

*Appendix "A"*

RECEIVED

DEC 02 2005

CLINIC SERVICES OFFICE  
LEGAL AID ONTARIO

**FUNDING AGREEMENT**

**FOR 2005-2006**

**BETWEEN:**

**LEGAL AID ONTARIO  
("LAO")**

**and**

**AFRICAN CANADIAN LEGAL CLINIC  
(the "Clinic")**

**INTRODUCTION**

This Agreement establishes the process for the annual application for funding by the Clinic and the process for appealing decisions made about funding.

This Agreement also sets out the terms and conditions which attach to the funding, the financial, operational and administrative responsibilities of the board of directors of the Clinic and the corporate and financial reporting requirements of the Clinic. It is recognized that, in addition to being accountable to LAO for the funds received, the Clinic is also accountable to the community it serves for the clinic law services the Clinic provides.

Schedule 1 to this Agreement contains the approved Annual Budget.

## DEFINITIONS

- 1) In this agreement,
  - a) "the Act" means the *Legal Aid Services Act, 1998*, and includes the regulations under the Act;
  - b) "agreement" means this funding agreement entered into between LAO and the Clinic and includes all schedules and attachments to this funding agreement and any instrument amending this agreement;
  - c) "Annual Budget" for a particular fiscal year for the Clinic means the budget specified or deemed to be the budget for such fiscal year by LAO;
  - d) "clinic" means an independent community organisation structured as a corporation without share capital that provides clinic law services to the community it serves on a basis other than fee for service, and includes the board of directors of that clinic;
  - e) "Clinic Committee" means the committee of the LAO Board of Directors established under section 8 of the Act;
  - f) "clinic law" means the areas of law which particularly affect low-income individuals or disadvantaged communities, including legal matters related to,
    - i) housing and shelter, income maintenance, social assistance and other similar government programs, and
    - ii) human rights, health, employment and education;
  - g) "clinic law services" means legal and other services provided under the Act, in clinic law areas, and includes legal representation and advice, community development and organising, law reform, and public legal education;
  - h) "fiscal year" means any period commencing on April 1 and ending March 31 of the following year during the term of this Agreement;

- i) "funding" means the funds provided to the Clinic by LAO pursuant to this Agreement;
- j) "Legal Aid Ontario" or "LAO" or "corporation" means Legal Aid Ontario established under the *Legal Aid Services Act, 1998* and includes the Board of Directors of LAO;
- k) "LAO Staff" means the staff of LAO, or their designates, authorised to exercise the rights and perform the duties of LAO under the Act, the Memorandum of Understanding or this Agreement;
- l) "Memorandum of Understanding" means the Memorandum of Understanding between LAO and the Clinic, and includes all of the documents appended to the Memorandum of Understanding;
- m) "policies" means the policies, priorities and operational standards issued by LAO that affect community legal clinics.

## PART I

### **PURPOSE OF AGREEMENT**

- 2) In addition to the assistance and support which LAO has committed to providing to the Clinic under the Memorandum of Understanding, by this Agreement, LAO agrees to provide funding to the Clinic for the purpose of providing high quality, cost-effective clinic law services to the individuals and communities served or to be served by the Clinic. The Clinic agrees to accept funding subject to the provisions of the Act, the Memorandum of Understanding and this Agreement.

### **DURATION AND TERM OF AGREEMENT**

- 3) This Agreement is effective on the date it is signed by both parties.
- 4) This Agreement shall remain in effect until a new or amended Agreement is agreed to and signed by the parties.

## **ASSIGNMENT OF FUNDING AND AGREEMENT**

- 5) The Clinic shall not assign the funding or any part of it, or this Agreement or any part of it, without the prior written consent of LAO.

## **SEVERABILITY OF PROVISIONS**

- 6) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and any invalid provision shall be deemed to be severed.

