individual for election as Chair.
- (f) The Minister shall appoint, on an annual basis, a Vice-Chair to hold office for a term of one year.
- (g) The members of the Grant Review Teams are appointed by the Lieutenant Governor in Council upon recommendation of the Minister.
- (h) The Grant Review Team Chairs are appointed by the Minister.
- (i) The Foundation shall operate and maintain a granting program in accordance with the eligibility criteria that have been adopted from time to time by the Board and approved by the Lieutenant Governor in Council. These eligibility criteria are set out in Order in Council O.C. 2391/2002.

4. AGENCY CLASSIFICATION

- (a) The Foundation is designated as an Operational Service Agency in accordance with the *Agency Establishment and Accountability Directive*, dated February 2000, and is subject to and shall comply with all existing Ministry of Finance and TB/MBC Directives applicable to an Operational Service Agency as set out in **Schedule B** to this MOU.
- (b) Where such Directives are amended, or new directives are created by Ministry of Finance or by TB/MBC, the Deputy Minister shall advise the CEO in writing of the applicability of these directives to the Foundation, and these directives shall be deemed to form part of Schedule B. The Foundation shall comply with all directives listed in Schedule B and those directives deemed to form part of Schedule B.

5. DURATION OF MOU

- (a) This MOU shall be in effect as of the date of the signature of the last party to execute it and shall be in effect for a period not exceeding five (5) years. This MOU shall be renewed or revised by the expiry date. However, this MOU shall remain in effect until a new MOU has first received the approval of TB/MBC and thereafter has been executed by the parties.
- (b) This MOU shall not be executed by the parties before it has been approved by TB/MBC.

6. PROCESS FOR REVIEW AND AMENDMENT OF MOU

- (a) This MOU shall be reviewed upon appointment of a new Minister or a new Chair. The purpose of the review is to ensure that the Minister or the Chair, as the case may be, is aware of this MOU and to give the Minister or the Chair the opportunity to initiate discussions on amending this MOU. Where the Minister and the Chair agree to continue this MOU without requiring any amendment, both parties must affirm the continuance in writing.
- (b) This MOU may be amended from time to time with the agreement of the Minister and the Chair. Either the Minister or the Chair may propose amendments to this MOU. All amendments shall be in writing and approved by both parties and TB/MBC before a revised MOU can be executed.

7. GUIDING PRINCIPLES

The Minister and the Chair agree that they will adhere to the following principles in their relationship:

- (a) The Foundation is accountable to the Minister and, through the Minister, to the Legislative Assembly, in fulfilling its mandate.
- (b) The Foundation is a corporation which exercises powers and performs duties in accordance with its mandate under its Letters Patent.
- (c) The Foundation operates at arm's-length from the Government and operates within the policy parameters set out by the Government.
- (d) As an agency of the Government, the Foundation shall conduct itself according to the management principles of the Government. These principles include ethical behaviour, accountability, excellence in management, wise use of public resources, value for money, equitable access to high quality service, and openness and transparency.

8. ACCOUNTABILITY RELATIONSHIP

Minister

The Minister is accountable to the Legislative Assembly for the Foundation's fulfillment of its mandate and its compliance with applicable Government administrative policies.

The Minister is accountable to Cabinet for the performance of the Foundation and its compliance with the Government's operational policies and broad policy directions.

Deputy Minister

The Deputy Minister is accountable to the Minister for the performance of the Ministry in respect of this MOU and for carrying out the roles and responsibilities assigned to him/her by the Minister and by TB/MBC Directives.

Chair

The Chair is accountable to the Minister for the performance of the Foundation in fulfilling its mandate within the context of the Letters Patent, this MOU, the approved business plan, the Foundation's by-laws, applicable Ministry of Finance and TB/MBC Directives, and any other agreement with the Ministry.

Board

The Board, through the Chair, is accountable to the Minister for governing the affairs of the Foundation within its mandate.

CEO

The CEO is accountable to the Chair and the Board for the management of the Foundation's operations and the management and supervision of the Foundation's employees and any consultants that are retained.

Foundation Employees

The Foundation's employees report to and are accountable to the CEO for their performance.

Grant Review Teams

The Grant Review Teams are committees of the Foundation and are accountable to the Board, through the Chair.

