

1.4 Community Support Strategy

2013-14 Business Year

Release 1.0

This strategy provides the policy and processes for assessing community service projects and individual needs, which could receive available KCO support funding and/or volunteer hours?

Table of Contents

Identification3

Definitions3

Introduction5

Strategic Direction6

Policy Direction6

Procedures8

Governance Approach.....13

References14

Table 1- Current Support Activity 8

Table 2 - Annual Cycle Activity 10

Table 3 - Project Evaluation 13

Table 4 - Authority Table 13

Figure 1 – Budgeting and Disbursement Approach..... 9

Figure 2 – Project Evaluation Concept 11

Identification

Date of Issue: October 15, 2013

Outcome: This strategy provides the policy and processes for assessing community service projects and individual needs, which could receive available KCO support funding and/or volunteer hours?

Application: This strategy applies to all committees responsible for delivering community service programs.

Supersession: This document supersedes 1.4 Community Support Strategy, 2012-13 business year strategy Release 1.0, dated September 24, 2012.

Approval Authority: The Board of Directors authorize this strategy along with its associated policy and procedures.

Definitions

The Strategic Management Committee supports the Board of Directors with the provision of advice and secretariat services ¹ that include;

- Strategic planning,
- Ways and means,
- Grants and allocations,
- Policies and procedures,
- Communications,
- Marketing,
- Training,
- Special projects, and
- Internal audit.

Alcohol and Gaming Commission of Ontario (AGCO) administers and regulates charitable gaming in Ontario. Summarized below are the AGCO classifications on the eligible use of proceeds.

- The **relief of poverty** includes organizations that assist the economically disadvantaged by directly providing goods, social services, programs or facilities such as food banks, soup kitchens and organizations that provide clothing, furniture and appliances.
- The **advancement of education**, which must be available to a wide section of the public, includes;
 - significant training or instruction,
 - development of mental facilities, and

¹ The Strategic Management Committee does not have governance authority.

- improvement of a branch of human knowledge, which results in a public benefit.
- The advancement of religion, which refers to the
 - promotion of a religious group's spiritual teachings; and
 - maintenance of the doctrines and spiritual observances upon which those teachings are based.
- **Other charitable purposes beneficial to the community** are interpreted as to include activities that benefit the whole community, without discrimination, so that the purposes have a truly public character that may include:
 - the promotion of arts and cultural activities;
 - cultural, ethnic, native, historic or heritage pursuits;
 - the improvement of health through medical research;
 - treatment programs and preventative programs;
 - youth sporting activities; and
 - community projects undertaken by service organizations.

Business Year is the Club's annual operating period from October 1 to September 30 inclusive in accordance with Kiwanis International bylaws.

Community Service Committees (CSCs) – Youth Leadership and Community Involvement, each chaired by a member of the Board of Directors – deliver programs that align with KCO strategic outcomes.

Governance terms are:

- *Strategy* – a plan of action designed to achieve a vision;
- *Policy* – a principle or rule to guide decisions and achieve strategic outcomes; and
- *Procedure* – a set of actions or operations executed in the same manner to always obtain the same result under the same circumstances.

People within the community supported by KCO financial programs and volunteer activity are defined as:

- *Young Children* – persons below the age of twelve (12) years;
- *Youth* – persons above the age of twelve (12) years and below the age of twenty-five (25) years;
- *Adults* – persons above the age of twenty-five (25) years and below the age of sixty (60) years; and
- *Seniors* – persons above the age of sixty (60) years.

Programs – the community service activities designed to delivery youth leadership and community engagement strategic objectives. For financial and volunteer support purposes, these activities may have clear definition and cost or may be generic with subsequent definition and cost once a specific need is identified.

