



Staff Report

If this information is required in an alternate accessible format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131.

Report To:	General Government Committee		
Date of Meeting:	October 19, 2020	Report Number:	CSD-009-20
Submitted By:	George Acorn, Director of Community Services		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	GG-362-20, C-436-20
File Number:		By-law Number:	
Report Subject:	Community Funding Program		

Recommendations:

1. That Report CSD-009-20 be received;
2. That the Community Funding Program, as outlined in Attachment 1 to this Report, be approved;
3. That Council direct staff to review applications and recommend funding to either:
 - a. The CAO for approval following the recommendations made by the Funding Review Committee; or
 - b. To Mayor and Council for approval following the recommendations made by the Funding Review Committee
4. That staff report annually to Council with the details on the funding provided to the community agencies; and
5. That all interested parties listed in Report CSD-009-20 and any delegations be advised of Council's decision.

Report Overview

In Fall 2019, Council directed staff to conduct a comprehensive review of the existing Community Grant and Community Event Sponsorship funding programs and report back in the Fall of 2020 with a program for implementation in 2021. Many challenges have been recognized in the existing programs, including a lack of clear priorities and purpose, an objective evaluation criteria, maximum funding thresholds, accountability, the opportunity to provide feedback to our applicants and for our applicants to provide feedback to the Municipality.

The proposed program provides an updated, transparent and objective process to review applications and to make funding recommendations. The goal of the new program is to ensure municipal funds are disbursed in meaningful, equitable and measurable ways that achieve maximum impact for the community and provide value for the investment provided. To achieve this, it is proposed that a Funding Review Committee be created and directed to review all eligible applications and make appropriate funding recommendations.

By consolidating the two existing funding programs and revising the application intake period, the new Program will better align with the annual Municipal budget timelines. We recognize the unique relationship the Municipality has with the various arena and hall operating boards, and are recommending any annual requests they have made to our grant and event programs, be submitted and considered during the annual operating budget deliberations by Council.

As the Municipality continues to grow, we are also recommending incremental increases to the annual allocation for the Community Funding Program starting in 2022. Currently a total of \$95,000 is budgeted and staff will be requesting a target of \$1.00 per capita by 2023.

1. Background

Current Programs

- 1.1 Currently, the Municipality of Clarington provides financial assistance to community agencies and volunteer organizations that provide a variety of services, events and programs to Clarington residents. The Community Grant Program offers support for applicants to cover the operational expenses of their organization such as program supplies, staff wages, office equipment and utilities. It also offers support for some minor capital expenses such as building repairs or equipment purchases. The Community Event Sponsorship Program offers support for organizations to host events that bring the community together for purposes such as fundraising, awareness raising or community building.

- 1.2 The current programs have been in place for many years with minimal updates. There are challenges associated with the current programs that have been expressed by both Council and those organizations submitting applications. These include a lack of clear funding priorities, evaluation criteria and the requirement for follow up and accountability. This concern became evident during the most recent funding deliberations as COVID-19 created much uncertainty as to whether funds would actually be used and if so, as originally intended. As well, our current process does not allow for feedback to applicants that is valuable in building capacity in our volunteer community.
- 1.3 At the General Government Committee meeting of May 6, 2019, Council approved Resolution #GG-293-19:
- That Staff report on a review of the Community Grant process to include, but not be limited to, the following:
- a) That, once a Community Grant applicant has received \$10,000 in aggregate over a number of years, any future applications be required to provide a balance sheet, regardless of the amount applied for;
 - b) Whether Hall Boards should be removed from the Community Grant process and considered in the Budget process; and
 - c) Consideration of applicants with large surpluses.
- 1.4 Subsequently, on November 25, 2019, Council directed staff through Resolution #GG-540-19 to conduct a comprehensive review of the two programs (Community Grant and Community Event Sponsorship) and report back during Fall 2020 for a 2021 implementation.
- 1.5 This report and its associated recommendations have been prepared to address these challenges as identified by Council. It will propose a novel program that also addresses concerns recognized by staff through research and consultation with the community.