9. ROLES AND RESPONSIBILITIES

Minister

The Minister is responsible for:

- (a) reporting and responding to the Legislative Assembly on the affairs of the Foundation and reporting and responding to Cabinet on the Foundation's performance and compliance;
- (b) ensuring the activities of the Foundation are monitored to ensure that its mandate and eligibility criteria are being fulfilled and that it is in compliance with relevant Government policies;
- (c) establishing and communicating to the Board in writing the Government policy parameters (and changes to those policy parameters) within which the Foundation is required to operate;
- (d) reviewing, approving, presenting, and recommending the annual allocation for the Foundation as part of the Government's business planning process;
- (e) reviewing and approving the Foundation's annual report, annual business plan, and other reports and documents in accordance with section 17 of this MOU;

- (f) recommending to TB/MBC, at least once every three (3) years, the approval of the Foundation's multi-year business plan;
- (g) reviewing and recommending to TB/MBC the provincial funding to be given to the Foundation;
- (h) reviewing and recommending for approval to the Lieutenant Governor in Council of all formal documents relating to proposed changes to the Foundation's mandate and eligibility criteria;
- (i) tabling the Foundation's annual report in the Legislature within 60 days of receiving the annual report from the Foundation;
- (j) reviewing and approving all by-laws of the Foundation;
- (k) approving the terms of reference of Grant Review Teams and any changes to the terms of reference;
- (l) recommending Board appointments and reappointments to the Lieutenant Governor in Council for approval;
- (m) approving the candidate for election to the position of Chair, and appointing the Vice-Chair of the Board;
- (n) reviewing and recommending appointments of members to the Grant Review Teams to the Lieutenant Governor in Council;
- (o) appointing the Grant Review Team Chairs;
- (p) meeting with the Chair and/or the Board at least annually, and as further required;
- (q) consulting with the Chair as appropriate on significant new directions or when the Government is considering regulatory or legislative changes that could impact the Foundation;
- (r) providing the Chair of TB/MBC with copies of annual plans and reports and other materials pertaining to the distribution of charitable gaming revenue as requested;
- (s) addressing issues, concerns or new opportunities with respect to the Foundation's mandate;
- (t) determining the need for any review and making recommendations to TB/MBC regarding the elimination or consolidation of the Foundation or any change to the Foundation's mandate; and
- (u) developing this MOU with the Chair and signing it into effect upon approval by TB/MBC.

Deputy Minister

The Deputy Minister is responsible for:

- (a) providing support and assistance to the Minister in the execution of the Minister's duties with regard to the Foundation;
- (b) negotiating this MOU with the Foundation as directed by the Minister;
- (c) monitoring the Foundation on behalf of the Minister, while respecting the Foundation's authority, and where warranted, identifying any issues, concerns or new opportunities and recommending to the Minister ways to address such issues, concerns or new opportunities;
- (d) advising the Minister on the operation of the Foundation, or its consolidation or elimination;
- (e) ensuring that the Foundation has an appropriate risk management framework and mitigating strategy in place for managing risks that the Foundation may encounter in meeting its program or service delivery objectives;
- (f) consulting with the Chair or the CEO as needed regarding matters of mutual importance, including matters regarding MBC directives and Ministry policies;
- (g) establishing a framework for reviewing the Foundation's annual business plan and any other reports and making recommendations regarding the review or approval of submitted reports;
- (h) ensuring that the planning and reporting requirements as set out in section 17 of this MOU have been met;
- (i) maintaining an open and cooperative working relationship with the Foundation through meetings with the CEO as required or directed;
- (j) co-operating with any periodic review of the Foundation directed by the Minister or TB/MBC;
- (k) advising the Minister on the requirements of TB/MBC's *Agency Establishment and Accountability Directive* and any other Ministry of Finance or TB/MBC Directives that may affect the Foundation;
- (l) informing the CEO, in writing, of the application of (or the exemption from) TB/MBC Directives or Ministry administrative policies to the Foundation; and
- (m) undertaking such other responsibilities as the Minister or TB/MBC may require.

Board of Directors

The Board is responsible for:

- (a) governing the affairs of the Foundation within its mandate as set out in the Letters Patent, supplementary letters patent, the Foundation's by-laws, the Foundation's approved business plan as described in section 17 of this MOU, and the policy parameters established and communicated in writing by the Minister;
- (b) establishing policy and strategic directions for the Foundation, consistent with its objects and within the policy parameters established and communicated by the Minister;

