

OWNED REAL PROPERTY IMPROVEMENTS & MAINTENANCE Governance Policy (5.2.3)



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PURPOSE

In accordance with By-law 4.12, the Board of Directors (Board) is responsible for all real property which is owned in the name of Girl Guides of Canada (GGC). The Board of Directors holds such real property in trust for its Councils, who are responsible for certain expenses in regard to the property.

Pursuant to this policy, the Board of Directors delegates its authority to approve property improvements and maintenance on GGC property in certain circumstances.

Fundraising may only be undertaken for the purpose of funding improvement or maintenance for owned properties with the prior approval of the asset management plan by the Board of Directors or the Provincial Council, where the Board of Directors has delegated approval authority.

DEFINITIONS:

Asset management plan means a multi-year plan, prepared by the Requesting Council, relating to improvement or maintenance of an owned property. The plan will detail proposed maintenance and improvement investments with estimated total costs, project timeline, proposed funding source (budget reserves and/or fundraising), and an indication of whether volunteer and/or contracted resources will be used to complete the proposed work. Asset management plans will be updated annually as part of the Requesting Council budget process.

Property improvements mean non-recurring investments in physical changes to real property that either:

- a. Enhance the functionality of existing structures (such as reconfiguring the interior layout of office space to increase functionality, replacing an existing asset such as a wooden floor with a concrete floor OR adding another floor to an existing building); or
- b. Add new structures/services that meet the needs of users (such as a new building).

Property Maintenance means recurring investments that are completed in order to maintain the physical integrity of the real property or accompanying grounds and do not increase the value or functionality of the real property. Maintenance activities may be scheduled or completed on an emergency basis to repair damage or prevent further damage in order to keep the asset in good working order. Examples include such activities as minor repairs, repainting, window repairs, tree clearing, and cleaning.

Requesting Council means a Provincial, Area or District Council that is proposing to undertake property improvements or maintenance on an owned real property for which the Council is financially responsible.

MANDATE

Board of Directors Responsibilities:

1. Pursuant to this policy, the Board of Directors delegates to the relevant Provincial Council its authority to approve property improvements on owned GGC property at the Provincial, Area or District levels, when the total cost of each improvement project is less than \$10,000 or 10% record with the National Office of GGC, whichever is more, and where the circumstances set out in this policy are met.
2. Pursuant to this policy, the Board of Directors delegates to the relevant Provincial Council its authority to approve property maintenance on owned GGC property at the provincial, area or district levels when the total cost for planned maintenance in an annual budget is less than \$10,000 or 10% of the assessed property value on record with the National Office of GGC, whichever is more.
3. Proposals for property improvements and property maintenance that exceed the limits in (1) and (2) above must be submitted to the Board of Directors for approval. The Board of Directors may delegate its decision-making authority to the Executive Committee.
4. The Board of Directors will communicate decisions made under (3) above in writing to the relevant Provincial Council within 30 days of the decision and include reasons if the proposal is not approved, either in full or in part.

Provincial Council Responsibilities:

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1. Provincial Councils will have the authority to approve property improvements and maintenance related to owned real property at the Provincial, Area or District levels, in the following circumstances:
 - a. Property Improvements may be approved by a Provincial Council at any time, where the recommended improvement is an ordinary improvement that increases the market value of the property and is compliant with the levels delegated from the Board of Directors.
 - b. A maintenance activity or plan that is compliant with the levels delegated from the Board of Directors may be approved by a Provincial Council at any time but will usually be approved at the beginning of each budget year as an annual maintenance program from the Requesting Council.
2. A Provincial Council must base its approval on an appropriate demonstration of each of the following as presented by the Requesting Council:
 - a. Rationale for the proposed improvement or maintenance activity;
 - b. Assessment of the risk to GGC if the improvement or maintenance is not made;
 - c. Assessment of any future year, unconfirmed external funding sources and the implication to the total project if not received; and
 - d. Availability of financial resources to cover the improvement or maintenance program, with regard to the level of indebtedness and/or confirmed financial reserves.
3. A decision made under (1) in this section will be communicated in writing to the Requesting Council within 30 days of receipt of the request for approval and include reasons if the request is not approved, either in full or in part.
4. A Provincial Council that approves a proposed property improvement or annual maintenance program included in the asset management plan accepts the financial responsibility for covering the resulting debt of the Requesting Council, should that Council default.
5. A Provincial Council must inform the National Office in writing within 10 business days of all decisions relating to proposed investments for property improvements or maintenance.
6. Decisions of the Provincial Council which deny a proposed property improvement or maintenance activity are final and not subject to review.
7. Any property improvement requests that do not meet the financial limitations set out herein must be submitted by the Provincial Council to the Board of Directors with the Provincial Council's recommendation to the Board of Directors regarding approval.

Requesting Council Responsibilities:

A 5-year asset management plan, updated annually, must be submitted to the Provincial Council for approval as part of the annual budget process.

Property Maintenance:

1. For each maintenance activity included in the asset management plan, the estimated costs and sources of funds will be identified. Where funding is proposed from sources external to GGC, the Council will indicate whether the funding is confirmed or requested.
2. Priorities should be identified based on a risk-based approach.

Property Improvements:

1. Each Requesting Council shall submit to the Provincial Council a project overview for property improvement projects which will include the following:
 - a. A narrative description of the planned work indicating clearly the rationale for the improvement;
 - b. Proposed schedule of work;
 - c. Diagrams or plans which indicate how the improvement relates to the existing infrastructure;
 - d. Cost estimates, including materials lists and quotes from contractors (if applicable), as back-up to expense estimates;
 - e. Funding sources, including both Requesting Council and externally sourced monies, with an indication of whether the external source funding has been confirmed (a copy of approval letter should be included);
 - f. Facility usage statistics for the previous three (3) years;
 - g. If for a new asset, the estimated costs of operating/maintaining the asset on an annual basis; and
 - h. The most recent financial report for the current year, showing the financial position of the Requesting Council.

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2. For clarity, the total cost of a proposed improvement or maintenance project will be used to determine the decision authority, notwithstanding that the work schedule might be in excess of a single budget year for the Requesting Council. Phases of work which make up the total project will be considered as a single improvement or maintenance project.
3. A confirmation of completion of improvements or maintenance must be sent to the National Office to be filed as a record of property assets as a follow-up to all approved property improvement or maintenance proposals. Copies of permits associated with improvements or maintenance proposals. Copies of permits associated with improvements or maintenance must be sent to the National Office at the completion of the improvement maintenance project.

INTERPRETAION:

To assist with interpretation of this policy, sample improvement and maintenance projects are described below:
Construction of a new building for storage of camping equipment

Maintenance
Repair of leaking roof – same type of roofing materials (protection of existing asset)
Rebuilding of fire pits which are falling apart (safety issue)
Replacement of wood stove pipes due to age (safety/insurance issue)
Purchase of replacement dryer installed in a permanent structure (equipment failure)
Improvement
Replacement of roof – change roofing material type (e.g. from shingle to tin) and add insulation for energy efficiency
Summer cabin in disrepair (safety hazard) is replaced with a structure of same size on same site/location
Excavation of buried holding tank and replacement of tank due to leaking (health & safety issue)
Addition of insulation to exterior walls of an existing structure to increase R-value and reduce heating costs
Summer cabin is expanded to add a large covered porch to allow programming in inclement weather
Conversion of heating source for permanent building from wood to electrical
Construction of a new building for storage of camping equipment

REFERENCES

GP 5.2. Fiscal Management