2. Research and Development of New Program

Project Management Approach

- 2.1 Staff developed a project charter to help provide focus and guide the direction of this review. The objectives of the project were to:
- Clarify and update the intent of the Community Grant and Community Event Sponsorship Programs by developing a novel program;
 - Address concerns with the current funding program;

- Improve community capacity building;
- Improve customer service – e-submission, tracking and notifications; and
- Improve efficiency – enable electronic workflows and data management

2.2 Staff took the opportunity to consult with representatives from various community organizations and Hall Boards who had applied through current Community Grant and/or Community Event Sponsorship Programs about their experience with the programs and process. Some of the highlights of these conversations were:

- Develop and relate funding priorities to the goals of the community;
- Develop an open and transparent scoring system to evaluate the applications; and
- The financial information as currently required can be daunting and difficult to interpret and submit for some applicants, the requirement for accountability was supported by those interviewed

2.3 Certain teams of staff who have direct or indirect involvement with the current Community Grant and Community Event Sponsorship Programs were also consulted for their input to this review. Through these conversations with staff, the common themes that emerged were:

- Support projects that have greater community impact;
- Define funding priorities and project evaluation criteria; and
- Accountability on behalf of the applicants by way of submitting a follow up report

2.4 Mayor Foster and Members of Council were invited to participate in interviews with staff to share their thoughts on the challenges and successes of the current programs and to provide input to the development of this new program. From these interviews the following suggestions were made:

- Applicants in a healthy financial position should not be eligible for funding; rather groups with a demonstrated financial need should be prioritized;
- To encourage sustainability and build capacity in community organizations, some limits to the amount of times a group can apply for funding should be considered; and
- Supporting merit-based projects was also identified as an important consideration

Research and Benchmarking of other Municipalities

- 2.5 There are various models of community funding programs across municipalities in Ontario and beyond. To compile best practices, staff did a scan of funding programs in similar sized Ontario municipalities to compile best practices and identify opportunities to address the challenges outlined above.
- 2.6 Staff considered funding programs in the other four lakeshore municipalities in Durham Region as well as Peterborough, Guelph, St. Catharines, Kingston, Waterloo, Port Hope and the Town of Lincoln.
- 2.7 Some common themes that emerged through the research included:
- Use of a scoring system to evaluate and rank applications;
 - Connection of funding priorities to community priorities; and
 - Approval process completed through a staff team, and in some instances adding community involvement to the process

Development of New Program

- 2.8 When developing the new program, staff considered information gained through interviews with applicants, staff and Council as well as best practices learned through research. The result is an updated, transparent and objective process to review and allocate money that ensures municipal funds are disbursed in a meaningful, equitable and measurable way that achieves maximum impact for the community and investment provided.
- 2.9 The Community Funding Program (Attachment 1) details the purpose, eligibility criteria, administration and approval process, application procedure follow up reporting and scoring criteria.
- 2.10 To build capacity in our community, the application process should be as much a learning experience for the applicant as well as an opportunity to secure much needed funds for their organization. By incorporating an objective scoring system that is capable of highlighting strengths and weaknesses of a project, feedback on how to improve an application can be shared with the applicant. This feedback will be provided by our Community Development Team, and will be beneficial to applicants in the future.

2.11 Funding streams have also been developed to prioritize applications based on need and further create sustainability in our non-profit community:

- **Start-Up:** Provides one-time start-up funding related to the development of a new group, initiative or event
- **Growth:** Provides funding related to organizations and/or event organizers who make a commitment to sustainable expansion or growth
- **In-Kind:** Refers to and highlights services currently offered by municipal staff to support our non-profit community such as consultation, cross-promotion of services or events and more

2.12 To continue to foster the sustainability of a community organization, the following requirements have been included:

Organizations must:

- Have less than two years' equivalent operating budget in unreserved cash demonstrated through a submitted annual financial statement;
- Operate without a deficit for more than two years in a row;
- Not receive funding through the municipal budget process; and
- Not be a beneficiary of a fundraising event hosted by the Municipality of Clarington (i.e. Mayor's Golf Classic, For the Love of Art Gala) in the same calendar year of the funding request.

In addition:

- A three-year waiting period is initiated once an organization receives \$20,000 in aggregate funding through this new program

Note: The \$20,000 in aggregate has been assessed based on an applicant receiving the maximum award of \$5,000 per year over four years before entering the required waiting period.

2.13 To support projects that have greater community impact, the following community priorities were identified:

- **Connected:** Building strong social connections, an active community encouraging social and civic engagement;
- **Environment:** Making contributions to an environmentally sustainable community;

