



Island Council

“Subsidy Ordinance of the Public Entity of Saba”

Chapter 1

GENERAL PROVISIONS

Article 1

For the purposes of this ordinance, the following terms are defined:

- a) Public Entity: the Public Entity of Saba;
- b) Executive Council: the Executive Council of the Public Entity of Saba;
- c) Island Council: the Island Council of the Public Entity of Saba;
- d) Subsidy: the entitlement to fund by the Public Entity with regard to specific activities of the applicant, other than payment by the Public Entity to the applicant for the delivery of goods or services;
- e) Yearly subsidy: a subsidy that is awarded to an organization for one (fiscal) year or a specific number of years, which is not to exceed four (4) years;
- f) Policy segment: a specific area of the policy implemented by the Public Entity, within which activities and/or services are carried-out by the applicant;
- g) Awarding and issuing of a subsidy: a written decree on the granting of a subsidy, wherein a description on the offered activities and services, the amount of the subsidy, the related commitments if applicable, and agreements are mentioned;
- h) One-time only activity: an activity that takes place once a year, within a timeframe of one (1) or a few days only,

SCOPE

Article 2

1. The Island Council determines that under the following policy areas a subsidy can be granted:
 - a. General management;
 - b. Public order and safety;
 - c. Traffic, transportation, and water management;
 - d. Economic affairs;
 - e. Education;
 - f. Culture, recreation, and sport;
 - g. Social services and social work;
 - h. Public health;
 - i. Spatial planning and housing;
2. The Executive Council is authorized to implement additional regulations, wherein the subsidized activities, the target groups and the allotment of the subsidy fall within one of the intended policy areas described in paragraph one. This point is not intended to override the budget-right of the Island Council.

AUTHORIZATION OF THE EXECUTIVE COUNCIL

Article 3

1. The Executive Council is authorized to grant subsidies, which are in accordance with the funding allocated in the budget of the Public Entity.
2. The Executive Council is authorized to apply conditions to the granting of subsidies.

Chapter 2

SUBSIDY APPLICATION

PROVISION OF INFORMATION UPON APPLICATION

Article 4

1. The written application for a subsidy has to be sent to the Executive Council.
2. The subsidy application must contain the following information:
 - a. A description of the activities for which the subsidy is being requested;
 - b. The targeted goals and results, how the activities relate to the targeted goals, and what indicators will be used to determine if the goals have been achieved and how this will be measured;
 - c. The extent to which the activities are aimed at the Public Entity, its policies, and/or its residents;
 - d. A budget and coverage plan to cover financial liabilities of the costs of the activities, for which the subsidy is requested. The coverage plan (if applicable) should include a list of other governmental bodies, private organizations, or individuals requesting subsidies for the same activities and the progress of these applications;
 - e. If applying for a yearly subsidy, the state of liquidity and the reserves of the applicant at the time of the application.

DISTINCTION IN REQUIREMENTS BY THE TYPE OF APPLICATION

Article 5

1. Applications are divided into three (3) categories, with each category increasing in the requirements with respect to the application and accountability for the use of the grant.
2. Category 1 applications are those with a financial request less than 10,000 USD.
3. Category 2 applications are those with a financial request of more than 10,000 USD and less than 50,000 USD.
4. Category 3 applications are those with a financial request of 50,000USD or more.

REQUIREMENTS FOR CATEGORY 1 APPLICATIONS

Article 6

1. The applicant discloses in the application, in addition to the information required in Article 4, a description of the goals of the requesting institution and an overview of its board members, how long they have held their function and when last they were elected or re-elected.
2. The Executive Council is authorized to request additional information, in addition to that mentioned in paragraph 1 and 2, if applicable to the decision-making process.

REQUIREMENTS FOR CATEGORY 2 APPLICATIONS

Article 7

1. The applicant discloses in the application, in addition to the information required in Article 4, an example of the deed and articles of incorporation, an overview of the board members, how long they have held their function and when last they were elected or reelected.
2. The applicant must provide a financial report of the previous year. The financial report should be prepared in the format determined by the Executive Council.
3. The provision of the deed and articles of incorporation and the overview of the board need only occur once. By any subsequent applications, only changes need to be reported.
4. The Executive Council is authorized to request additional information, in addition to that mentioned in paragraph 1 and 2, if applicable to the decision-making process.