Introduction

Club History

The Kiwanis Club of Ottawa, founded on December 22, 1917, was chartered as a member Club of Kiwanis International on April 11, 1918. The Club was incorporated in Ontario on April 26, 1935 and is a Registered Charity under the Income Tax Act. As a Registered Charity all of the clubs activities must be exclusively and legally charitable and the Club must benefit the public or a sufficient segment of the public. The Club strives to be the premier service club in the Ottawa area; recognized principally for leadership in the interests of young children and youth, yet a club that is active with initiatives that address broad community needs. This document therefore sets out the segments of interest to the public that the Club intends to benefit through its volunteer support activities and its financial grants and allocations.

Regulatory Implications

The Charities Directorate of the Canada Revenue Agency is the primary regulator of registered Canadian charities under the Income Tax Act. The Club must also comply with the special provisions required for incorporated charities, honour applicable contractual requirements, such as those involving the Kiwanis Club of Ottawa Medical Foundation, and comply with all regulatory requirements applicable to the Club's various activities.

Canadian registered charities can carry out charitable activities by either gifting funds to qualified recipients or by carrying on its own activities through employees, volunteers or intermediaries. Canadian charities can conduct charitable activities in Canada and abroad although they cannot distribute funds to foreign charities without proper oversight by the Canadian charity.

The Income Tax Act relies on common law to define "charity." Accordingly, charitable purposes, those that the Club could support, must fall within four "heads" of charity:

- The Relief of Poverty;
- The Advancement of Education;
- The Advancement of Religion; and
- Other Purposes that benefit the community in a way the course have said are chartable.

The Alcohol and Gaming Commission of Ontario also denote the same heads of charity for the expenditure of public funds the Club raises through Aktion Club and TV Bingo activities. However, the AGCO precludes distribution of those funds to charitable activities outside Ontario.

Strategic Direction

Mission and Vision

The Kiwanis Club of Ottawa is a leading Ottawa-based service club whose mission is to address the need of the community and to improve the quality of life. The Club vision is to be the premier service club in the Ottawa area recognized for our leadership in the interests of children and youth. The Club will be known as a diverse group of people who are professional, leaders and champions in all ways. The Club will be active with initiatives that address community needs and will be engaging, exciting, rewarding and enjoyable for all its members.

Statement of Community Support Strategy

The original Kiwanis motto was “We build”, and in keeping with that motto the KCO is most interested in funding innovative projects that help build a better community. The Club strives to be results-oriented and timely in the delivery services to the public. For those reasons, the KCO focuses on delivering on goals that are SMART (Specific, Measurable, Achievable, Realistic and Time Bound) in a limited number of charitable areas within a defined time frame.

The Club, therefore:

- will raise funds in a particular business year and disburse such funds in the following business year;
- commits to support activities for which it has available funds and volunteer resources;
- may accumulate funds for specific projects within regulatory limitations; and
- reserves the right to accept or reject requests for support – financial or volunteer services.

Policy Direction

Principles

The following overarching principles are used to assess community support requests.

- All support provided will be consistent with the KCO mission and vision.
- Normally requests from organizations that conduct their own significant fundraising initiatives will not be supported as donors to, and supporters of, the Club could choose to support the requesting organizations directly; nonetheless, such requests will be scrutinized and rigorously evaluated for significant potential value to KCO initiatives.
- Normally, multi-year commitments and/or large financial requests will not be supported, but if supported, will rigorously evaluate such requests for significant potential value to KCO initiatives.

- The Club does not make loans to organizations or individuals.

Policy Statement

The KCO will manage and spend funds raised by public solicitation to meet established Community Service program objectives in an efficient and cost-effective manner in accordance with the regulatory References.

While the Club makes an effort to be flexible in trying to meet needs that will benefit the community the following requests will not – except in very rare circumstances – be considered for funding and/or volunteer support:

- annual operating costs, salaries, or endowment funds;
- sponsorship money for a fund raising event;
- organizations including political parties, fraternal clubs and agencies run by federal, provincial, county or city governments, or organizations which support any type of discrimination based on the Canadian Charter of Rights and Freedoms; and
- organizations, including other charitable organizations, that are in very strong financial position and do not require funding, or in a very weak financial position and may not be able to sustain the projects.