- **Inclusive:** Creating an accessible community where people feel welcome and they belong; celebrating diversity; and
 - **Innovation:** Support and showcase unique project ideas; previously untested or pilot projects; research a new concept
- 2.14 To further support an objective process, a funding review panel comprised of municipal staff and selected community representatives is recommended in the new program. Community representatives will be selected by staff to represent the broader community and will be chosen from established community organizations and / or former applicants. Involving the community in the review of funding requests ensures allocations through the funding program meet new and emerging issues and trends.
- 2.15 While Council will retain approval of the program policy and monies allocated to the funding program, Community Services staff will be responsible to coordinate the review of all program submissions by the Funding Review Committee and the Director of Community Services and the Director of Finance will make final funding recommendations to the CAO or Council, pending resolution, for final approval. It is proposed that the Funding Review Committee will be comprised of:
- Director of Community Services
 - Director of Finance
 - Director of Public Works, or their designate
 - Community Development staff
 - Community Representative(s) to a maximum of 3
- 2.16 Should Council choose to retain the responsibility of reviewing all eligible submissions, staff will complete the review and scoring as outlined in the Program and will prepare a report with recommendations for funding for Council's approval. Ideally the timing of this annual report will be the first General Government Committee meeting after ratification of the annual budget.
- 2.17 To encourage accountability, applicants will be required to submit a follow up report that outlines how the funds were spent and the impact achieved in the community. This report must be submitted by December 15 of the same year for which the funding was awarded. Failure to complete and submit the follow-up report will disqualify an applicant from future funding until such a time that the Municipality is satisfied that the report has been submitted in full. The follow-up report template will collect valuable information that will be collected through this addition and provide a means to evaluate the impact of the program on the community.

2.18 The application process has remained manual with some limited addition of technology support over the years. As the new program was developed, a new online platform is being created to support application to the program which will create efficiencies, free up staff time from the administration of the program and reduce the opportunity for errors. This technology was approved through the 2020 budget and the online platform is currently being designed. The platform can be altered and finalized once the program has been approved.

Proposed Budget Changes for New Program

2.19 The Community Grant Program has been in existence for many years. Staff have attempted to revisit the timelines and history of the program. In 1995, through Report CS-09-95, the Municipality of Clarington Grant Policy identified a maximum funding for that grant program year of \$116,100, an amount equal to \$2.00 per capita based on a population of 58,082.

2.20 In reviewing the list of applicants at that time, it is evident that municipal funding for many of the organizations has transitioned to be included in the External Agencies annual operating budget process. What remains today in this funding program is \$60,000 for the Grant Program and \$35,000 allocated for the Community Event Sponsorship Program for a total of \$95,000.

2.21 As part of the program review, staff were asked to consider whether Hall Boards should be removed from the Community Grant process and considered in the annual budget process. As Arena and Hall Boards operate and maintain municipally owned buildings, it is proposed funding requests, previously considered in the Grant or Event Sponsorship intakes, now be considered during the operating budget. The Director of Community Services will work with the Director of Finance to finalize a process and inform the appropriate groups in advance of the the deadline for submissions. Based on the funds awarded for 2020, it is estimated this amount will be approximately \$20,000.

2.22 As no additional funding is being requested for 2021, any dollars allocated to operating Boards in the annual budget will need to come from the \$95,000 total funding. However, staff are recommending that the funding program model move towards a \$1 per capita allocation amount. Clarington's Planning Department estimates our current population is 105,000 which is based off the Region of Durham's Monitoring of Growth Trends document (April 2020) and is forecasted to reach 112,000 by 2023. Any incremental funding increases will be identified as part of the 2022 operating budget.

2.23 Finance staff are working on a policy for the provision of loans to not-for-profit organizations which is consistent with past practice. This will provide guidance for the factors to consider and the conditions for providing loans to not-for-profit organizations such as the hall boards.

-
- 2.24 The Community Funding Program will launch December 1 and the application period will close December 31. This would be a consistent intake period for applications for programs, services or events occurring February 1 to January 31 annually. Submissions will be considered each January with funding decisions to be announced, following Council ratification of the budget.

3. Concurrence

- 3.1 This report has been reviewed by the Director of Finance/Treasurer who concurs with the recommendations.

4. Conclusion

- 4.1 It is respectfully recommended that the Community Funding Program be approved for implementation for 2021 and that Council advise staff of the preferred approval process. Following approval, communication will go out to our community partners advising them of the new program and new deadline dates.
- 4.2 Staff are confident the proposed changes to the existing grant and event sponsorship programs have addressed the concerns expressed by Council as well as funding applicants. By developing funding streams and identifying funding priorities, it is expected the available dollars will be distributed to the areas where they will have the most impact in our community.
- 4.3 In order to keep up with the needs of our growing community, it will be important to plan incremental increases to the new Community Funding Program for 2022 and beyond in order to achieve the \$1 per capita funding model.

Staff Contact: Lee-Ann Reck, Manager, Client Services, 905-623-3379 ext. 2508 or lreck@clarington.net.

Attachments:

Attachment 1 – Clarington Community Funding Program Framework

Interested Parties:

List of Interested Parties available from Department.