REQUIREMENTS FOR CATEGORY 3 APPLICATIONS

Article 8

1. The applicant discloses in the application, in addition to the information required in Article 4, an example of the deed and articles of incorporation, an overview of the board members, how long they have held their function and when last they were elected or reelected.
2. The applicant must provide a financial report, along with all assets and liabilities as of December 31 of the previous year. The financial report of all assets and liabilities should be prepared in the format determined by the Executive Council.
3. The provision of the deed and articles of incorporation and the overview of the board members need only occur once. By any subsequent applications, only changes need to be reported.
4. The Executive Council is authorized to request additional information, in addition to that mentioned in paragraph 1 and 2, if applicable to the decision-making process.

APPLICATION DEADLINE

Article 9

1. An application for a yearly grant must be submitted by May 1 in the year previous to the year for which the subsidy is requested.
2. The Executive Council may set alternate deadlines for the submitting of applications for designated subsidies.

DECISION DEADLINE

Article 10

1. The Executive Council will decide on a one-time grant within 6 weeks of receiving an application with all requested documentation, or if the Executive Council has drafted rules for this purpose, 6 weeks starting from the deadline of submitting an application.
2. The Executive Council will decide on an application for a yearly subsidy before December 31 of the year when the application was submitted.

Chapter 3

SUBSIDY REFUSAL

GROUND FOR REFUSAL

Article 11

The Executive Council may deny an application if the activities are not or not predominantly centered on the Public Entity or its residents, or has no or little benefit to the Public Entity or its residents.

Chapter 4

SUBSIDY AWARDING

AWARDING OF A SUBSIDY

Article 12

1. The Executive Council will determine the awarding of a subsidy 6 weeks after its submission.
2. If the nature of the subsidy, or the justification thereof, results in a decision taking longer than the period stated in the first paragraph, the Executive Council will inform the applicant thereof as soon as possible from the time of receipt to the awarding of the subsidy.
3. The Executive Council can decide on a grant that falls under Category 1, without the applicant having to submit an application.
4. The Executive Council is authorized to apply conditions to the allotment of the subsidy with respect to the management and use of the subsidy.

SUBSIDIZING SALARIES

Article 13

1. If the subsidy is (partly) to cover personnel costs of the subsidized institution, these salaries and vacation allowance are to increase, at a maximum, with the same percentage as the (possible) increase in civil servant wages and vacation allowances.
2. Possible incidental allowances, i.e. year-end bonus, are not granted to personnel of subsidized institutions.

SUBSIDY DISBURSEMENT

Article 14

1. If a subsidy is granted for a one-time activity, it will be disbursed in one installment.
2. If a subsidy is granted annually, it will be disbursed monthly or quarterly.
3. If a program demands another type of disbursement, the Executive Council can deviate from payment as outlined in paragraph two.
4. If a subsidy is given on legal grounds, it will be disbursed in one installment annually.

Chapter 5

OBLIGATIONS OF THE SUBSIDY RECIPIENT

INTERIM REPORTING

Article 15

Under Category 2 and 3 subsidies, granted for activities that will require more than one year to complete, the Executive Council may impose conditions on the interim reporting regarding the performed activities and the related expenditures and revenues. Such interim reporting will not be requested more than once per quarter.

DISCLOSURE

Article 16

1. The grant recipient will immediately inform the Executive Council if the activities for which the subsidy was granted cannot be carried out, either partially or completely. The grant recipient will also inform the Executive Council if the activities do not comply, either partially or completely, with the conditions under which the subsidy was granted.
2. With reference to disclosure, implied in the first paragraph, the Executive Council will decide on (if necessary) any reimbursement of the subsidy by the subsidy recipient.

ADDITIONAL OBLIGATIONS OF THE SUBSIDY RECIPIENT

Article 17

1. The subsidy recipient will carry out the activities, for which the subsidy was granted.
2. The subsidy recipient will immediately inform the Executive Council in writing of the following:
 - a. Decisions or procedures aimed at the terminations of activities for which the subsidy was granted, as well as the dissolution of the organization;
 - b. Relevant changes in the financial and organizational relationship with third parties;
 - c. Developments that can result in the conditions necessary to award a subsidy, not being completely or partially fulfilled;
 - d. Amendments of the statutes to the extent that the legal structure of the organization is altered, changes in board members, and the goal of the organization.

Chapter 6

SUBSIDY ACCOUNTABILITY

ACCOUNTABILITY OF CATEGORY 1 SUBSIDIES

Article 18

1. The subsidy recipient is required to demonstrate the activities, for which the subsidy was granted, are carried out and adhere to the subsidy obligations.
2. The report, implied in the first paragraph, should be submitted within three (3) months after the end of the activity, but no later than April 1 of the year following the year the subsidy was approved.