## **PART II**

### **CORPORATE MATTERS**

- 7) The Clinic will be a corporation without share capital under the Ontario *Corporations Act*.
- 8) The board of directors of the Clinic shall comply with all obligations imposed by the *Corporations Act*.
- 9) The board of directors of the Clinic shall file a copy of the Clinic's letters patent and by-laws with LAO within fourteen days after the effective date of incorporation. Thereafter, the board shall provide written notice to LAO of any changes or amendments in the letters patent or by-laws within fourteen days after the adoption of such changes or amendments.

### **BOARD OF DIRECTORS OF THE CLINIC**

- 10) As set out in the Memorandum of Understanding, the Clinic will have a board of directors which is reflective of the diversity of the communities to be served by the Clinic and will make reasonable efforts to have a board that includes:
  - a) persons representative of the low-income community;
  - b) persons with experience working with community agencies;
  - c) persons with financial skills;

- d) persons with management skills; and
  - e) lawyers.
- 11) Where Legal Aid Ontario has provided funding to the Clinic for the purposes of providing French language clinic law services, the Clinic will make reasonable efforts to ensure that the Clinic board of directors includes representatives of the francophone communities to be served by the Clinic, subject to any LAO policy on French Language Services.
  - 12) The board of directors shall notify LAO of any change in the composition of the board. The board shall provide such notice in writing within fourteen days after the adoption of the change(s) or the resignation of any member of the board.
  - 13) The board will make reasonable efforts to ensure that its members exercise the care, diligence and skill of a reasonably prudent person in exercising their powers and performing their functions as directors, and that they act honestly, in good faith and in the best interests of the Clinic and the community it serves.
  - 14) A director may receive reasonable remuneration and expenses for his or her service to the Clinic as a director.
  - 15) In addition to a President and a Secretary, the board of directors shall nominate a Treasurer of the board who shall not be the Clinic's bookkeeper, and who shall be at arm's length from the bookkeeper, and who shall have responsibilities assigned by the board.

#### **DUTIES OF THE BOARD OF DIRECTORS OF THE CLINIC**

- 16) The board of directors of the Clinic shall
  - a) Make reasonable efforts to ensure that the Clinic complies with LAO's policies, priorities and operational standards of which it has been advised by LAO;
  - b) Make reasonable efforts to ensure that the Clinic complies with all requirements of the Law Society of Upper Canada;

- c) Make reasonable efforts to ensure that the Clinic complies with all federal and provincial statutes and municipal by-laws of general application;
  - d) develop such policies, and guidelines as are necessary for the effective and efficient operation of the Clinic;
  - e) make reasonable efforts to maintain a full staff complement equivalent to the number of approved full-time positions funded by LAO, unless otherwise approved by LAO. In a clinic that receives funding from sources other than LAO, the clinic staff complement must be not less than the number of approved full-time positions funded by LAO;
  - f) obtain approval from LAO prior to making any commitment in relation to any lease or purchase of premises for the Clinic or for any satellite office;
  - g) make reasonable efforts to ensure that some or all of the Clinic staff and Clinic board members participate in appropriate training opportunities, including substantive law training, administrative and information technology training, financial and management training and board of directors training.
  - h) Ensure that the Clinic complies with any direction issued by the LAO board of directors under section 38 of the Act.
- 17) Where Legal Aid Ontario has provided funding to the Clinic for the purposes of providing French language clinic law services, the board of directors of the Clinic will make every effort to maintain a staff complement capable of providing French language clinic law services, subject to any LAO policy on French Language Services.

### PART III

#### **FUNDING**

- 18) In each fiscal year, LAO shall provide funding to the Clinic for the purpose of providing clinic law services.
- 19) LAO reserves the right to determine the amounts, times and manner of such payments. To facilitate the effective functioning of

the Clinic, LAO shall make reasonable efforts to provide any such payments on a regular basis.