Municipality of Clarington Community Funding Program

Purpose

The Clarington Community Funding Program provides financial support to eligible organizations who contribute towards one or more of the following community priorities:

- **Connected:** Building strong social connections, an active community encouraging social and civic engagement
- **Environment:** Making contributions to an environmentally sustainable community
- **Inclusive:** Creating an accessible community where people feel welcome and they belong; celebrating diversity
- **Innovation:** Support and showcase unique project ideas; previously untested or pilot projects; research a new concept

Clarington's Community Funding Program accepts applications:

- through one application intake per year;
- up to a maximum of \$5,000 per application; and
- an aggregate maximum amount of \$20,000 per organization (once maximum reached, eligible organizations may reapply after a three-year waiting period).

Funds are awarded to organizations and projects that meet the criteria in one of the following streams:

- **Start-Up - Provides one-time start-up funding related to the development of a new group, initiative or event**

For a project or initiative (within the mandate and scope of the applicant) that is new to the applicant (not previously attempted by the applicant) to try something new or untested. The outcomes are unknown and aimed at achieving greater impact in our community. The funding will also be applicable for applicants who have been in operation for less than a year.

Examples:

- ✓ Provide support or services for an emerging issue
 - ✓ Develop or pilot a new idea
 - ✓ Research a new concept or assess feasibility
- **Growth – Provides funding related to organizations and/or event organizers who make a commitment to sustainable expansion or growth**

For a project or initiative that takes an organization or event to another level, increases reach in the community, increase attendance and/or diversifies the demographics of the audience/participants. An effort to increase the cultural diversity would also be a focus of this stream. For applicants who have been in operation for greater than one year.

Examples:

- ✓ Provide support or services that branches out into a new sector
- ✓ Make changes to or expand an existing program, service or event
- ✓ Sustainable increase in the attendance/membership or reach of the organization

In-Kind Support

In-kind services are available to Community Groups through the Community Services Department and other municipal departments such as consultation (i.e. how to manage a volunteer board, volunteer recruitment strategies, effective fundraising techniques, grant writing support), not-for-profit printing, cross-promotion of programs, services or events, meeting space for Annual General Meetings and others. If interested in learning more please connect with our team at communitydevelopment@clarington.net.

Eligibility Criteria

In order to apply to the Community Funding Program, applicant organizations and their funding request will be rated by a Committee comprised of municipal staff and community members (as required) according to established criteria:

- Applicant is a registered not for profit organization, business improvement area (BIA) or is a volunteer not for profit organization or group operating under the authority of a board of directors.
- The organization must have a written constitution and by-laws that establish the framework that the group will operate within.
- The organization must have an elected Board of Directors of not less than three members who are democratically elected by the membership.
- The organization must hold an Annual General Meeting.
- The organization must have less than two years' equivalent operating budget in unreserved cash demonstrated through a submitted annual financial statement.
- Be in good financial standing with the Municipality of Clarington. All outstanding debts to the Municipality of Clarington must be paid in full at the time of the group's application.

The Community Funding Program will not fund the following:

- General operating expenses that support the day to day operation of an organization (i.e. utilities, rent, insurance, etc);
- Individuals;
- For profit organizations;
- Political organizations;
- Local Boards and Committees of Council, including Hall Boards (for the purposes of or whose mandate is to operate and / or maintain municipal property);
- Religious organizations, except where the program or service benefits the broader community, does not involve religious teachings and is not generating revenue for the organization;

- Organizations that receive funding through Clarington’s municipal budget process or are the designated beneficiaries of a fundraising event hosted by the Municipality of Clarington, in the same year of the funding request (i.e. Mayor’s Golf Classic, For the Love of Art);
- Organizations that make donations or charitable contributions;
- Organizations that operate with a deficit for more than two years in a row;
- Programs or organizations that other levels of government have legislated responsibility for providing funding. This includes “top up” of shortfalls for government mandated programs or services. Examples include educational programs, public health programs, housing services, provincially mandated childcare services or social assistance programs and health care services; and / or
- Organizations whose activities may breach the [Ontario Human Rights Code or Charter of Rights](#).

Administration and Approval

The Community Funding Program purpose and criteria have been approved by Council; program funds are allocated by Council during the annual budget process.

The Community Funding Program is administered by the Community Services Department. Community Development staff will be responsible to coordinate the details of the Program and conduct a thorough review of the submitted applications for eligibility.

All eligible applications will be reviewed and scored according to established criteria by a panel of municipal staff and appointed community members (where applicable). The Director of Community Services and the Director of Finance will make recommendations on funding to the (CAO or Council pending ratification of the report) for approval.

