

## BOARD POLICY

### Community Investment



#### Policy Management Responsibility

- President & CEO
- Vice President, Community Impact and Partnerships
- Oversight by Community Impact and Partnerships
- Approval by Board

#### PURPOSE AND SCOPE

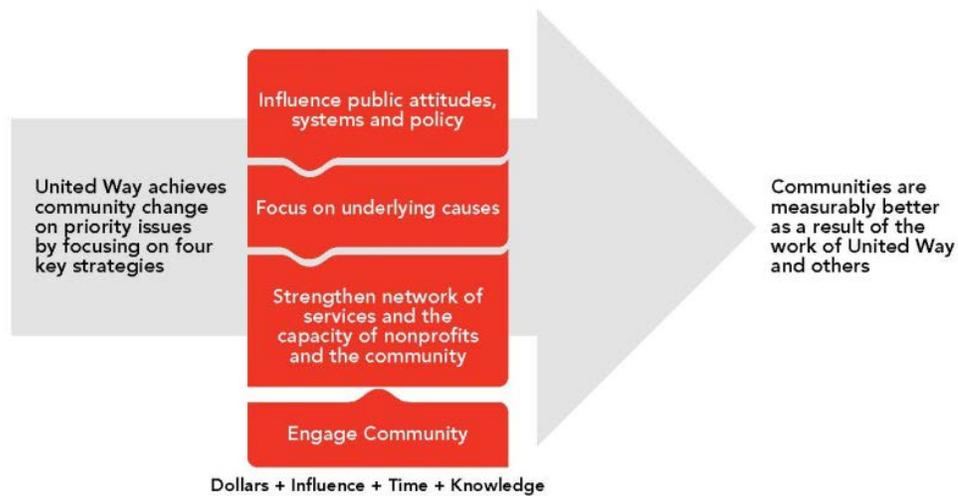
United Way of Calgary and Area (UWCA) is committed to ensuring high-level oversight of all donor dollars invested into the community. The Board directs management to develop an annual Community Investment Strategy that outlines a combination of agency, programmatic and collaborative investments, accounting for all forms of donor-raised dollars and donor-supported initiatives in accordance with the budget approved by the Board.

The Board, through its processes and standing committees, further directs management to develop, maintain and assess high standards for fiduciary and impact reporting. Management is also directed to identify community needs, set priorities and ensure quality control.

This Policy applies to **ALL** funds invested into community by UWCA. UWCA supports and invests in agencies and partners serving the human services sector, addressing the needs and community issues of our most vulnerable Calgarians, aligned with our three focus areas (Overcoming Poverty, Successful Kids, and Strong Communities).

## DEFINITIONS

### Community Impact Framework



The Community Impact Framework is implemented through:

#### **Stabilization Funding:**

- Investments strategically target issues or causes through programs, collaborations and systems change work that deepens impact
- Foundational approach to create a balanced service delivery continuum that stabilizes the sector
- Investments complement each other and provide leverage within an integrated partnership

#### Tools

- Grants – Multi-year; fundraising dependant
- Signature Initiatives – Through longer term collaborations and partnerships

#### **Acceleration Funding:**

- Eligibility based on newly developed principles, logic model, and well-designed process for investment decisions
- Allocated dollars are dependent on the issues presented, interest generated, and products developed
- Funding to be provided mainly through the new tools and tactics of the Social Impact Lab
- Provides new opportunities to connect more directly with donors to impact complex social issues in a timely way at scale

#### Tools

- Product Development, new fund development, sector partnerships and relationships to drive change
- Social Impact Lab

**Partnership Framework: (3 types)**

- Program and service Delivery Partnerships
- Community Mobilization Partnerships
- System/Institutional Change Partnerships

**A. Advancing United Way's Purpose**

- a. The Three-year Community Impact Plan and the annual Community Investment Strategy must demonstrate alignment to the Board approved Strategic Plan. UWCA endorses investments that are timely, effective, and impactful and that address identified community priorities and needs.
- b. The annual Community Investment Strategy is to reflect a variety of investments that will result in outcomes and achievements in all four categories of the Community Impact Framework, addressing short and long-term needs and creating impact at the individual, family and community level.
- c. The Community Impact Committee relies on UWCA Community Impact and Partnerships staff, with recommendations from the Portfolio Advisory Committee, to prepare the detailed annual Community Investment Strategy.
- d. The Board relies on its Community Impact Committee to bring a corporate and a community lens to all discussions of community impact and community investments.
- e. The Board relies on its Community Impact Committee to build the Board's understanding of the Three-year Community Impact Plan and the annual Community Investment Strategy.
- f. The Board is committed to being a catalytic force for excellence, innovation, and community-level change.

