

BOARD POLICY

Community Investment

Policy Management Responsibility

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

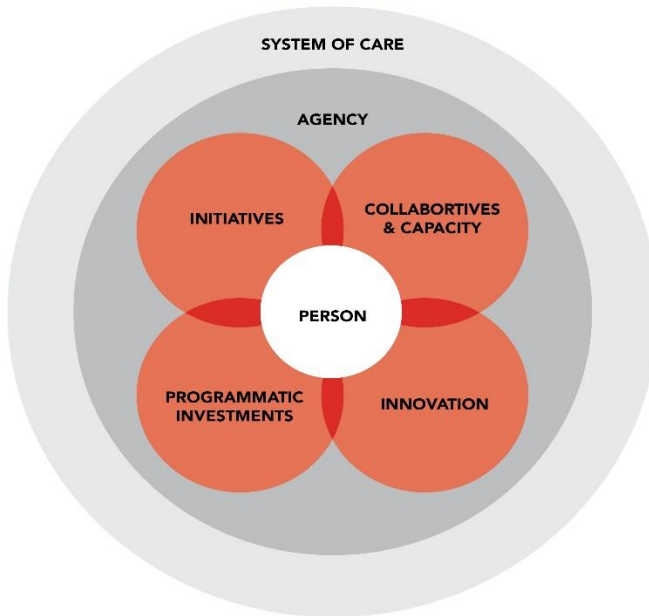
PURPOSE AND SCOPE

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 and government dollars for 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 United Way of Calgary and Area (UWCA). UWCA supports and invests in agencies and partners serving the human services sector, addressing the needs of the most vulnerable Calgarians, aligned with our three focus areas (Overcoming Poverty, Successful Kids, and Strong Communities).

Community Impact Framework



The Community Impact (CI) Framework brings to life Goal 1 of the Strategic Plan: deepen community impact. It will guide United Way's approach to systems change, capacity building, and investments in the community. The goal of the Community Impact Framework is to optimize a coordinated social system of care that provides individuals and families with better access to services and supports across multiple administrative and funding jurisdictions and improves outcomes for people most at risk in our communities. Partnerships, collaborations and innovative approaches will create capacity to leverage our strengths and become more individual, family and community centred.

The investment mix is shifting towards investments that are person-centered, collaborative, transformational and address the root causes of social problems. What changes most significantly is how funding is being utilized and how it is allocated in the community– shifting from largely individual programmatic investments to investments that are collaborative and aligned to systems change and a better system of care for people.

The four categories of investment starting in 2021 will be:

- **Signature Initiatives:** United Way led transformational initiatives involving multiple sectors and systems (includes program funding and innovation)

- **Collaborative Systems Change** Collaborative multi-issue and multi sector work that directly impacts the ecosystem in a coordinated way at a systems level
- **Innovation:** New solution development; community capacity building; emergent issues solutions
- **Programmatic Investments:** Single investments in an agency addressing a particular issue that are not connected to other initiatives

The Framework reflects the evolution of our organization from primarily an umbrella fundraiser and funder to an impact organization focused on outcomes. The focus is on the PERSON within community as both a contributor to and recipient of an integrated and coordinated social system of care. The approach values the capacities of individuals within their communities and strives to ensure that the social service system leverages resources and as a whole is more coordinated, effective, and responsive to the individuals it intends to serve. In addition, the Framework:

- Optimizes the ability of the social system of care to facilitate improved outcomes that meet the complex needs of the person as well as possible
- Acknowledges the interdependencies of social issues, community supports and the complexity of human needs
- Requires a commitment to collective impact through common goals and joint measurement
- Seeks to address root causes of social issues and unmet needs created by systemic barriers
- Engages people and organizations across different sectors in strategic partnerships
- Optimizes and leverages resources
- Emphasizes Indigenous and Western systems working together in parallel, while respecting the ethical space between both systems.

The Framework commits to leveraging our assets including convening, strategic investing, awareness building, advocacy, and the use of disaggregated data to dismantle barriers in order to create more equitable communities.

Envelope Funding will be utilized with our trusted partner organizations where possible and reflects the expertise within the community. It allows organizations more flexibility within agreed upon parameters in responding to the current and emergent needs of the people served while still reporting on agreed upon outcomes.

A. Advancing United Way's Purpose

- a. The Community Impact Framework and the annual Community Investment Plan 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 Plan is to reflect a variety of investments that will result in outcomes and achievements in all four investment 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, to prepare the detailed annual Community Investment Plan.
- 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 Community Impact Framework and the annual Community Investment Plan.
- 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 accessible to agencies registered with Canada Revenue Agency ("CRA") as a charitable organization. In 2022, the *Income Tax Act* (Canada) was amended to allow a registered charity like UWCA to make a disbursement by way of grant to a grantee organization that is not a qualified donee (a "NQD") if (i) the disbursement is in furtherance of a charitable purpose of UWCA; (ii) UWCA ensures that the disbursement is exclusively applied by the NQD to charitable activities in furtherance of a charitable purpose of UWCA; and (iii) UWCA maintains documentation sufficient to demonstrate: (A) the purpose for which the disbursement is made and (B) that the disbursement is exclusively applied by the NQD to charitable activities in furtherance of a charitable purpose of UWCA. In light of these amendments, UWCA is able to provide funding to a NQD provided the NQD is an incorporated non-profit and has purposes that align with UWCA's charitable purposes (even though the NQD is not a registered charity) and the NQD uses the funds for a charitable purpose that aligns with UWCA's charitable purposes. UWCA has decided that it will not provide funding to an unincorporated NQD as the risk is too high.
- 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 and NQDs 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.

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. while maintaining the ability to be agile and respond to emerging issues and needs.
- 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 and Technology 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 January 31st, 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 April 6, 2023

Revisions:

Frequency: 12 months

Last Revision: March 2023

CIC Approval: March 21, 2023,

Board Approval: April 6, 2023