

CITY OF HAMILTON

***CORPORATE SERVICES
Finance & Administration***

Report to: Chairman and Members Grants Sub-Committee	Submitted by: Joseph L. Rinaldo, General Manager
Date: June 11, 2004	Prepared by: Carmen R. Bian ext. 2187

SUBJECT: Changes to 2005 Policies & Procedures: Community Partnership Program: (GRA04007) (City Wide)

RECOMMENDATION:

- a) That as of 2005 the policy that restricts new applicants to the Community Partnership Program to a maximum of three years consecutive funding be deleted.
- b) That effective 2005 the Community Partnership Program Policies and Procedures manual be amended to include the phase out policy as outlined in Report GRA04007.

Joseph L. Rinaldo, General Manager
Finance and Corporate Services

EXECUTIVE SUMMARY:

As part of a review of the policies and procedures of the Community Partnership Program for 2005, staff are recommending two changes. The policy that restricts new applicants to the Community Partnership Program to a maximum of three years of funding be deleted and a new policy be introduced that would allow staff to “phase out” programs that do not demonstrate significant merit, organizational capacity or community impact.

BACKGROUND:

New Applicant Policy:

As part of the amalgamation that took place to create the City of Hamilton, all of the former municipal and Regional grant programs were also merged. To facilitate this merger, staff during that time reviewed all of the policies and procedures used by the

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varying municipal/Regional grants program and recommended a consolidated new set of policies and procedures.

One of those policies was directed to new applicants:

“New applicants may only apply for Community Partnership Program funding for the same program for a maximum of three consecutive years. It is expected that organizations will be seeking alternate sources of funding on an ongoing basis to achieve self-sufficiency”.

This policy was developed for two main reasons:

1. To provide the opportunity to fund time limited projects targeted to address new and emerging needs without establishing an on-going funding relationship with the program funded i.e. “project based” funding.
2. The provision of “up-front” time limited funding to programs could potentially act as a catalyst for organizations to explore mechanisms to achieve the self-sufficiency of funded programs in order to maintain the on-going viability of their programs.

The recently released report, “Funding Matters: The Impact of Canada’s New Funding Regime on Non-profit and Voluntary Organizations”¹, describes the negative impacts of changes within the overall funding environment on non-profit organizations. The report describes some of the impacts of “project based” funding in great detail. Specifically:

1. Organizations with one or more “project based” funded programs experience greater volatility and instability within their financial structure resulting in the inability to strategically plan
2. The erosion of the organization’s infrastructure occurs as “project based” funding often does fund administrative structures required to support the project being funded
3. The tendency for organizations to “mission drift” as they attempt to meet the funding priorities of multiple “project based” funders.

Based upon the findings of the above report and staff experience in applying the policy, staff are recommending that this policy be removed.

“Phase Out” Policy:

The former Regional Grants program had within its rating system a “phase out” category, while the other municipal grant programs did not. This combined with the principle that programs previously funded through municipal/Regional grant programs would not be

¹ See: <http://www.ccsd.ca/pubs/2003/fm/index.htm> for a copy of the full report and Executive Summary.

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adversely affected by amalgamation; a “phase out” policy was not included in the Policies and Procedures Manual for the City of Hamilton Community Partnership Program.

The original intent of the policy was twofold:

1. One to identify programs that were experiencing organizational capacity issues, financial issues, or whose programs were no longer deemed a priority.
2. To provide opportunities for staff to redirect funding to current emerging needs and trends.

Staff are recommending that a similar “phase out” policy be introduced for the 2005 Community Partnership Program.

The Policy added to the manual will read:

That a program that scores “ 60” or below out of potential score of “100” in either funding stream in the Community Partnership Program be “phased out”. Applying this policy would mean that the program would be recommended for 50% of its previous year’s allocation and then be advised that they should not submit an application for this program in subsequent funding years. The application of any “phase out” policy is “program specific” and does not preclude an organization from receiving funding for other programs or applying for funding for a new program in the Community Partnership Program.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

None. Any dollars that would result from applying the “phase out” policy would be utilized within the Community Partnership Program Budget.

POLICIES AFFECTING PROPOSAL:

None.

CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:

This report was prepared in consultation with representatives from the Grant Technical Team as well as Vicki Woodcox, Director of Employment, Housing and Long Term Care, acting for Joe-Anne Priel, the General Manager of Public Health & Community Services Department.

CITY STRATEGIC COMMITMENT:

Investments from the Community Partnership Program assist the City in achieving its goal of being a great city in which to live by providing quality community services.