The municipal review panel is comprised of:

- Director of Community Services
- Director of Finance
- Director of Public Works, or their designate
- Community Development Staff
- Community Representative(s) to a maximum of 3

Application Process and Procedure

1. The Municipality of Clarington will advertise an annual call for funding on the municipal website www.clarington.net and other relevant media. The funding call will occur once per year, and the application period will be December 1 to December 31.
2. Organizations are required to read the full Community Funding Program Policy to ensure their eligibility. Organizations **must** submit their application to the Community Funding Program and any supporting documents through the online portal at www.clarington.net/funding. For assistance with the online portal, contact funding@clarington.net.
3. All organizations must complete the application form in full and all the requested supporting documentation must be submitted. Incomplete applications may not be considered. The

Municipality reserves the right to contact any organization for information which requires clarification.

4. Community Funding Program applications must include signed support by a minimum of two members of the organization's executive, one of which needs to be the President / Chair or Vice-President / Vice-Chair of the executive and any other one board member.
5. Applications must be received by the municipality on or before 11:59pm on December 15. No late applications will be considered. It is the sole responsibility of the applicant to ensure that the municipality receives completed applications. An email notice will be sent to the applicant within 2-3 business days upon submission of the application.
6. Eligible organizations can submit only one application per year to any one of the three streams.
7. There is a maximum of \$5,000 per application. Applicants will be required to submit financial statements as part of the application process.
8. There is an aggregate funding amount of \$20,000 per organization. After this limit is reached, organizations may reapply after a three-year waiting period.
9. Once all funding decisions are finalized, applicants will receive notification via e-mail of whether their application was successful.
10. The Community Funding Program does not have an appeals process for unsuccessful applications, however groups can discuss how to improve future applications with the Community Development staff by sending an email to funding@clarington.net.

Reporting Requirements

Successful applicants who receive funding from the program must report on how it was spent, and the impact achieved. **Reports must be submitted to the municipality by December 15** of the same year for which the funding is awarded.

If the funding recipient fails to fully complete and submit the report to the municipality within the stated time, that organization will not be eligible for future funding until such a time that the municipality is satisfied that the report has been submitted in full.

Scoring Scheme:

Step 1: Determine Eligibility (Community Development team)

Eligibility (Yes or No – Yes moves on to scoring; No is ineligible and does not move through process):

- Does the organization or project meet the criteria of one of the three streams: Start-Up, Growth or In-Kind?
- Is there a direct link with the project and the community priorities of Connected, Environment, Inclusive and / or Innovation?
- Applicant is a registered not for profit organization or is a volunteer not for profit organization or group operating under the authority of a board of directors.
- Have a written constitution and by-laws or documented operating procedures that establish the framework within which the group will operate.
- Have a democratically elected Board of Directors of not less than three members.
- Hold an Annual General Meeting.
- Have less than two years' equivalent operating budget in unreserved cash.
- Be in good financial standing with the Municipality of Clarington. All outstanding debts to the Municipality of Clarington must be paid in full at the time of the group's application.

Step 2: Score application based on criteria (Municipal Review Panel)

The ranking criteria is as follows (each section ranked out of 3 for a total out of 18):

Organization Capacity (10% of final weight)

- Does the organization have stable management and credibility in the kind of work they are applying for funding for?
- Is the application well organized, logical in progression of ideas and process, etc.?
- Is the program, service or event as proposed aligned with the mandate of the organization?

Project Concept (20% of final weight)

- Does the project seem interesting, innovative, original and not redundant with other projects?
- Are the proposed methods, approaches, etc. realistic, reasonable, effective, and outcomes oriented?
- Is the project sustainable?

Program or Service Plan (20% of final weight)

- Is there enough planning and does the timeline make sense?
- Has an intended audience been identified and have the date, time and venue been set?
- Are the tasks, timelines, and outcomes clear and measurable?

Collaboration (10% of final weight)

- Does the proposal include partnerships & collaborations?
- Are there letters of support and does the proposal show a clear, collaborative effort?
- Are there in-kind contributions or matches (i.e. funding, staffing, equipment, etc.) from the organization?

Budget (10% of final weight)

- Is the budget logical and reasonable?
- Is the organization operating at a deficit?
- Can the project be successful if partially funded? Have funds been requested from other sources?

Clarrington Impact (30% of final weight)

- Does the project serve and involve the community? How many Clarrington residents will benefit from it?
- Does it serve a particular segment of the population? Will it benefit an underserved or marginalized population?
- Does it address a community need?

Funding Award:

Organizations / projects with a score of 80% or higher are awarded funding. Funding amounts are determined based on the number of eligible requests received to the program.