Support Categories

All KCO Community Support activities are designated as Mandatory or Discretionary requirements. Mandatory program requirements are those funding and/or voluntary support activities undertaken on a recurring basis and bound by various contractual arrangements e.g. Cadet leagues, Kiwanis International, etc. Discretionary program requirements are those non-contractual funding and/or voluntary support activities undertaken traditionally or in non-recurring arrangements.

Table 1 below shows the current funding/activity under the “Heads of Charity” categorization and program support requirements.

Heads of Charity	Program Activity	Program Component	Support Requirement
Relief of Poverty	Community Engagement	Christmas Basket program Individual requests	Discretionary Discretionary
Advancement of Education	Youth Leadership	Bursaries and Scholarships Music Lessons/Instruments	Discretionary Discretionary
Advancement of Religion	Nil	Nil	Discretionary
Other Charitable Purposes	Youth Leadership	Boys and Girls Club Cadets Key Clubs Circle K Clubs Leadership camps	Discretionary Mandatory Mandatory Mandatory Discretionary

Heads of Charity	Program Activity	Program Component	Support Requirement
	Community Engagement	Aktion Club	Mandatory
		Citizenship Court	Discretionary
		Encore	Discretionary
		Kiwanis Music Festival	Discretionary
		Kiwanis National & International	Discretionary
		Medical Foundation	Discretionary
		Medical Research	Discretionary
		Seniors programs	Discretionary
		Young Children Priority One	Discretionary

Table 1- Current Support Activity

Procedures

Program Approval Approach

Existing community service programs require annual review to ensure they remain valid against the desired program outcomes. Also, they must represent best value for the efficient use of funds raised by public solicitation along with best use of volunteer resources. CSCs may bring forward ideas for new projects within their assigned program areas. When a request for new support arises, it is directed to the appropriate CSC for evaluation in accordance with the project evaluation criteria described below. The Board of Directors will present the recommend defined and undefined programs to the KCO membership for approval. Subsequent to membership approval, CSCs have the authority to allocate resources within financial and personnel budget limitations. However, as described in Reference F, CSCs must seek Executive Committee authority to expend approved funds over \$2,000 for undefined CSC project activities.

Figure 1 below illustrates the recurring project approval approach for the fundraising and spending years.

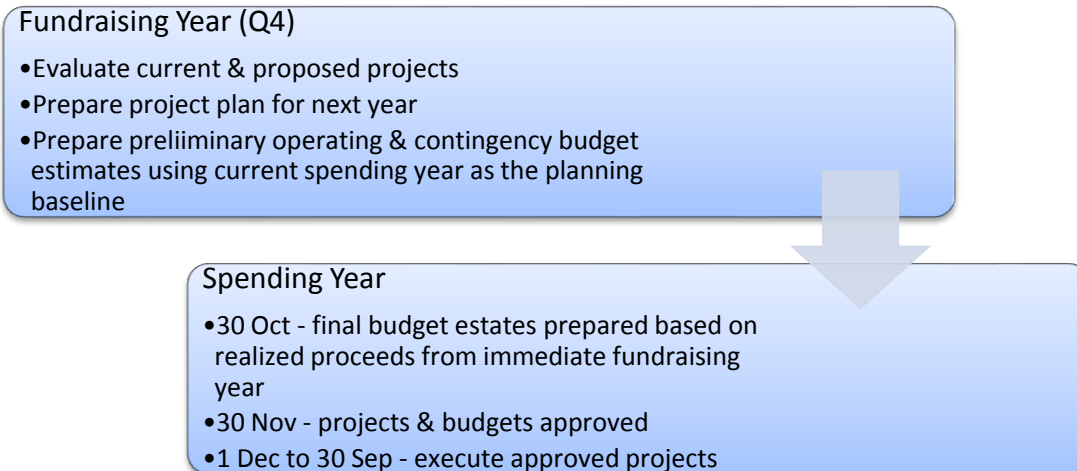


Figure 1 – Budgeting and Disbursement Approach

Annual Cycle Actions

Project planning is a “bottom up” process. CSCs establish ideas for KCO community service consistent with known resources from all previous business year fundraising activities and projected human resource availability. Table 2 below describes the annual cycle actions.

