

# 2022 Small Capital Fund Application Guidelines

## Statement of Intent

The Community Investment Program (CIP) recognizes that the not-for-profit sector plays an essential role in designing and delivering programs and services that meet the needs of the community. CIP also recognizes that operational capacity building supports not-for-profit agencies to be agile and responsive to changes in the environment.

As such, the Community Investment Program 2022 Small Capital Fund supports and increases the Operational Capacity for not-for-profit agencies to support residents of Peel. Funding will support small capital expenses. This fund improves service delivery over the long-term, by funding items that maintain or improve the facilities used to run programs across Region of Peel communities.

## Application Information

Before completing your application, carefully review these Program Guidelines, particularly the **General Eligibility** section, to verify that your organization aligns with the fund criteria and proposed initiative(s).

This fund will use the Small Capital Fund application in the GovGrants platform. You will see references made to Small Capital Fund throughout the application process. You will be required to complete and submit:

- Registration process to access GovGrants platform – If you have already Registered then you do not need to complete this step.
- Update Service Provider Profile with 2021/22 information including number of residents served
- Application Form, Budget Request, and Key Performance Indicators (KPIs)
- Two most recent consecutive years of audited Financial Statements
- YTD March 2022 Financial Statements (includes Balance Sheet and Income Statement)

# Application Priority Areas

Applications are open to all not-for-profit agencies in the Region of Peel. Requests will be aligned to Regional Community Investment Program principles and serve to increase the agency's operational capacity.

## Demonstrated Need

Applicants will be required to demonstrate how this funding will strengthen their organizational capacity through the small capital purchases requested. **Requests can include capital expenses incurred due to COVID-19 pressures as well as post pandemic to assist transition to service delivery in a hybrid model.** All grants will have to demonstrate value for money and impact on program goals which ladder up to organizational objectives.

## Organizational Effectiveness

Applicants will be required to demonstrate how this funding will strengthen their organizational capacity to address the needs of low income and vulnerable clients. Funding will be distributed based on the organization's ability to align to the fund outcomes such as improving critical service gaps caused by the COVID-19 pandemic.

### Operational Capacity

Addresses the existence and use of documented procedures as well as the organization's ability to set program goals and assess their outcomes.

Shumate, M., Cooper, K.R Pilny, A. & Pena-y-lillo. (2017). The Nonprofit Capacities Instrument. Non Profit Management and Leadership 28(2), p 155-174

All applications must be submitted through GovGrants, the Region of Peel's new online grant management platform.

**Important: To access the application form, you must first complete your Registration and Service Provider Profile (SPP) in GovGrants as soon as possible (if you have not already done so). Please allow sufficient time to complete the Registration and SPP prior to accessing the application form.**

You will be required to update your SPP under Community Investment Tab with 2022 data which includes the tabs for: Nature of Organization, Operations, Financials and uploading the mandatory Documents in the Documents tab. These documents include two most recent consecutive years of Audited Financial Statements, YTD March 2022 Financial Statement and Certificate of Insurance.

Please visit the Region's Community Investment Program webpage for additional information and access to GovGrants. <https://www.peelregion.ca/community-investments/>

# Community Investment Funding Principles

The Community Investment Program (CIP) is committed to and guided by best practices and principles for the not-for-profit funding sector. In order to ensure that all of CIP's funding frameworks, strategies and review processes are adhering to the utmost integrity, transparency and relevancy, the CIP program is guided by the following key principles:

## Alignment to Sector, Priority Population, and Regional Priority Alignment

The Region ensures that all initiatives, investments, and partnerships are contributing to maximizing positive impact on communities.

## Agency-Centered – Equity, Diversity, and Inclusion

The Region focuses not just on needs but also on the assets and capacities of our not-for-profit agencies. The Community Investment Program strives to be inclusive by consulting with not-for-profits to develop funding models, whenever possible.

## Accountability, Transparency and Results Oriented

All Region of Peel Community Investment funding will have relevant measurable indicators that are informed and guided by proven, effective best practices. All grants will be required to adhere to performance conditions specified in the Community Investment Program Funding Agreement and may be subject to an audit.