- (c) through the Chair, providing the Minister with information, materials or advice on policy matters relevant to the Foundation's objects when needed or requested;
- (d) appointing a CEO of the Foundation and ensuring the CEO is accountable to the Chair and the Board for the management and administration of the Foundation;
- (e) developing performance objectives for the CEO and reviewing the performance of the CEO in relation to those objectives;
- (f) making by-laws necessary or incidental to carrying out the objects of the Foundation and for the conduct and management of its affairs, and submitting the by-laws to the Minister for approval;
- (g) overseeing Grant Review Teams whose members shall be appointed by the Lieutenant Governor in Council;
- (h) developing and amending (when such amendments occur), for the approval of the Minister, terms of reference and accountability mechanisms for the Grant Review Teams and ensuring compliance with them and other Foundation policies;
- (i) establishing and periodically reviewing the eligibility criteria and seeking approval of the Lieutenant Governor in Council through the Minister;
- (j) ensuring the provision of orientation, training and administrative support to the Grant Review Teams;
- (k) monitoring the use of funds to ensure that funds are used in a fiscally appropriate and responsible manner and in accordance with the terms of funding;
- (l) arranging for an annual audit of the financial transactions and management of the Foundation, and other audits as needed;
- (m) co-operating with periodic reviews initiated by either the Minister or TB/MBC;
- (n) ensuring compliance with TB/MBC Directives and relevant Ministry policies and procedures;
- (o) establishing performance measures and targets for the Foundation;
- (p) directing that the CEO establish a performance review system for staff;
- (q) maintaining and operating a grant program as set out in **Schedule A** of this MOU;
- (r) reviewing and, as appropriate, approving the recommendations of the local allocation of funds made by the Grant Review Teams;
- (s) directing the preparation of the Foundation's annual business plan, annual report and other reports in keeping with TB/MBC's requirements;

- (t) approving the Foundation's plans, reports and reviews for submission to the Minister in a timely manner;
- (u) directing corrective action to be taken in response to audits if needed;
- (v) directing the development of an appropriate risk management framework and mitigating strategy for the Foundation for managing risks that the Foundation may encounter in meeting its program or service delivery objectives;
- (w) consulting, as appropriate, with stakeholders on the Foundation's goals, objectives and strategic directions; and
- (x) approving the MOU for the Foundation in a timely manner and authorizing the Chair to sign it on behalf of the Foundation.

Chair

The Chair is responsible for:

- (a) providing strategic leadership to the Board;
- (b) monitoring the performance of the Foundation;
- (c) ensuring that the Foundation operates within its approved budget allocation in fulfilling its mandate;
- (d) convening and chairing meetings of the Board;
- (e) on behalf of the Board, providing policy direction and communicating the Foundation's organizational performance objectives to the CEO;
- (f) on behalf of the Board, reporting to the Minister regularly on the Foundation's activities, guidelines, and practices under which the Foundation operates and by which the Foundation's overall priorities are set;
- (g) directing the preparation of, and submitting for approval to the Minister, the Foundation's annual report, annual business plan, and other reports and documents required under this MOU;
- (h) ensuring that any significant additions, deletions, or amendments to the Foundation's plans and reports referred to in clause (g) are communicated to the Minister in sufficient time to have them approved, where appropriate, by the Minister and the TB/MBC, before implementation;
- (i) leading the Board discussion on the development of performance objectives for the CEO, and once approved by the Board, communicating the CEO's performance objectives to the CEO;

- (j) ensuring that all members of the Board and all members of the Grant Review Teams are informed of all relevant conflict of interest directives, guidelines, and policies (such as Management Board of Cabinet's *Government Appointees Directive* (dated November 1994), applicable conflict of interest provisions of the *Public Service of Ontario Act, 2006*, and the Foundation's Code of Conduct & Ethics Guidelines and Conflict of Interest Guidelines);
- (k) recording any declared or apparent conflicts of interest by Board members in the minutes of Board meetings;
- (l) carrying out the specified responsibilities under the *Public Service of Ontario Act, 2006* and its regulations as the "ethics executive" for members of the Board and members of the Grant Review Teams in the areas of conflict of interest, political activity rights and disclosures of wrongdoing;
- (m) notifying the Minister of appointment vacancies or resignations of Board members;
- (n) ensuring Board members are informed of their roles, responsibilities and obligations;
- (o) ensuring that members of the Board are aware of and comply with all applicable Ministry of Finance and TB/MBC Directives;
- (p) ensuring that an appropriate framework is in place for Board members and for Board members to receive adequate orientation and training;
- (q) reviewing and approving claims for per diems and expenses of Board members;
- (r) ensuring that appropriate management systems are in place (financial, information technology, human resources) for the effective administration of the Foundation;
- (s) ensuring that the planning and reporting requirements as set out in section 17 of this MOU are met;
- (t) ensuring that the Minister is provided with such information regarding the Foundation as the Minister may require or request in order to carry out his or her responsibilities;
- (u) within 30 days of receipt, providing both the Minister and the Minister of Finance with a copy of every audit report, a copy of the Foundation's response to each audit report, and any recommendations in the report;
- (v) advising the Minister annually on any outstanding audit recommendations;
- (w) meeting with the Minister at least annually, and as further required;
- (x) cooperating with any periodic reviews directed by the Minister or TB/MBC;
- (y) attending and/or making presentations before Cabinet or committees of Cabinet or the Legislative Assembly on matters concerning the affairs of the Foundation when requested to do so; and

- (z) developing and then signing the MOU with the Minister after both Board and TB/MBC approval.

