



City of
Peterborough

To: Members of the General Committee

From: Ken Doherty, Director of Community Services

Meeting Date: February 26, 2018

**Subject: Report CSD18-002
2018 Community Investment Grants**

Purpose

A report to recommend the award of Community Investment Grants in the amount of \$208,766 to eligible community groups in 2018.

Recommendations

That Council approve the recommendations outlined in Report CSD18-002 dated February 26, 2018, of the Director of Community Services, as follows:

- a) That the 2018 Community Investment Grants in the total amount of \$208,766 be allocated to various local charitable and Not-For-Profit organizations (NFP's) as set out in the attached Appendix A;
- b) That approved organizations be authorized and required to use the City Coat of Arms to acknowledge City support on promotional material such as flyers, brochures and posters throughout 2018;
- c) That all applicants be required to provide a financial statement prepared by an independent auditor (full Audit, Notice to Reader, or Review Engagement);
- d) That all applicants (excluding those currently with multi-year funding) be strongly encouraged to attend an annual workshop to improve their applications.

- e) That the Community Investment Grant Review Committee be re-appointed, with the exception of Council Members, for one year as follows: Elaine Covert, Jeff Westlake, Ryan Worral, Len Lifchus, Kevin Duguay, Martin Parker, Reem Ali, Shirley McCormack, Claude Dufresne for a term to end November 30, 2019.

Budget and Financial Implications

Funds for this grant program were allocated in the 2018 budget process in the amount of \$230,000. The Grant Advisory Committee has allocated \$208,766 to 2018 applicants and pre-approved multi-year funding recipients.

Background

A community-based Grant Advisory Committee was appointed in 2017 for a two year term (2017/2018) to review all Community Investment Grant applications and to make recommendations for the preparation of this report.

Council appointed the following individuals to the Grant Advisory Committee: Councillor Dan McWilliams, Councillor Keith Riel, Elaine Covert, Jeff Westlake, Ryan Worral, Len Lifchus, Kevin Duguay, Martin Parker, Reem Ali, Shirley McCormack, Claude Dufresne, and Jeanne Pengelly.

The Grant Advisory Committee met as two subcommittees. One reviewed Health, Social Services, Recreation and Environment applications (Riel, Dufresne, Worral, McCormack, Duguay and Covert). The other reviewed Arts, Culture and Heritage applications (McWilliams, Parker, Ali, Lifchus and Westlake). Jeanne Pengelly was unable to participate in the 2017 or 2018 deliberations.

City Staff administered, facilitated, and supported the process.

The respective sub-committees reviewed all of the applications and applied the eligibility and evaluation criteria. After the ratings were tallied, the subcommittees merged in a final committee meeting, and collectively hereby recommend the grant allocations as outlined in Appendix A.

2018 Applications

This year, the City received twenty-eight applications for Investment Grant funding, plus an additional eight pre-approved multiyear funding requests. One applicant is new and has transitioned from the Community Project Grant category.

The following chart illustrates how the Investment Grant program has evolved since its inception.

Year	Number of Applications	Number New Applicants	Number Approved (including organizations in multi-year funding)	Number Denied	Number Redirected to Withdraw/not submitted	Total Allocation	Average Allocation
2007	51	5/10%	38/75%	9/18%	4	\$205,000	\$5,395
2008	41	0	38/93%	1 /2%	2	\$205,000	\$5,395
2009	37	0	35/95%	0	2	\$205,000	\$5,857
2010	39	0	35/90%	3 /8%	1	\$205,000	\$5,857
2011	35	1/3%	34/97%	1 /3%	0	\$205,000	\$6,029
2012	40	4/10%	39/97%	1 /3%	0	\$205,000	\$5,256
2013	42	3/7%	40/95%	2/5%	0	\$205,000	\$5,125
2014	40	2/5%	37/92%	1/3%	2	\$210,000	\$5,675
2015	48	4/10%	46/96%	2/4%	4	\$210,000	\$4,565
2016	44	3/8%	42/95%	2/5%	0	\$212,000	\$5,048
2017	44	2/5%	42/95%	2/4%	0	\$230,000	\$5,476
2018	36	1/3%	33/92%	3/8%	0	\$208,766	\$6,326

The number of applicants in 2018 shows a significant drop over previous years. One organization that has been part of the Investment Grant for many years, Community Opportunity Innovation Network (COIN) has dissolved; one organization chose not to apply for 2018; three are no longer eligible; and three did not apply and have not been heard from. Since 2011, 21 organizations have transitioned through the Project Grants into this program.