- 20) Each year, by a date determined by LAO, the Clinic shall submit a funding application, including a budget for the subsequent fiscal year for approval, in or substantially in the form provided by LAO. Each budget approved by LAO shall be deemed, as of the commencement of the next fiscal year, to be the Annual Budget for that fiscal year and will replace the Annual Budget for the prior fiscal year. The approved Annual Budget will be signed by LAO and the clinic and will become Schedule 1 to this Agreement, and will supersede the previous year's schedule.
- 21) The Clinic shall expend the funding in each fiscal year in accordance with the Annual Budget and LAO policies. The Clinic may transfer funds between budget lines set out in the Annual Budget, but the Clinic may not, without LAO's written consent:
  - a) use funding provided for personnel expenses for non-personnel expenses; or
  - b) use funding provided for non-personnel expenses for personnel expenses.
- 22) The Clinic shall notify LAO immediately if it becomes aware of a potential or actual year-end deficit or unfunded liability.
- 23) If LAO's funding decreases during the fiscal year, LAO may decrease the funding to the Clinic. In such a case, LAO will provide as much notice as is reasonably possible of any decrease in the funding of the clinic.

#### **ADDITIONAL FUNDS**

- 24) Requests for additional funding for a particular situation or project shall be submitted in the manner required by LAO.

#### **DISBURSEMENTS**

- 25) Funds shall be provided to the Clinic for the purpose of legal disbursements. These funds shall be used for that purpose only, unless LAO gives prior written consent. These funds shall be placed in a separate account.

## **SURPLUS FUNDS**

- 26) Personnel funds accumulated during the fiscal year by reason of staff turnover, gaps in hiring, or leaves of absences may be expended for the employment of replacement staff, but shall not be expended for any other purpose without the approval of LAO. Such personnel funds not expensed shall be held by the Clinic as surplus funds to March 31. Surplus funds held by the Clinic at year end shall be applied to the Clinic's Annual Budget for the following fiscal year, unless otherwise approved by LAO.
- 27) The Clinic may retain up to \$7,000 in surplus funds held at year end, or such additional amounts as may be approved by LAO, as a contingency for the subsequent fiscal year.

## **LOANS**

- 28) The Clinic shall not obtain any funds by way of a loan from a bank, trust company, lending institution, or any other source without prior written approval from LAO.

## **CREDIT CARDS**

- 29) The Clinic may obtain a credit card(s) for the purpose of paying the expenses associated with the operation of the Clinic. The credit limit of any such credit card(s) shall not exceed \$5,000.

## **INTEREST**

- 30) The Clinic may place the funding in an interest bearing account, and shall account to LAO in every audited financial statement provided to LAO on the interest earned on the funding to date. Interest funds held by the Clinic at year end shall be applied to the Clinic's Annual Budget for the following fiscal year, unless otherwise approved by LAO.

## **APPEALS**

- 31) Pursuant to section 36 of the Act, the Clinic may ask the Clinic Committee of the LAO Board of Directors to reconsider the decision of LAO staff, or a decision of the Clinic Committee made under section 35 of the Act, with respect to the Clinic's request for



funding. The decision with respect to the Clinic's request for funding shall not be effective until the time period for requesting reconsideration has expired or the Clinic Committee has made a decision on the Clinic's request for reconsideration, whichever is later.

- 32) A request made pursuant to section 31 of this Agreement must be made within 30 days from the date that the decision with respect to the Clinic's request for funding is communicated to the Clinic's board of directors. The request must be made in writing and must specify the grounds upon which reconsideration is requested.
- 33) Within 30 days from the date that the Clinic makes a request under section 31 of this Agreement, LAO staff shall prepare a written report for the Clinic Committee's consideration. This report will include a copy of the Clinic's request for funding and the reasons of LAO staff for the decision with respect to the request for funding. A copy of this report will also be provided to the Clinic.
- 34) Within 30 days from the date that the Clinic receives the LAO staff report to the Clinic Committee the Clinic may make a written submission to the Clinic Committee which outlines the reasons why the decision with respect to the request for funding should be reconsidered.
- 35) After considering the written report from LAO staff and the Clinic's written submission, the Clinic Committee may decide to hold an oral hearing. If the decision under reconsideration will result in a significant reduction of the Clinic's funding or will have a significant impact on the Clinic's ability to provide clinic law services, the Clinic Committee shall hold an oral hearing.
- 36) The Clinic Committee shall reconsider the decision with respect to the Clinic's request for funding and may confirm, reverse or vary the decision.
- 37) The Clinic Committee shall provide the Clinic with its decision, and the reasons for the decision, in writing, within 30 days from the receipt of the Clinic's written submission or within 30 days from the date of the oral hearing, whichever is later.