Chief Executive Officer

The Chief Executive Officer is responsible for:

- (a) providing leadership, guidance and management to the Foundation staff, including human and financial resources management, within the approved business plan;
- (b) overseeing the day-to-day operations of the Foundation;
- (c) carrying out in-year monitoring of the Foundation's operational performance and reporting to the Chair;
- (d) establishing systems to ensure that the Foundation operates within its approved business plan;
- (e) ensuring that the Foundation has an appropriate risk management framework and mitigating strategy in place, as directed by the Chair or the Board, to help provide the proper level of assurance that program or service delivery objectives are met;
- (f) preparing the annual report and business plan as directed by the Board;
- (g) preparing financial reports for approval by the Board;
- (h) translating the policy and strategic direction of the Board into operational plans and activities;
- (i) keeping the Chair and the Board informed of the implementation of their policy directions and the operations of the Foundation;
- (j) providing the Chair and the Board with advice and assistance in meeting their responsibilities;
- (k) reporting regularly to the Board on performance relative to the objectives approved by the Board;
- (l) ensuring the Foundation complies with the requirements of the applicable Ministry of Finance and TB/MBC directives and guidelines and the appropriate financial and administrative policies and procedures;
- (m) ensuring effective communication with the Deputy Minister as required by this MOU, including consulting with the Deputy Minister as needed on matters of mutual importance and seeking advice and support from the Ministry as appropriate;
- (n) preparing a performance review system for staff and implementing the performance review system;

- (o) establishing systems for the retention of formal agency documents and for appropriately making such documents available to the public;
- (p) undertaking reviews, evaluations, and reports on the Foundation's activities at the request of the Chair or the Board and advising the Chair and the Board of the results;
- (q) ensuring that all employees of the Foundation are informed of and comply with all conflict of interest guidelines and policies of the Foundation and applicable conflict of interest provisions of the *Public Service of Ontario Act, 2006*;
- (r) carrying out the specified responsibilities under the *Public Service of Ontario Act, 2006* and its regulations as the "ethics executive" for employees of the Foundation in the areas of conflict of interest, political activity rights and disclosures of wrongdoing;
- (s) preparing and providing to the Chair and Board information regarding the Foundation as the Minister may require or request in order to carry out his/her responsibilities; and
- (t) cooperating with any periodic review directed by the Minister or by TB/MBC.

10. CONSULTATION AND COMMUNICATIONS

- (a) The Minister and the Chair agree that the timely exchange of information and consultation is essential to success in discharging their respective responsibilities.
- (b) The Chair will ensure that the Minister is advised on a timely basis of issues or events, including contentious matters, that concern or can reasonably be expected to concern the Minister in the exercise of the Minister's responsibilities. The Chair will ensure the Foundation adheres to the communications policies established by the Minister or the Government from time to time, including the **Communications Protocol** attached to this MOU as **Schedule C**.
- (c) The Minister shall ensure that the Chair is consulted as appropriate on initiatives proposed to amend or which will have a significant impact on the Foundation's mandate or operations.
- (d) The Minister and the Chair will consult with each other on public communication strategies and publications, and will keep each other informed of the results of stakeholder and other public consultations and discussions.
- (e) The Parties shall arrange for meetings annually, and as needed, between the Minister or the Minister's delegate and the Chair to discuss issues relating to the efficient operation of the Foundation and the fulfillment of its mandate.

11. ADMINISTRATION, STAFFING, and REMUNERATION

- (a) The Foundation is classified as an Operational Service agency, subject to the financial and administrative policies, guidelines, and directives that are made or issued by Ministry of

Finance and TB/MBC and listed in **Schedule B**, and will be subject to any other requirements imposed by future applicable Ministry of Finance or TB/MBC directives.

- (b) Subject to clause (a) above and the *Corporations Act*, the Board has full financial and administrative authority over the operations of the Foundation, and may delegate such authority to the CEO or other officers and employees of the Foundation as it sees fit.
- (c) The Foundation shall provide its own administrative, financial, legal, internal audit, and information technology services. The Foundation has the authority to retain any and all of these services, including consulting services, from outside Government.
- (d) The Foundation is subject to TB/MBC's *Transfer Payment Accountability Directive* (August 2007) in the provision and administration of transfer payments.
- (e) The Chair is responsible for ensuring that clear expectations are established for transfer payment recipients, and for ensuring effective diligence when setting up and monitoring transfer payment contracts to ensure public services are delivered, commitments are fulfilled, and the right controls are in place to ensure the prudent use of taxpayers' money.
- (f) The Foundation is prescribed as a "public body" in accordance with Ontario Regulation 374/07 made under the *Public Service of Ontario Act, 2006*.
- (g) Employees of the Foundation are appointed by the Foundation and are not public servants for the purposes of Part III of the *Public Service of Ontario Act, 2006*. Employees are public servants for the purposes of Parts I, IV, V and VI of the *Public Service of Ontario Act, 2006*. Employees receive benefits as determined by the Board in accordance with good management practices and are not entitled to benefits under the *Public Service of Ontario Act, 2006*.
- (h) Employees of the Foundation are not members of the Public Service Pension Plan.