Allocation of 2018 Funding by Sector Including Pre-approved Multi-Year Funding

	Arts, Culture and Heritage	Environment	Health & Social Services	Recreation & Sport	Total
2014	16/\$109,000	2/\$6,000	16/\$87,000	3/\$8,000	37/\$210,000
2015	17/\$109,000	4/\$11,000	16/\$85,000	1/\$5,000	38/\$210,000
2016	18/\$93,000	3/\$5,500	20/\$110,500	1/\$3,000	42/\$212,000
2017	18/\$122,000	2/\$5,500	20/\$94,400	2/\$8,100	42/\$230,000
2018	19/\$124,660	2/\$5,000	10/\$68,500	2/\$10,606	33/\$208,766

Multi-Year Funding

Eight organizations have been allocated funding based on previous year's approval for multi-year funding. Ten organizations requested multi-year funding in 2018 and eight are recommended for multi-year funding.

Changes to Grant Application Timetable

City staff has found that the late winter/ early spring is an increasingly challenging time to review the grant applications. In consultation with the Committee, Staff moved the process to the fall and winter. Grant application forms were made available in October of 2017, with a submission date of December 1, 2017. The review process took place in January and February. This timeline will allocate the funding to organizations earlier in the calendar year.

Canada Revenue Agency (CRA) new rules for Charities

The City's Investment Grant Review Committee expressed concern about the relative lack of fund-raising and seemingly extensive fund-raising expenditure for some not-for-profit organizations. They have supported a staff decision to use the CRA's guidelines to determine the appropriateness of fundraising ratios when evaluating an organization's financial health and needs.

The CRA has implemented new rules concerning fundraising activities of charities and not for profit groups. The CRA will consider the ratio of fundraising cost to fundraising expenditures as follows: Under 35%, no questions or concerns; 35% + - CRA will review trends; the higher the ratio the more likely the questions. At 70% and up, the numbers are unlikely to be accepted without reasonable explanation.

Number of Clients Served

During the review process, the committee expressed concerns over the criteria used to identify the number of clients served, and the interpretation of who is considered a client. Staff will update the application to better define who the client is and acceptable quantification of such to avoid inaccurate and inflated numbers.

Financial Statements

The Grant Review Committee expressed growing concern about the lack of or quality of Financial Statements accompanying the application. While the CRA does not require formal audited statements for Not-for-Profit organizations and Registered Charities with budget of less than \$500,000, they should still be considered as an appropriate investment by organizations. While a formal Audit is preferred, the City will also accept a Review Engagement in which an independent auditor looks at books and provides a negative assurance (\$1,000 - \$1,500) or Notice to Reader in which an independent auditor organizes all financial information into a readable financial statement (\$1000). The cost of such financial statement should be considered an eligible expense within the application.

City Recognition

In the Investment Grant and Project Grant application, organizations were asked how they would recognize the City as a sponsor, should they be successful in obtaining funding. Many indicated they would use the City Coat of Arms on their websites, flyers, and posters. Staff is requesting that permission to use the City Coat of Arms be extended to organizations to acknowledge City support. The City Coat of Arms will be provided to all successful applicants electronically once approval is confirmed.

Applicant Feedback

City staff encourages organizations denied funding or receiving reduced funding to contact the Community Services Department administration office for feedback.

Eligibility Criteria

As a result of Reports CSD07-003 and CSD07-004 presented in the spring of 2007, Council approved significant changes to the former Community Grants Program, now referred to as the Community Investment Grant Program. Through the formal application process, applicants must meet the eligibility criteria as approved by Council:

- be NFP's that are located, and conduct the majority of their activities within the geographic boundaries of the City of Peterborough
- have sustained a history of activity over two years prior, normally achieved as past recipient of at least two Community Project Grants
- have been in existence for five years if requesting multi-year funding
- have demonstrated sound financial management and good standing with the City of Peterborough and be able to demonstrate that they provide those services and programs in an effective, accessible, open and inclusive manner

The following are considered ineligible applicants:

- organizations receiving Community Project Grants or Community Service Grants
- individuals
- for-profit businesses
- organizations with political affiliation
- organizations serving as funding sources for others, e.g. Service Clubs
- faith-based organizations where services/activities include the promotion and/or required adherence to a faith
- hospitals, clinic-based services or medical treatment programs
- fund-raising events
- school boards, primary and secondary schools, post secondary institutions
- programs within legislated mandates of other government or city departments
- provincial/national organizations unless a local chapter exists to service the residents of Peterborough
- organizations receiving 80% or more of funding from senior levels of government

- organizations that conduct the majority of their activities outside of the City
- costs for major capital equipment/renovations and minor renovations; and financing of deficits

Summary

This is the twelfth year for the revised Community Investment Grant Program. Following the evaluation criteria approved by Council, the community-based Advisory Committee and Staff recommends the disbursement of the full \$208,766 to qualified applicants as the City's investment in their on-going activities to enrich local quality of life.

Submitted by,

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Attachments:
Appendix A – 2018 Community Investment Grant Funding Recommendations