## Funding Conditions

- Applicants will be required to adhere to performance conditions specified in the Community Investment Program Funding Agreement and may be subject to an audit.
- Applicants must demonstrate how funding will improve operational capacity to increase service delivery and efficiency.
- All funding must be spent by **December 31, 2022**. Any unspent funds will result in funding recoveries.
- The Region reserves the right to revise Small Capital Fund eligibility on a case-by-case basis.

## Eligibility Criteria

The Small Capital Fund provides funding to the not-for-profit sector in Peel to help support and align to program goals which ladder up to organizational objectives.

To be eligible for the Small Capital Fund, an agency must:

- Be located in Peel Region and/or primarily serve Peel residents.
- Be mandated to provide human and community services.
- Be incorporated as a not-for-profit organization for a minimum of 2 years. The organization must be registered as a charity under the *Canada Income Tax Act*.

- Be governed by a volunteer board of directors that is representative of the community it serves.
- If a fiscal sponsor is required, please contact us at [cip@peelregion.ca](mailto:cip@peelregion.ca). Ensure you mention your fiscal sponsor in the Application Form under Section 3 - Sustainability AND in the Budget Tab under the Budget Narrative section.
- Comply with the Ontario Human Rights Code in hiring practices and provision of all of its services.
- Comply with federal, provincial, and municipal laws and regulations.
- Have established and documented financial management systems in place and be able to provide annual audited financial statement or equivalent

### Ineligible applicants include:

- Individuals
- For-profit organizations
- Organizations acting in the capacity of a funding body
- Organizations affiliated with a political party or that have a political mandate
- Programs where the federal or provincial government have the primary responsibility for funding, including but not limited to:
  - Hospital-based health programs
  - Medical research
  - Arts and cultural programs
  - Formal education and training
  - Settlement and English language instruction programs
- Programs funded or delivered by Brampton, Caledon, or Mississauga, including but not limited to:
  - Parks and recreation
  - Transportation
  - Environmental programs
  - Economic development

## General Eligible Expenses

The Small Capital Fund will support all not-for-profit agencies in the Region of Peel.

**When completing the funding application in GovGrants, ensure the following is completed:**

- **Your requested items match the categories listed below in GovGrants / Budget tab**

- **Ensure your funding request does not exceed the funding limit. Refer to Funding Limits and Funding Term below.**

**Eligible costs will be accepted from January 1, 2022** to manage the increased needs within the following areas mentioned below. Examples have been provided and is not an exhaustive list.

**Facilities** - Renovation or maintenance of existing facilities

**Renovation, upgrade and repair**

- Plumbing, painting, leasehold improvements

**Acquisition** - Purchase of fixed capital assets for long term ownership and use by the organization.

**Furniture, Fixtures and Appliances**

- Desks, chairs, filing cabinets, refrigerators, stove, dishwasher, freezers, microwaves, coffee makers, fire/water resistant safe, shelving
- Storage facilities

**Organizational Infrastructure** - Purchase of fixed capital assets (purchase of hardware, software system improvements) that improve the organization efficiencies.

**Computer Hardware, Peripherals, Networking and Electronic Equipment**

- Desktops, laptops, tablets, and peripherals (monitor, cases, locks, multi-port adaptor)
- Servers, printer, scanner, TV, telephone system, projector, digital camera, WIFI receivers, speakers, presentation remote, switch, rack, server fan), security upgrades
- **Subscriptions and Software as a Service-** Expenses for time frame from January 1, 2022 to December 31, 2022 and subject to approved amount.
  - Zoom, Teams, Cloud, etc.
  - Income tax preparation

**Ineligible expenses include the following:**

- Recurring costs associated with small capital request: Time based software subscriptions and IT expenses are only covered between January 1, 2022 to December 31, 2022
- Staff positions to support small capital request
- Program development and operations associated with small capital request
- Occupancy costs such as Rent and Utilities
- Major construction projects.
- Purchase of land or buildings.
- Purchase or lease of private /personal vehicles
- Political activities
- Contributions to annual funding drives and capital campaigns

- Activities completed, or costs incurred prior to the approval of the grant application
- Contingency costs are not eligible expenses
- Taxes, such as GST and HST, for which the recipient is eligible for a tax rebate, and all other costs eligible for rebates

## Funding Limits

The Community Investment Program Small Capital funding provides Peel not-for-profits up to a maximum grant per agency of \$10,000. Computers and laptops are limited to a maximum of \$1,500 and cell phones to a maximum of \$1,000. Funding supports small capital purchases to increase not-for-profit's operational capacity. Operational capacity addresses the existence and use of documented procedures as well as the organization's ability to set program goals and assess their outcome. Small capital purchases should support and align to program goals which ladder up to organizational objectives.