**B. Eligibility and Qualifications of Funded Organizations**

- a. Funding from UWCA is only accessible to agencies registered with Canada Revenue Agency as a charitable organization. However, non-registered charities may be eligible to access funding streams if partnered with a registered charity
- b. UWCA will ensure that the reputation and standing of all partner organizations which it funds or with which it collaborates, appropriately align with those of UWCA.
- c. UWCA will develop and implement appropriate review mechanisms to ensure that the fiduciary, reputational and fiscal practices of partner organizations meet UWCA's expectations.
- d. Investment decisions are made with a framework of 8 basic criteria. An investment:
  1. Aligns with UWCA focus areas
  2. Addresses policy, systems or institutional change
  3. Engages and mobilizes community
  4. Addresses community need
  5. Addresses underlying causes of social issues
  6. Demonstrates impact
  7. Exhibits excellence in performance and leadership
  8. Exhibits strong governance

- e. Registered Canadian charities operating local programs may apply for UWCA support. UWCA does not fund:
  - 1. Hospitals
  - 2. For-profit groups
  - 3. Political parties
  - 4. Religious Activities
  - 5. Capital expenditures
  - 6. Individuals
  - 7. Deficit funding

### **C. Accountability and Impact**

- a. All financial investments shall be appropriately monitored and measured for expected impact through a variety of review processes.
- b. The standing and capacity of all partner organizations shall be routinely assessed to ensure that UW's ability to drive impact will not be compromised.
- c. UWCA has specified reasons for discontinuation of funding, including factors that are applied to assess the potential for investment risk. The decision processes guiding these decisions are provided in the Community Impact Plan.

### **D. Sustainability**

- a. UWCA will ensure that all funding contracts explain that such funding is always subject to funds being available.
- b. Wherever possible and prudent, UWCA shall commit its allocated funding to programs and initiatives in multiple year contracts, normally on a 3 year cycle. Where commitments are to be longer than 3 years, the President and CEO will notify the Board.
- c. Wherever possible and appropriate, UWCA will work in concert with other funders to leverage impact.
- d. UWCA does not increase funding in the event another funder has decreased or withdrawn funding.
- e. Where initiatives are funded through restricted donor grant streams, UWCA shall ensure that appropriate transition is planned at the end of such funding to ensure, where possible, that long term benefits are sustained.
- f. Board directs management to retain a reserve of up to a maximum of 5% of the previous year's approved allocations, for the purpose of managing the long-term sustainability of allocation commitments. This will be in addition to the \$1M reserve fund maintained for community emergencies.

### **E. Research and Advocacy**

- a. While research is a necessary part of establishing effective impact strategies, UWCA shall at all times ensure that such research is targeted toward sustaining positive impact in the lives of Calgarians in alignment with the Board approved Strategic Plan.

- b. UWCA shall at all times, in any investment, maintain a non-partisan position around the issues it is addressing. Accordingly, any advocacy aimed at addressing these issues shall not support, detract from, or otherwise attempt to influence the public's attitude to any elected representative or public official.

#### **F. Financial Control and Risk**

- a. UWCA Board shall direct management to present an annual budget for all community investment funding, for its approval. Prior to approval it should be demonstrated that the organization has sufficient funds to meet the obligations of the annual budget and 3 year forecasted commitments.
- b. Management may vary the investment made among agencies with prior approval of the President and CEO.
- c. Any investment that causes the total of all investments to exceed that approved in the annual budget shall require sanction of both the Community Impact Committee and the Finance and Audit Committee before being brought before the Board for approval.
- d. UWCA obtains funds that are restricted by donors for payment to other charities (donor choice). To the extent that such restriction applies to any charity which UWCA funds, UWCA shall assess whether such restricted funds provide reason to modify any intended funding to such charities.
- e. UWCA shall ensure that all funds invested are appropriately accounted for.
- f. At all times, UWCA shall ensure that funds used for community investment purposes are able to meet public scrutiny and that any outlay of funds will not result in damage to UWCA's reputation.
- g. UWCA shall ensure that any funds invested which are not used for the purpose intended are, within an acceptable period of time, returned to UWCA.
- h. All funding commitments – annual or multi-year- are subject to the availability of Board-approved funds. All funding contracts specify this caution by including the statement:  
“Funding for all (term) years is contingent upon the successful campaign and the availability of Board approved funds”.
- i. Where changes or needs emerge in the course of any given year, the President and CEO may authorize a reallocation of the approved annual Investment Strategy up to 5% of the total. Any necessary reallocation beyond this threshold will require Board approval.

#### **G. Reporting on Community Impact**

- a. The Board directs management to provide quarterly fiduciary and impact reports to the Community Impact Committee and the Board and an annual Community Impact Report to the Board and community.
- b. UWCA requires reporting from all funded programs and collaborations through an electronic format by February 28, annually.

- c. All public reporting, publicity and campaign materials are derived from the Community Impact Report created by the Community Impact and Partnerships Team, ensuring the use of confirmed data results. This report is built from the data submitted by funded agencies and collaborations, synthesized for authenticity and impact.

**Related Policies**

**Effective Date:**

This Policy shall have effect from November 26th, 2018

**Revisions:**

Frequency: 12 months

Last Revision: October 26th, 2018

CIC Approval: November 8, 2018

Board Approval: February 20, 2019