12. GRANT REVIEW TEAMS

- (a) The Foundation shall operate and maintain a granting program in accordance with eligibility criteria that have been adopted from time to time by the Board and approved by the Lieutenant Governor in Council.
- (b) The Grant Review Teams shall be responsible for recommending to the Board the local allocation of funds in accordance with **Schedule A** attached to this MOU.

13. CONFLICT OF INTEREST

- (a) The members of the Board are subject to the conflict of interest provisions of the *Government Appointees Directive* and the conflict of interest provisions of the *Public Service of Ontario Act, 2006* and its regulations that are applicable to Government appointees. The members of the Board are also subject to the Foundation's Code of Conduct & Ethics and Conflict of Interest Guidelines. The Chair shall cause to be recorded any declared conflicts of interest in the minutes of the meetings of the Board.

- (b) The members of the Grant Review Teams are subject to the conflict of interest provisions of the *Government Appointees Directive* and the conflict of interest provisions of the *Public Service of Ontario Act, 2006* and its regulations that are applicable to Government appointees. In addition, all members of the Grant Review Teams must sign and adhere to the Foundation's Code of Conduct & Ethics Guidelines and Conflict of Interest Guidelines.
- (c) The Foundation's employees are subject to the conflict of interest provisions in the *Public Service of Ontario Act, 2006* and its regulations and the Foundation's Code of Conduct & Ethics and Conflict of Interest Guidelines.

14. FINANCIAL ARRANGEMENTS

- (a) The Foundation is funded through transfer payments from the Ministry. This funding is derived from the Consolidated Revenue Fund based on the Government's business planning and allocation process, and is subject to adjustments made by the Minister, TB/MBC or the Legislature. For each fiscal year, the transfer payments are subject to an appropriation authorized by the Legislature and are subject to the approval of TB/MBC.
- (b) The Foundation shall provide all information and advice as requested by the Ministry to support the Minister throughout the Government's business planning and allocation process.
- (c) The Foundation may set the level of funding allocated to programs or services, consistent with the annual business plan as approved by the Minister.
- (d) Financial and accounting procedures of the Foundation shall follow generally accepted accounting principles in a manner consistent with sound business practices.
- (e) In accordance with the *Financial Administration Act*, R.S.O. 1990, c. F. 12, the Foundation shall inform and seek prior written approval from the Minister of Finance before it enters into any financial arrangements that could increase the Government's direct, indirect or contingent liabilities or could affect the Government's financial, cash or debt management policies.
- (f) The Foundation shall manage its financial activities, including borrowing, leasing, investing, banking and management of cash, financial assets, financial risks and financial liabilities under the policy direction of the Ontario Financing Authority.
- (g) In accordance with the Supplementary Letters Patent granted on June 5, 2002, the Foundation shall be carried on without the purpose of gain for its members and any profits or other accretions to the Foundation shall be used in promoting its objects.
- (h) Surplus funds, in any given fiscal year, shall be applied to the Foundation's programs in the following fiscal year.
- (i) All property obtained by the Foundation in any manner whatsoever shall be used to further the objects of the Foundation, subject to the terms, if any, upon which the property was given.

- (j) In accordance with the Supplementary Letters Patent granted on June 5, 2002, upon dissolution of the Foundation, and after payment of all debts and liabilities, the Foundation's remaining property shall be distributed to or disposed of by the Minister of Finance.
- (k) The Foundation shall acknowledge the financial support of the Government in all of its financial, educational, grant, and promotional materials in accordance with TB/MBC guidelines and directives, including the *Visual Identity Directive*, and shall refer to itself by its full name, "Ontario Trillium Foundation" in all formal documents.
- (l) The Foundation is GST exempt in accordance with the Reciprocal Tax Agreement between the Government of Ontario and the Government of Canada.