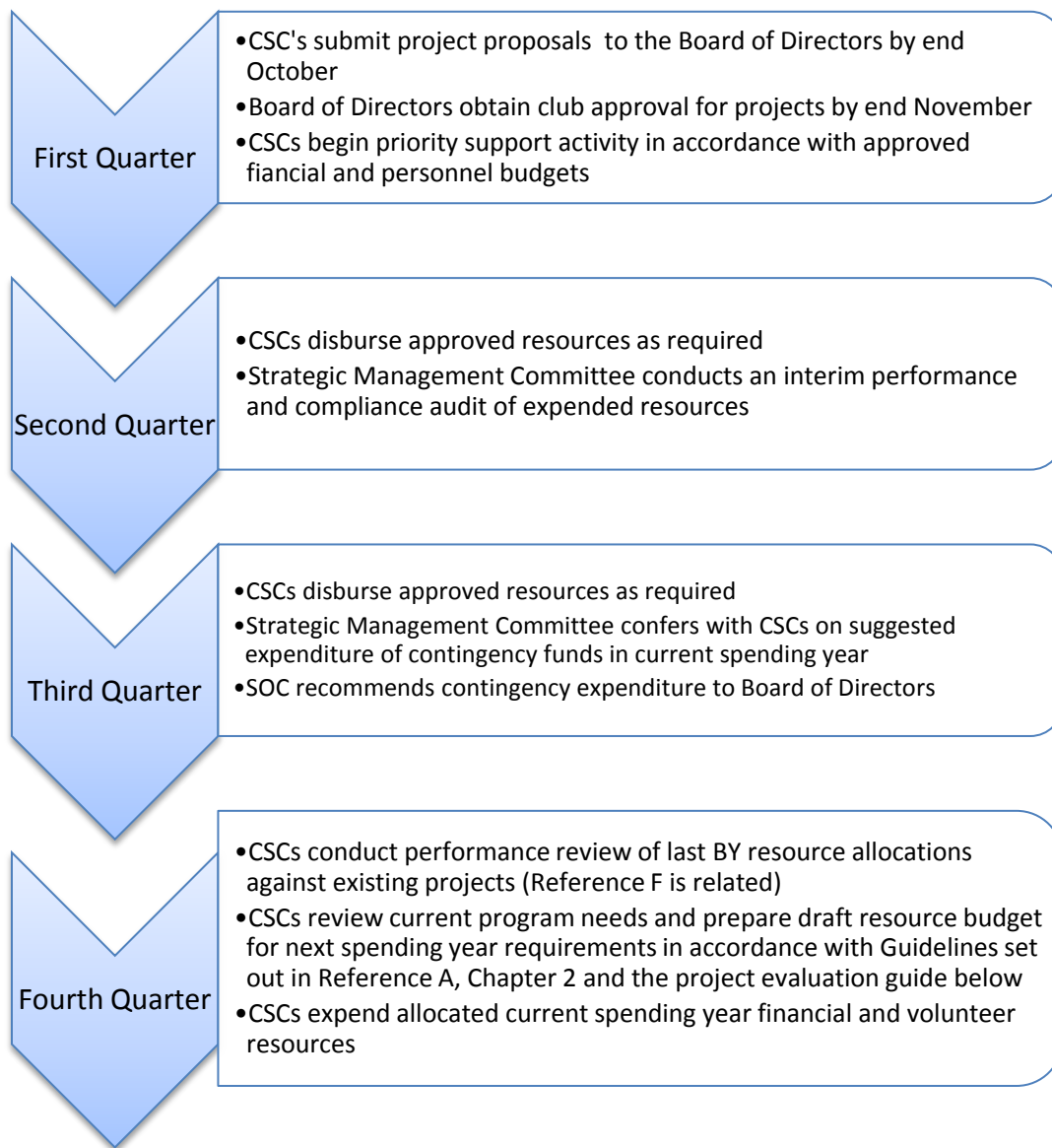


Table 2 - Annual Cycle Activity

Project Evaluation Criteria

Once a proposed project is categorized under a “head” of charity, the proposal is examined against ranking criteria,

- Mandatory – is a “yes” or “no” response option
- Rated – if the mandatory needs are met, then the rated elements are examined

For a project to be considered it must meet all of the mandatory criteria, and score above 70 points in the rated criteria (see table 3 below). While points are assigned by area, funding judgments are made on an overall basis taking into consideration the composition of the scoring.

Project requests with low scores in any particular area are not likely to receive support. Figure 2 below illustrates the evaluation concept.

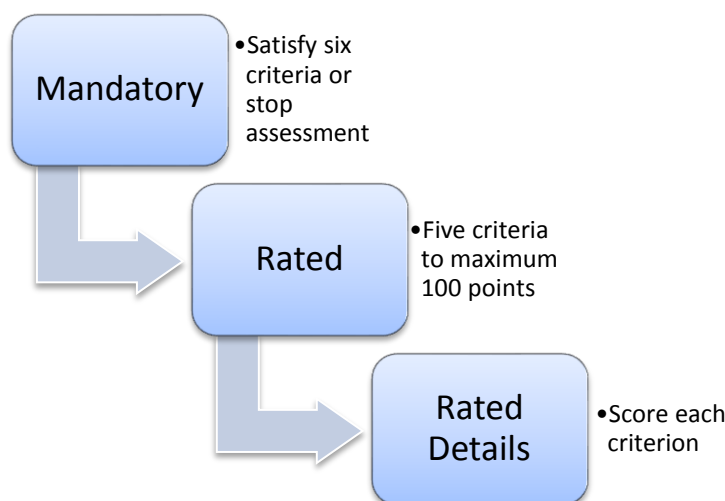


Figure 2 – Project Evaluation Concept

Mandatory Criteria		Met	Not Met	
1. Fit within the legal definition of a charitable activity				
2. Benefits a segment of the public supported by the Club				
3. Fits with Kiwanis mission/vision statements and with the mission of applicant organization.				
4. Directly address a need that has been identified by the community.				
5. Recipient organization is credible, especially in the area in which support is being requested, and has professional standing within community				
6. Recipient organization has the ability to track the use of allocated funds and report on project success				
Rated Criteria		Maximum Score	Maximum sub Score	Rated Score
1. Community impact		30		
a. Project expected to have an impact on a large number of individuals or will have a significant impact on individuals within a particular segment of the community (provides an opportunity for improvement - up to 5 points and will improve the quality of life - up to 25 points).			25	
b. Project expected to have an on-going impact (a onetime impact that will discontinue when the project is finished - up to 2 points, an on-going impact for those involved in the project - up to 3 points, a halo effect that will benefit those not directly involved in the project - up to 5 points).			5	