## Funding Term

Funding is awarded for 2022.

- Funds are released annually, conditional upon receipt of required Small Capital funding reports.

## Timing for Use of Funds

All approved funding recipients will have from July 1, 2022 to December 31, 2022 to spend the funds. Expenses can be eligible from January 1, 2022 to December 31, 2022.

## Assessment Process & Criteria

The Community Investment Program remains committed to the transparent assessment of funding applications. We aim to invest in organizations that demonstrate financial viability while meeting service delivery and program objectives.

The Community Investment Program has a limited budget and demand continues to increase. Our goal is to expand our reach by taking a balanced approach to distributing funding in an equitable and transparent way.

Each application that meets the general eligibility requirements will be reviewed by a Fund Review Committee comprised of Region of Peel staff and assessed based on the following criteria:

## 1. Regional Priority Alignment

Requests can include capital expenses incurred due to COVID-19 pressures as well as post pandemic to assist transition to service delivery in a hybrid model.

## 2. Demonstrated Need

We will consider information that explains how this funding will positively impact the agency and the community. We will evaluate and compare eligible applications against program criteria, principles, and objectives. Applicants are evaluated based on their ability to identify small capital requests that will improve their organization's operational capacity.

## 3. Sustainability

Applicants must demonstrate that the agency will be able to sustain the impact of their capital fund requests.

## 4. Organizational Health

You must demonstrate strong organizational management in the areas of financial management, board leadership and operational capacity.

In addition, the Community Investment Program completes a financial assessment as a part of the eligibility and approval process, to broadly assess risk present in not-for-profit funding applicants.

The following financial statements for the last two years must be submitted when completing your Service Provider Profile on GovGrants:

- Two years of Audited financial statements (signed and dated by auditor) if your organizational revenue is over \$250,000.
- A Review Engagement Report if your organizational revenue is between \$150,000 - \$250,000
- A Notice to Reader Report if your organizational revenue is less than \$150,000

Financial Statements must be prepared by a qualified professional and audited by a Certified Accountant.

The statements below are examples of what the reports are often titled, and the type of information usually found in these reports is provided in brackets:

- *Statement of Financial Position or Balance Sheet* (Assets and Liabilities)
- *Statement of Revenue and Expenses/Income Statement* (Net surplus or Deficit)
- *Statement of Operations and Net Assets* (similar to Revenue and Expenses but includes Net Assets)
- *Statement of Cash Flows*
- *YTD Actual Revenue and Expenses*

In general, the documentation submitted needs to include the following information: Assets, Liabilities, Revenue, Expenses, Net Assets (Capital)

The risk factors include benchmarks and financial ratios that are analyzed using the audited financial statements submitted by the organization.

The financial ratios are grouped in the following categories:

- Liquidity
  - Measures the ability to meet short-term financial obligations
- Leverage
  - The ability to operate within the agency's means during the year; assets that are financed by creditors; liabilities and debt
- Profitability
  - The average of last two years of Surplus (Deficit)
- Revenue
  - Diversity of revenue sources
- Expenditures
  - Looking for high proportion dedicated to delivering programs

## 5. Alignment with Region of Peel directives and Eligible criteria

You must clearly demonstrate how the funding will benefit the organization and align with Region of Peel's directives as mentioned throughout these Guidelines.

### Equity

The Community Investment Program recognizes the importance of equity and is committed to applying an equity lens to the funding program to ensure that the diversity of our local service providers and community are reflected in Community Investment Program decision-making, grant opportunities, policies, and practices.

## Anticipated Outcomes

Funded applicants aligned to one of the priority areas outlined above will result in the following outcomes:

- Improve organization's ability to increase operational capacity and improve service delivery
- Demonstrate short-term, immediate benefit and potential long-term impact for sustainability

## Key Performance Indicators (KPIs)

The KPIs are found on GovGrants under the Performance tab. You will be required to enter a Target percentage for the two performance indicators listed below. The percentage target will reflect the increase in service if the funding request is approved.