15. AUDITING

- (a) The Board shall retain an auditor to conduct an annual audit of the financial transactions and management of the Foundation, and a report of the audit shall be promptly provided by the Foundation to the Minister and to the Minister of Finance.
- (b) The Minister may direct that an internal audit of the financial transactions and/or management of the Foundation be conducted by Ministry or other external auditors.
- (c) The Ontario Internal Audit Division may also carry out an internal audit, if approved to do so by the Ministry's Audit Committee or by the Corporate Audit Committee. In addition, the Auditor General of Ontario may, at any time, audit any aspect of the operations of the Foundation in accordance with the *Auditor General Act*.
- (d) The Chair may request an internal audit be conducted of the financial transactions and management controls of the Foundation.
- (e) The Foundation, through the Chair, agrees to promptly provide to the Minister its responses to any comments and recommendations made by the auditor. The Foundation shall advise the Minister annually and as requested on the status of any outstanding audit recommendations

16. DELIVERY OF OTHER PROGRAMS BY FOUNDATION

- (a) The Foundation may enter into additional agreements with the Ministry whereby the Foundation would agree to act as an alternative service delivery mechanism to manage other programs consistent with the overall objects and purposes of the Foundation.
- (b) With the consent of the Minister, the Foundation may also enter into agreements with other ministries of the Government whereby the Foundation would agree to act as an alternative service delivery mechanism to manage other programs consistent with the overall objects and purposes of the Foundation

17. PLANNING AND REPORTING

- (a) **Annual Report** – On behalf of the Board, the Chair shall submit an annual report on the affairs of the Foundation to the Minister for tabling in the Legislature within 120 days of the

Foundation's fiscal year end. The annual report shall be in accordance with the requirements as set out in the *Agency Establishment and Accountability Directive*.

- (b) **Business Plan** – The Board, through the Chair, shall ensure that an annual business plan is prepared, approved by the Board, and submitted to the Minister for review and approval as directed by the Ministry in accordance with the timelines of the Ministry's planning cycle. The business plan shall cover the next three (3) fiscal years and shall be in accordance with the requirements as set out in the *Agency Establishment and Accountability Directive*.

The Board, through the Chair, shall ensure that the Foundation implements a system of performance measurement including annual baseline reporting. The performance measurement system shall include commitments to attaining specific performance indicators and targets. The performance measurement system and reporting shall be included in the annual business plan.

The Minister shall review, and approve if satisfactory, the Foundation's business plan and shall advise the Board as to whether or not s/he approves the overall direction envisaged by the Foundation, and if not, where and in what ways the overall directions of the business plan are at variance with the Government's or the Ministry's policies and priorities.

The Board shall inform the Minister of any intended activities that may result in significant additions, deletions or amendments to its business plan in sufficient time for the Minister to consider the intended activities before the Foundation enters into any binding financial or operational commitments with respect thereto.

Once every three (3) years by the end of the Government's fiscal year, the Ministry will submit the Foundation's three-year business plan to TB/MBC.

The Chair of TB/MBC may require the Minister to submit the business plan for review at any time.

- (c) **Other Reports & Documents** – The Board shall submit the following reports and documents to the Minister for review in a timely manner:

- (i) copies of all agendas and minutes of Board meetings within 30 days following Board approval of its minutes;
- (ii) any promotion or information materials of the Foundation;
- (iii) any other reports or documents as the Minister may require from time to time; and
- (iv) quarterly financial reports prepared on an accrual basis (as defined by the Public Sector Accounting Board), due within 60 days after the end of each quarter, and that shall include: (1) a balance sheet; (2) segmented/departmental information describing actual vs. budgeted information regarding revenues and expenses; and (3) a statement of changes in cash position. The quarterly financial reports shall also contain:
 - year-to-date expenditures of the Foundation for its operating and capital budget;
 - the fiscal year-end financial forecast of the Foundation's revenues and expenditures; and

- an explanation to the satisfaction of the Minister regarding any significant variances from the Foundation's approved operating budget.
- (d) The Board shall submit its plans and reports in a timely fashion to enable the Minister to meet his or her annual estimates requirements, and the Minister shall provide advance notice of deadlines as far in advance as is possible.

18. PERIODIC REVIEW OF THE FOUNDATION

- (a) The Foundation is subject to periodic review initiated at the discretion and direction of the Minister or TB/MBC. The Foundation agrees to co-operate with any such periodic review.
- (b) In requiring a periodic review, the Minister or TB/MBC, as the case may be, shall determine the timing and responsibility for conducting the review, the roles of the Chair and the Minister, and how any other parties shall be involved.
- (c) In the event of a periodic review initiated at the direction of the Minister, the Minister shall submit any recommendations regarding the Foundation to TB/MBC for approval.

