

## Questions and Answers – Post-Webinar Version (November 13, 2020)

The many comments (49) expressing appreciation for the transparency of our October 29 webinar show that we have laid the groundwork for an open conversation. This conversation is not necessarily easy, as it can cause uncertainty, anxiety, and the need to have more information as quickly as possible, which your comments also demonstrated. In keeping with the goal of openness and clarity, we are providing you with more details and answers to the questions we received during the webinar.

### About increased needs due to COVID-19 and the emergency funds

- 1. Individuals will still be in crisis and in distress after March 31, the cut-off point for the Emergency Community Support Fund (ECSF). Some webinar attendees drew our attention to specific issues (e.g., mental health) and specific populations (e.g., men in distress, racialized people).*

**This is why Centraide agreed to take on a deficit for a 2nd fiscal year (in 2021-2022). We have committed to maintaining a level of financial support next year that will exceed the available social investment envelope.**

**Centraide regularly invests in the focus areas mentioned in the question, and we are continuing to take action in these areas.**
- 2. In relation to the ECSF, do all expenditures have to be incurred before March 31, 2021? Can we carry a balance forward to the 2021-2022 fiscal year?*

**No balances can be forwarded. Amounts allocated under the ECSF must be spent by no later than March 31, 2021, as per the rules issued by Employment and Social Development Canada (ESDC), which are included in the contract that agencies have signed. Centraide must also provide ESDC with very precise reporting, and any money not spent under the agreement must be returned.**
- 3. Will the Emergency Fund be renewed?*

**Centraide for our part will not renew its Emergency Fund. We are making our donors aware of the importance of increasing (or at least maintaining) support for community agencies, which are all helping to meet the many needs of the larger number of people affected by the economic and health crisis.**
- 4. Could agencies that are not funded by Centraide but that were supported by the emergency fund be eligible for long-term funding?*

**This could be possible once we have revised our investment strategy. However, we will not be able to do this in the short term given our financial situation (for 2021-2022).**
- 5. It is very difficult to find funding for agencies that were created in response to COVID-19.*

**Yes, this is true. The same is true for agencies founded before the crisis, which are facing an increase in the volume of people requesting their services. These agencies had to adjust their activities and services, sometimes to a considerable extent, to adapt to the context and emerging needs.**

## About funding for 2021-2022

### Reminder of key messages during the webinar:

- Centraide will run a deficit for a 2nd year to support the work of community agencies given the exceptional and ongoing social crisis.
- Some funding will be withdrawn or reduced as per our usual practices and criteria. Agencies whose budgets will be withdrawn or reduced by more than 30% of their budget will be notified before December 31, 2020 (and have already received clear messages about the review of their situation: there should be no surprises).

6. *Will agencies included in the bank of agencies awaiting funding receive financial support from Centraide in 2021-2022?*

*Will Centraide accept new agencies (in the context of the announced deficits)?*

**In the short term (for 2021-2022), our financial context will not allow us to “bring on” or “accept” new agencies.**

7. *Will all agencies have a 30% reduction?*

*Will the 30% reduction be calculated on the amount allocated by Centraide or on the agency’s total revenues?*

*Which agencies will be affected and when will they be notified?*

*Will a virtual meeting be held with the person responsible for our sector?*

- **Only a small number of agencies will be impacted by the 30% reduction.**
- **These agencies have already been notified, and Centraide advisors are currently meeting with them.**
- **If you have not been contacted, this means that you will not be included in these short-term reductions.**
- **IMPORTANT: Not all agencies being evaluated will have their allocations reduced.**
- **The 30% reduction applies only to the allocation amount normally paid by Centraide.**
- **NOTE: All administrative rules agreed upon between Centraide and the agencies remain in effect. For example, there may be one-time reductions in investments, for example, if an agency has accumulated an unallocated surplus beyond the authorized limit.**

8. *If the decisions are not related to the financial context, could an agency’s funding be increased?*

**Ongoing decisions to withdraw or decrease allocations will not only be based on our financial situation. However, our expected decline in revenues means that we cannot plan to increase allocations in the short term.**

9. *You mentioned that donations from workplace employees will have a great impact on Centraide’s campaigns. How much money is usually raised by how many employees? How much more should each employee give to reach normal funding levels?*

**This is a complex question that is difficult to answer for two main reasons:**

**First, Centraide has several categories of donors based on giving level. The current economic context has not had the same impact on the different economic sectors of these different donor types. As a result, many donors have increased their donations while others have been forced to reduce their donations because they have lost their jobs and have not been able to contribute.**

Second, to reach Centraide's usual funding level, we would first have to accurately establish agencies' financial needs to determine the total amount of investment required, for which there is no consensus as far as we know.