- Increased Service Levels to measure the agency services provided.



- For example, if services are forecasted to increase by 2% then enter your Target at 2%.
- Increased Service Attendance to measure the agency services attendance
  - For example, if service attendance is forecasted to increase by 2% then enter your Target at 2%.

## Measuring Success

The Small Capital Fund enables Peel's not-for-profit sector to improve the operational capacity, which ultimately improves an agency's ability to operate and deliver quality services.

### Freedom of Information

All information that is in the custody or control of the Region of Peel is subject to the access provisions of the *Municipal Freedom of Information and Protection of Privacy Act*. The information submitted in your funding application will be used for the purpose of assessing your application for funding.

## Reporting Requirements

All funding recipients must submit a mid-term and final report. You will receive an email notification to complete these along with the reconciliation reports using GovGrants. Funding is conditional upon receipt of these Small Capital funding reports.

### Requirement to Keep Supporting Documentation

To demonstrate the Small Capital Fund was used to support eligible expenses, please retain all original supporting documentation for a minimum of seven years.

### Reconciliation

Agencies receiving Small Capital funding are required to reconcile the amount of funding received at the end of the funding term which is December 31, 2022. The reconciliation provides confirmation the funding was allocated according to the funding guidelines and identifies surplus funds to be recovered.

The reconciliation will be submitted through GovGrants as outlined in your Funding Agreement. The reconciliation covers actual expenditures for each eligible and approved expense and other information that may include KPIs and outcomes.

The Region of Peel may conduct check-ins at any time to assess whether funding has been used for its intended purpose and may request receipts, invoices, and proof of purchase to assess expenditures.

## Recoveries

Agencies will return unused funds or funds not utilized in accordance with the conditions outlined in this Guideline and/or Funding Agreement. Agencies will repay the Region of Peel /Community Investment Program all or part of their Small Capital Funding in the following situations:

- Eligibility criteria was not met
- Funds were not fully spent
- Funding was not used in accordance with the terms of the Funding Agreement or this Guideline

## Notification of Funding Decision

The application deadline is June 15, 2022. It is anticipated that funding decisions will be communicated 3-4 weeks after the application intake deadline. All applicants will be notified whether their application is approved or declined for funding.

## Recognition of Community Investment Program Funding

The Community Investment Program encourages funding recipients to acknowledge Community Investment Program funding in promotional and program materials. The Community Investment Program will provide logo and terms of usage in various digital formats upon request.

## Application Submission Deadline

Please ensure you submit your application through GovGrants (the Region's new online fund management platform) on or before **June 15, 2022, by 5:00p.m.**

Access GovGrants Here: <https://www.peelregion.ca/community-investments/>

## For fund and GovGrants technical support inquiries, contact:

[ZZG-CIP@peelregion.ca](mailto:ZZG-CIP@peelregion.ca)

Technical support is available until 5:00p.m. on the application intake deadline date (June 15, 2022).

# Appendix A: Mandatory Documents to Submit

The following documents must be submitted through GovGrants:

**Submit the following through the Service Provider Profile in the “Documents” tab:**

- Articles of Incorporation (Letters Patent).
- Most recent 2 years of audited financial statements if your organizational revenue is greater than \$250,000. If your organizational revenue is between \$150,000 and \$250,000 you may submit a Review Engagement. If your organizational revenue is less than \$150,000, you may submit a Notice to Reader).
- Proof of insurance.

**Submit the following as part of the Small Capital Fund application in the “Attachments” tab:**

- The organization’s YTD March 2022 Financial Statements.

**Application Checklist:**

- Complete Registration and Service Provider Profile in GovGrants. Attach Articles of Incorporation and 2 years of most recent audited financial statements or Review Engagement or Notice to Reader in the Service Provider Profile attachments tab.

**Note:** The process for completing the GovGrants registration and Service Provider Profile takes time. It is important that this is completed first.

- The applicant is responsible to ensure proper insurance is in place. Remember to upload proof of insurance either in the **“Documents”** tab of the Service Provider Profile or the **“Attachments”** tab within the Small Capital Fund application.
- Also remember to upload the YTD March 2022 Financial Statements, which consist of a Balance Sheet and Income Statement in the **“Attachments”** tab within the Small Capital Fund application.