19. CREATION, COLLECTION, MAINTENANCE AND DISPOSAL OF RECORDS

- (a) The Board, through the Chair, is responsible for ensuring that the Foundation complies with the *Archives and Recordkeeping Act, 2006*. The Board, through the Chair, is also responsible for ensuring that the Foundation complies with the *TB/MBC Management of Recorded Information Directive*.
- (b) Until such time as the Foundation is designated as an institution in the regulations to the *Freedom of Information and Protection of Privacy Act* ("FIPPA"), the Foundation shall handle all of its records in a manner that is consistent with FIPPA.
- (c) The Foundation shall maintain and manage all non-financial documents and records relating to funding received from the Ministry or otherwise related to the activities of the Foundation, including any records it receives or creates about individuals who have participated in research or focus group studies, in a confidential manner consistent with all applicable laws and in accordance with the *Management of Recorded Information Directive*.
- (d) Any information collected by the Foundation to inform its decision-making may only be obtained from sources determined by the Foundation to be reliable. The Ministry retains the right to review the type of sources that the Foundation is obtaining such information from and to advise the Foundation when it believes that the quality of information obtained may be compromised or unreliable.
- (e) In circumstances where the Foundation receives approval to commission the creation of information, including "personal information" as that term is defined in FIPPA, the Foundation shall ensure that every contract it enters into for data collection and processing contains specific references to the sources of the information; the entities involved; and the transfer of information from the collection phase to the destruction phase. Such contracts

shall be subject to a Threat Risk Assessment and a Privacy Impact Assessment before they are signed by the parties.

20. LIABILITY PROTECTION AND INSURANCE

- (a) The Foundation is not covered under the Government's protection program. The Foundation purchases third party liability insurance coverage to protect itself against claims that might arise from anything done or omitted to be done by the Foundation or its directors, officers, employees or agents from anything done or omitted to be done where bodily or personal injury, death or property damage, including loss of use thereof, is caused. The Foundation maintains commercial general liability insurance.
- (b) In accordance with the Foundation's by-laws, the Foundation maintains directors' and officers' errors and omissions insurance.
- (c) In accordance with the Foundation's by-laws, the Foundation provides protection against any legal action or other proceeding for damages being taken against any director or officer of the Foundation for any act done in good faith in the execution of the person's duties or for any alleged neglect or default in the execution in good faith of the person's duties.

21. CUSTOMER SERVICE

- (a) The Foundation shall develop and implement a formal process for responding to complaints and issues raised by the public or stakeholders about quality of service. This process shall be consistent with the quality service initiative of the Government.
- (b) The Foundation's business plan shall include performance measure(s) and targets for customer service and for the Foundation's response to complaints.

Original signed by the Minister of Tourism, Culture and Sport and the Board Chair of The Ontario Trillium Foundation.

SCHEDULE A

Grant Review Teams

The Ontario Trillium Foundation (**the “Foundation”**) shall operate and maintain a granting program in accordance with eligibility criteria that have been adopted from time to time by the Foundation Board of Directors and approved by the Lieutenant Governor in Council (the **“Program”**).

The Foundation agrees to oversee volunteer grant review teams whose members are appointed by the Lieutenant Governor in Council, which bodies shall be responsible for recommending to the Foundation the local allocation of funds in accordance with the terms of the Program (the **“grant review team”** or **“grant review teams”**). The funds shall be apportioned on a basis to be determined by the government to grant review teams. The Foundation shall also be responsible for the allocation of funds, the amount of which shall be determined by the Minister on an annual basis, for province-wide and pilot project initiatives, in accordance with the terms of the Program.

The Foundation is accountable for all Foundation programs, grant decisions and resources. The grant review teams report to the Foundation. The Foundation is accountable to the Government of Ontario for achieving intended results as detailed in the Foundation’s Supplementary Letters Patent, this MOU, the eligibility criteria and annual business plan, and for making efficient and effective use of public resources.

Each grant review team is responsible for:

- (a) reviewing local requests for funding and developing recommendations for grants which are compatible with program guidelines and within the budget allocation, for submission to the Foundation Board of Directors for final decision;
- (b) working with Foundation staff to ensure the provision of transparent, full information on decisions made to applicants and the general public; and
- (c) submitting reports to the Foundation on the activities of the grant review teams as required.

The Foundation is responsible for:

- (a) reviewing and making final decisions on all Program granting recommendations made by the grant review teams to ensure their consistency with program guidelines and eligibility criteria;
- (b) setting the direction for the grant review teams through the Foundation’s mission statements, vision statement, strategic and operational plans;
- (c) developing and providing a framework for the Program, including guidelines and evaluation criteria;
- (d) developing Terms of Reference and accountability mechanisms for the grant review teams and ensuring compliance with them and other Foundation policies (such as

the Foundation's code of conduct and conflict of interest guidelines), and submitting the Terms of Reference (and any changes thereto) to the Minister for approval;

- (e) developing a training plan that ensures the appropriate orientation and training and development to grant review team members;
- (f) providing administrative support including financial management, grant review and monitoring systems, communications, program materials and Foundation staffing;
and
- (g) advising the Minister of grants approved by the Board prior to any public announcement.

-- END OF SCHEDULE A --

SCHEDULE B

Ministry of Finance and Treasury Board / Management Board of Cabinet Directives applicable to the Ontario Trillium Foundation *

(* Where a directive applies, all associated policies, procedures and guidelines also apply. Guidelines or policies are only listed where there is no corresponding directive. Amended, revised or successive directives contained in this Schedule B continue to apply to the Foundation until the list is updated.)