## PART IV

### **FINANCIAL RECORDS AND REPORTING**

- 38) The Clinic shall maintain financial records and books of account respecting services provided under this Agreement in a manner consistent with Generally Accepted Accounting Practices, except as otherwise required by LAO policies.
- 39) On an annual basis, the Clinic shall allow LAO staff to inspect and audit such records and books at reasonable times, after giving notice to the Clinic or appropriate body, both during the term of this Agreement and subsequent to its expiration or termination.
- 40) At each regular meeting of the board of directors of the Clinic a financial report shall be presented by the Treasurer or the Treasurer's designate. The books and ledgers of the Clinic, including bank balance, shall be reconciled for each financial report.
- 41) During each fiscal year the Clinic shall submit quarterly financial reports to LAO, on or before July 31, October 31, January 31, and April 30, and at more frequent intervals as LAO may require. The quarterly financial reports shall be in the form approved by LAO and shall set out in detail the expenditure of funds paid pursuant to this Agreement with respect to the three months preceding the month the report is due.
- 42) The quarterly financial report shall include the following information:
  - a) A statement of the income received by the Clinic and the expenditures made by the Clinic for each reporting period;
  - b) A reconciliation between LAO funds on hand and the Clinic's records for each bank account for each reporting period;
  - c) A statement of all interest earned for the reporting period, and year to date;
  - d) A statement of income from other sources for the reporting period and year to date;

- e) Any other financial statements as may reasonably be required by LAO.
- 43) In accordance with LAO's Clinic Audit Policy, the Clinic shall provide to LAO an audited financial statement and reconciliation report with respect to the services provided pursuant to this Agreement within four (4) months of the fiscal year end, unless LAO specifies otherwise, in writing.
- 44) The Clinic will adhere to any additional financial reporting requirement specified by LAO in its policies.

#### PART V

#### **OTHER REPORTING**

- 45) The Clinic shall provide quarterly statistical reports to LAO, in the form approved by LAO.
- 46) The Clinic shall provide such other information concerning the operation of the clinic as specified in the request for funding.

#### PART VI

#### **CONSENT TO RELEASE INFORMATION**

- 47) The Clinic retainer shall include a client consent allowing the release of statistical and financial information relating to the client to LAO, subject to section 37(4) of the Act.

#### **LAO ACCESS TO INFORMATION**

- 48) LAO shall monitor the operation of the Clinic, and may conduct financial audits of the Clinic, as it considers necessary for that purpose.
- 49) The Clinic will permit the LAO Board or persons designated by the Board to enter at reasonable times, on notice, any premises used by the Clinic in connection with the provision of services pursuant to the Act, the Memorandum of Understanding or this Agreement,

for the purpose of verifying any information required to be submitted by the Clinic to LAO concerning the legal aid services provided and any other financial or other information relating to the operation of the Clinic, subject to section 37(4) of the Act.

## PART VII

### **ASSETS**

- 50) The ownership of all capital assets provided to the Clinic by LAO and all capital assets purchased by the Clinic out of funding from LAO vest with LAO on the termination of this Agreement.
- 51) The Clinic shall not, without the prior written consent of LAO, sell, lease, or otherwise dispose of any asset of significant value that has been provided to the Clinic by LAO or any capital assets of significant value purchased by the Clinic out of funding provided by LAO.

### **DISPOSITION OF FUNDING**

- 52) In the event that the Clinic ceases operation, the Clinic shall return to the LAO all funds provided by LAO under the Act, the Memorandum of Understanding or this Agreement and not expended at the time that the Clinic ceases to operate.

### **DISPOSITION OF RECORDS**

- 53) In the event that the Clinic ceases operation, the Clinic shall not dispose of any records related to the services provided for under the Act, the Memorandum of Understanding or this Agreement without the prior consent of LAO. If necessary, LAO will assume the responsibility and cost of the storage of such records.