2. Project plan and team - quality of project team and its plan will have a significant impact on the likelihood of a high degree of success	25		
a. Scope <ol style="list-style-type: none"> 1) Potential for success of the project – addresses an important problem of workable dimensions 2) Proposal has clearly stated objectives and related defined outcomes. Goals are SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) 3) Proposal includes a plan to monitor and evaluate outcomes; a commitment to report to the Club on the evaluation and if a past recipient of funds prior reporting commitments have been fulfilled. 		10	
b. Personnel <ol style="list-style-type: none"> 1) The track record of the people involved in the project 2) The key personnel have the necessary expertise to undertake the proposed program 3) How well known the project team is to Kiwanis. 4) Number of volunteers involved in project 5) Subcommittee chairs identified for key areas 6) Specialized resources/skill sets identified 7) Estimate for number of required volunteer hours 		5	
c. Financial <ol style="list-style-type: none"> 1) Includes reasonable costs and revenues 2) Controller identified to oversee financial aspects 3) Includes only project areas Kiwanis will fund 4) Covers only single year 5) Verifiable plan presented where future financial support is necessary to sustain the initiative 		4	
d. Schedule <ol style="list-style-type: none"> 1) Project plan has clear and realistic milestones 2) Communications plan (2 points) <ol style="list-style-type: none"> i. Internal communication plan identified for participants ii. External communications plan defined for partners iii. External media plan identified 		4	
e. Resources <ol style="list-style-type: none"> 1) Desired results and related resources identified 2) Club resources (office staff, technology, funding) identified 		2	
f. Risk <ol style="list-style-type: none"> 1) Potential points of failure identified 2) Areas of concern not matching project plan 3) Any part of project not previously undertaken by Club is identified 		(15)	
3. Impact of the Kiwanis contribution and its visibility	30		
a. Portion of the funding that will come from Kiwanis (a higher percentage is better) b. Likelihood that the project would not continue without Kiwanis			

funding			
c. One time exposure (signage, ads) of the Kiwanis contribution at the project			
d. On-going exposure / recognition of Kiwanis at the project			
4. Uniqueness	10		
a. Project objectives are not being addressed by other projects currently underway			
5. Culturally diverse, inclusive, and sensitive	5		
a. The project does not discriminate by way of race, ethnicity or religion in its target recipients			

Table 3 - Project Evaluation

Governance Approach

Authority Table

Table 3 below identifies the designated governance and their assigned authority for implementing the policy and procedures.

The	has/have the authority to...
Board of Directors	<p>Approve the strategy, policy and procedures.</p> <p>Recommend support activity for approval by KCO membership</p> <p>Authorize disbursement of approved funds in excess of \$2,000 for previously undefined CSC activities.</p>
Strategic Management Committee	Administer the community support strategy, policy and procedures through the Board of Directors.
Community Service Committees	<p>Request continuation of existing and addition of new program activity within the parameters of the selection and review process</p> <p>Approve funding requests from assigned community groups or eligible individuals within the parameters of approved budget allocations and the AGCO regulatory framework – Chapter 2.</p> <p>Disburse funds to assigned beneficiaries based on approved budget allocation.</p> <p>Request removal of a program activity when the activity is deemed invalid or ineffective</p> <p>Coordinate with the Director – Membership Engagement and Retention for the availability of Volunteers to support projects</p>

Table 4 - Authority Table

Project Reporting

In addition to the financial reporting requirements set out in Reference F, CSC chairpersons will report the status of their respective projects activities quarterly to the KCO membership through the Board of Directors.

References

Source References

- A. http://www.agco.on.ca/en/whatwedo/index_llpm.aspx Lottery Licensing Policy Manual – Regulatory Framework
 - Article 2.4.1 Eligible use of proceeds
 - Article 2.5.0 Ineligible use of proceeds
- B. AGCO – Media Bingo Licence Terms and Conditions
- C. Ontario Not-for-profit Corporations Act
- D. Kiwanis Club of Ottawa Bylaws

Related References

- E. 1.1 – Charitable Fundraising Strategy 2013-14 Business Year, Release 1.0, dated October 15, 2013
- F. 1.5 – Community Service Financial Disbursement Policy 2013-14 Business Year, Release 1.0, dated October 15, 2013
- G. 3.5 – Current Management Operations and Procedures (to be developed)
- H. 3.5.2 – Financial Management (to be developed)
- I. 3.5.3 – Information Management (to be developed)

See Annex A for Project Application Form