- (a) Accountability Directive (Sept. 1997)
- (b) Agency Establishment and Accountability Directive (Feb. 2000)
- (c) Advertising Content Directive (Sept. 2001)
- (d) Procurement Directive (July 2009) as it applies to “Other Included Entities”
- (e) Cash Management Directive
- (f) Government Appointees Directive (Nov. 1994)
- (g) Internal Audit Directive (Nov. 2002)
- (h) Transfer Payment Accountability Directive (revised Aug. 2007)
- (i) Travel, Meal and Hospitality Expenses Directive (revised July 2009)
- (j) Visual Identity Directive (Feb. 2002)
- (k) Management of Recorded Information Directive (June 1992)
- (l) Family Day for Classified Agencies Directive (Dec. 2007)
- (m) Emergency Evacuation Planning Directive (Jan. 1991)
- (n) Managing, Distributing and Pricing Government Information (Intellectual Property) Directive (Aug. 1998)

The Ministry will inform the Foundation of amendments or additions to directives, policies and guidelines that apply to the Foundation.

-- END OF SCHEDULE B --

SCHEDULE C

COMMUNICATIONS PROTOCOL FOR AGENCIES

MINISTRY OF CULTURE

1. PURPOSE

The purpose of this communications protocol is to set out a framework for the Ministry and Agency to collaborate on public communications opportunities.

Clear and direct lines of communication between the Ministry and its agencies are essential. This communications protocol will support both the Agency's implementation of its legislated mandate and the promotion of the work it does. It also supports the Minister's accountability to the Legislature and to Cabinet for the same.

2. DEFINITIONS

a. "Public communications" means any material that is communicated to the public, either directly or through the media in:

- Oral form, such as a speech or public presentation
- Printed form, such as a news release or hardcopy report
- Electronic form, such as a posting to a website.

b. A "contentious issue" is a matter that is, or may reasonably be expected to be, of concern to the legislative assembly or the public, and is likely to result in inquiries directed to the minister or government. Contentious issues may be raised by:

- Members of the Legislative Assembly
- The public
- Media
- Stakeholders
- Service delivery partners.

3. PRINCIPLES

a. All communications planning processes between the Ministry and its agencies are to be handled in a confidential manner, respecting each organization's approval deadlines.

b. The Ministry and the Agency will appoint persons to serve as public communications "leads".

c. The Agency will identify, and share with the Ministry, appropriate opportunities for the inclusion of messaging on government priorities and to enhance the government's profile. The Agency will also make the Ministry aware of contentious issues. Similarly, the Ministry will identify appropriate opportunities for Agency involvement (for example, cross-Ministry opportunities), and will make the Agency aware of contentious issues.

- d. The Agency will comply with the government's Visual Identity Directive and identify itself in all media responses, news releases and on its Web site as an Agency of the Government of Ontario.
- e. Agency communications that are related to the day-to-day business of the Agency and do not have direct implications for either the Ministry or the government include, but are not limited to, items such as:
- brochures and promotional items
 - information kits
 - reports (other than those required to be submitted to the Ministry)
 - routine web site updates
 - communications between the Agency and its stakeholders
 - responses on day-to-day operational matters
 - program communications (e.g., information regarding application guidelines and deadlines)

It is neither feasible nor necessary for Ministry involvement in these items. This category does not include contentious issues, media responses, or news releases that announce new grants or programs.

- f. Ministry involvement is required on Agency communications activities related to activities including, but not limited to:
- program and/or grant announcements
 - milestone events
 - contentious issues

The Ministry's involvement in public communications products (media releases, backgrounders, web updates, etc.) related to these activities could include, where appropriate and mutually agreed, Minister participation, inclusion of provincial or ministerial messaging on government priorities, or opportunities for local MPP announcements.

4. PROCESS

Day-to-day operational matters between the Agency and the Ministry will be detailed in a separate Schedule, to be agreed upon by both parties.

This schedule will include, but may not be limited to, the following items:

- Designating a communications 'lead' for both the Ministry and Agency
- Communications planning and protocols
- Products requiring Minister's approval
- Timelines for the submission and review of public communications products, where appropriate.

-- END OF SCHEDULE C --

SCHEDULE D

List of General Legislation applicable to the Foundation

Accessibility for Ontarians with Disabilities Act, 2005

Archives and Recordkeeping Act, 2006

Emergency Management and Civil Protection Act

Financial Administration Act

The spirit and intent of the *French Language Services Act*

Human Rights Code

Management Board of Cabinet Act

Ministry of Treasury and Economics Act

Pay Equity Act

Public Sector Salary Disclosure Act, 1996

Public Service of Ontario Act, 2006

-- END OF SCHEDULE D --