## PART VIII

### **CLINIC POLICIES AND GUIDELINES**

- 54) The board of directors of the Clinic shall adopt and maintain reasonable policies, guidelines or procedures that are consistent

with the Act, the Memorandum of Understanding and this Agreement, and that reflect the spirit and intent of LAO policies, in the following areas:

- a) conflict of interest for members of the board of directors;
  - b) staff supervision;
  - c) clinic accessibility;
  - d) human resources;
  - e) complaints;
  - f) retainer;
  - g) outside work for staff;
  - h) legal disbursement-client collection;
  - i) prevention of harassment and discrimination in the workplace;
  - j) purchasing, which ensures a competitive process for acquiring goods and services above a certain value, to be determined by the board of directors of the clinic;
  - k) limitation reminder or tickler system;
  - l) financial eligibility;
  - m) opening, closing and central storage of clinic files.
- 55) The Clinic shall provide a copy of each of these policies, guidelines or procedures to LAO within fourteen days of its adoption.
- 56) The board of directors of the Clinic shall provide written notice to LAO of any changes or amendments to these policies, guidelines or procedures within fourteen days of the adoption of such changes or amendments.

#### **GEOGRAPHIC AREA OF SERVICE /COMMUNITY SERVED**

- 57) The Clinic shall serve the geographic area or community described in schedule 2 to this Agreement. In exceptional circumstances the Clinic may provide services outside of its geographic area or community.
- 58) The Clinic shall not change its geographic area or community to be served without LAO approval.
- 59) The Clinic shall amend its corporate documents if the geographic area or community to be served is changed.

#### **ACKNOWLEDGEMENT OF LAO SUPPORT**

- 60) The Clinic shall acknowledge the support of LAO in copies of any reports and publications and any advertising and publicity relating to the Clinic, in a format agreed to by LAO and the Clinic.

#### **PART XI**

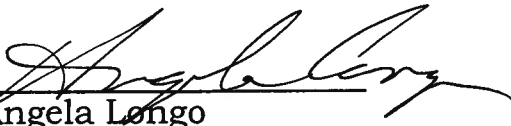
#### **FAILURE TO COMPLY**


- 61) LAO may reduce or suspend funding if the Clinic fails to comply with its obligations under the Act, the Memorandum of Understanding or this Agreement. Such a reduction or suspension of funding will be done in accordance with the Dispute Resolution Policy which is appended to the Memorandum of Understanding.

#### **SCHEDULES**

- 62) The following are the schedules attached to and forming part of this Agreement:
  - a) Schedule 1 – Approved Annual Budget
  - b) Schedule 2 – Geographic Area of Service/Community Served.

**SIGNED:**

  
\_\_\_\_\_  
Angela Longo  
President/CEO  
Legal Aid Ontario

  
\_\_\_\_\_  
Eyitayo Dada  
Chair, Board of Directors  
African Canadian Legal  
Clinic

DATED: Nov 9 2005

DATED: 29/11/05

Schedule 1

Approved Annual Budget 2005-06

Clinic: African Canadian Legal Clinic

Personnel Services

Staffing component -	6	
Total salary pool and benefits		402,659
Bookkeeper		<u>3,470</u>
<b>Total Funding for Personnel Services</b>		<u>406,129</u>

Operating Costs

Travel		17,582
Communications		24,316
Office Rent		94,822
Other Accommodation Costs		6,445
Equipment expenses		8,340
Office Supplies		11,200
Library		10,800
Conference Fees		<u>4,174</u>
<b>Total Funding for Operating Costs</b>		<u>177,679</u>

Analysis of Grant, 2005-06 583,808

DATED: Nov 9 2005

29/11/05

SIGNED: Angela Longo

Eyitayo Dada

Angela Longo  
President/CEO  
Legal Aid Ontario

Eyitayo Dada  
Chair, Board of Directors  
African Canadian Legal Clinic



## **Schedule 2**

### **Geographic Area of Service/Community Served**

**The African Canadian Legal Clinic (ACLC) represents the interests of and provides legal services to African Canadians throughout Ontario.**