ACCOUNTABILITY CATEGORY 2 SUBSIDY

Article 19

1. The subsidy recipient of a Category 2 subsidy is required to submit a report, demonstrating the activities for which the subsidy was granted, were carried out. This should be submitted within three (3) months after the end of the activity, but no later than April 1 of the year following the calendar year the subsidy was approved.
2. A financial report, as mentioned in Article 7 paragraph 2, must also be submitted at the same time as the financial report of paragraph 1.
3. The Executive Council may request in addition to the information and records, mentioned in this article, that other information be submitted necessary for the accountability.

ACCOUNTABILITY CATEGORY 3 SUBSIDIES

Article 20

1. The subsidy recipient of a Category 3 subsidy is required to submit a report, demonstrating the activities for which the subsidy was granted were carried out. This should be submitted within three

(3) months after the end of the activity, but no later than April 1 of the year following the calendar year the subsidy was approved.

2. A financial report and a report on the state of assets and liabilities, as mentioned in Article 8 paragraph 2, must also be submitted at the same time as the financial report of paragraph 1.
3. The Executive Council may request in addition to the information and records, mentioned in this article, that other information be submitted necessary for the accountability.

Chapter 7

OTHER PROVISIONS

HARDSHIP CLAUSE

Article 21

The Executive Council may, in extraordinary circumstances, decide to deviate from or render an article or articles inapplicable with the exception of articles 1, 2, 3, and 11 to the extent that applying the article(s) would have an unfair effect of a serious magnitude to the interest of the applicant or subsidy recipient. The use of this article must be motivated in the decree, and periodically reported to the Island Council.

TRANSITIONAL PROVISIONS

Article 22

Subsidy applications submitted in 2012 will be dealt with according to the existing terms before this island ordinance is put into effect.

IMPLEMENTATION

Article 23

This island ordinance will go into effect on the day after its publication.

SHORT TITLE

Article 24

This island ordinance will be referred to as: "Subsidy Ordinance Saba 2012".

GENERAL COMMENTS

On the basis of Article 49 of the Law Public Entities Bonaire, Sint Eustatius, and Saba (WOLBES) it is the responsibility of the Island Council to adopt island ordinances. With this ordinance, the process of application, awarding of subsidies is regulated.

Chapter 1 contains the general terms applicable to this ordinance.

Chapter 2 focuses on the requirements and the procedural deadlines of the application for a subsidy.

Chapter 3 describes the grounds under which the application for a subsidy may be denied.

Chapter 4 regulates the manner in which a subsidy is awarded.

Chapter 5 focuses on the obligations of the subsidy recipient.

Chapter 6 contains rules about the accountability of the subsidy recipient on the use of the subsidy.

Chapter 7 regulates all other provisions applicable to the ordinance.

NOTES ON THE ARTICLES

Article 1 General Terms

This article addresses the concepts used in the ordinance.

Article 2 Scope

This article gives a brief summation of the policy areas, which are eligible to receive a grant.

Article 3 Mandate of the Executive Council

This article regulates the mandate of the Executive Council with regards to the granting of subsidies.

Article 4 through 8 Required information for subsidy application

This article outlines the general information required when applying for a subsidy, as well as a classification based on the requested subsidy amount. The requirements for category classification are outlined.

Article 9 Application deadline

This article outlines the period within which the application should be submitted.

Article 10 Decision deadline

This article outlines the time period within which the Executive Council should decide to award a subsidy.

Article 11 Grounds for refusal

This article regulates the grounds upon which a subsidy request may be denied.

Article 12 Awarding of a subsidy

This article outlines additional rules relevant towards the awarding of a subsidy. In addition, the Executive Council may impose additional requirements on the management and use of the subsidy.

Article 13 Subsidizing personnel costs

This article regulates the subsidizing of personnel costs.

Article 14 Subsidy Disbursement

The article regulates the manner in which payment of the subsidy will occur.

Article 15 Interim Reporting

In the article the Executive Council has the authority to impose that long-term subsidies are obligated to submit interim reports.

Article 16 Disclosure

This article regulates the obligation of the subsidy recipient to report any deviations and the authority of the Executive Council to recuperate any funds not spent.

Article 17 Additional obligations of the subsidy recipient

This article regulates the obligation towards the execution of the activities for which the subsidy was granted and the provision of additional information.

Article 18 through 20 Accountability of the subsidy

In these article the increased levels of accountability, per subsidy category, are described.

Article 21 Hardship Clause

This article regulates that in the interest of the applicant, the Executive Council may deviate from one or more provisions of this ordinance, if said rules have severe unfair consequences for the applicant. The Executive Council informs the Island Council hereto.