## About contracts

10. *Will signed commitments be met?*

- **Yes, for 2021-2022; at this point, for 2022-2023 and 2023-2024, the only commitment that can't be met is the contract duration.**
- **However, the contracts include an exception clause in the event that a fundraising campaign does not generate sufficient revenue. Centraide could have invoked this clause right now and made substantial reductions as of April 1, 2021.**
- **For us, in the current social context, this option seems completely contradictory to our mission and, above all, to the way we work with community agencies.**
- **However, the signals we are getting from many of our loyal donors are the same: the economic context has become very unstable due to the length of the health crisis. This means we need to expect the 2021 campaign to be just as difficult, if not more so, than this year's.**
- **This consequence was explained during the webinar, which we invite you to watch to learn more about this point.**

11. *Will agencies that have a service agreement be subject to the same questions and conditions as agencies with mission funding?*

- **Agencies that provide "training and support" as part of our skills and leadership development (SLD) strategy receive funding from Centraide in the form of a service agreement.**
- **No changes are planned in how we work with these agencies under the SLD strategy, other than regular annual adjustments, in follow-up to requested service offers.**

12. *Our agency has a three-year agreement. So now we have to forget that and sign a new agreement with Centraide every year? Like Centraide, we also want to be agents of change, but change can't be achieved just one year at a time!*

- **We understand the impact and frustration that the use of the exception clause can generate. From memory, this is the second time in Centraide's history (almost 50 years!) that we have had to invoke this clause. We recently wrote to you that contracts will be for a one-year term effective immediately and until further notice.**
- **This provision has been adopted until the new funding strategy has been finalized. Our goal is to avoid signing 3-year contracts and then having to use the exception clause to get out of them.**
- **However, we do want to reiterate that long-term funding is part of Centraide's practices.**
- **Once the investment strategy has been implemented, the duration of the contracts will be determined (as they cannot be in force in perpetuity) and may be variable.**

13. *Will one-year contracts apply to the neighbourhood roundtables?*

- **Yes.**

## About the territorial approach

14. *Will we get details about Centraide's intentions for territorial funding versus group funding? It seems that group funding is gradually being abandoned in favour of a territorial approach.*

**The goal of Centraide's territorial approach that it implemented in 2010 is to fight poverty and social exclusion. This approach is based on the principles of empowerment, social inclusion, and collective work with the stakeholders who make up these communities. Through this territorial approach, Centraide contributes to community development by supporting community agencies, citizen involvement and collective projects within a neighbourhood or local community. There is therefore no opposition between the territorial approach on the one hand and group funding on the other.**

15. *Will you account for the specific characteristics of some activity areas in relation to the territorial approach? (e.g., disabled people, a sector that is not suited to a local approach).*

*You talk a lot about neighbourhoods, but how do these issues and questions apply to regional agencies?*

**Yes. Our experience in the past ten years shows us that the territorial approach is very relevant, but that it also has limitations for certain populations (such as people with disabilities) and for certain sectors (such as rights advocacy). Our ongoing goal and intention are to continue supporting specific populations or systemic issues through regional agencies.**

## About the new investment strategy

### Reminder of key message during the webinar:

- For the 2022-2023 fiscal year: We need to start thinking about changes now.

16. *Can you define the term "static" in the PowerPoint?*

**As explained during the webinar, Centraide's investments will remain largely within the same neighbourhoods and the same local communities, even though people affected by poverty issues in a territory are in neighbourhoods and suburbs that were previously not affected a great deal. As a result, Centraide's support between neighbourhoods appears unequal if we account for population size and level of deprivation.**

17. *Does this mean that some neighbourhoods that were underfunded will eventually receive more money?*

**One scenario being studied as part of our investment strategy review is to improve the geographic equity of Centraide's investments based on level of deprivation and related parameters.**

18. *What about mission-based funding for agencies?*

*(Risks that mission funding will be weakened due to project-based funding; the specific nature of Centraide is that it is the only foundation that provides recurring support for agency missions; alternative for getting more ad-hoc funding for innovative projects)*

**Centraide is not responsible for providing funding for the missions of community agencies. One of Centraide's strengths is its long-term support to help agencies cover their operating costs. This long-term core funding will remain a feature of Centraide's funding strategy, which does not mean that this will be the only way that it supports the work of groups. Also, "long-term" does not mean "forever," so the funding term will have to be determined.**

We also can't forget that our decision to invest in an agency is based on how well its activities meet the needs and priorities of the local community and based on Centraide's financial resources.

19. *Will Centraide increase its investment in the neighbourhood roundtables? Will it change its distribution between agencies and collective action / neighbourhood roundtables?*

*Will collaborative projects be affected as much, less, or more than core funding to agencies?*

**No decision has been made on this issue yet. Funding for neighbourhood roundtables is made on a tripartite basis with partners from the Ville de Montréal and the Direction de la Santé Publique. These questions will be part of our reflections as we review our funding strategy.**

20. *Will funding be available for groups of agencies with the same needs to promote partnerships and collaborative service delivery for specific groups of people with the same vulnerabilities in the community or a given setting?*

**This scenario has been studied, as set out in our Strategic Orientations 17-21 (p. 7):**

***Support any volunteer-driven process to develop partnerships between organizations for the purpose of optimizing the impact of their collective resources. For example, certain recent experiences, including those of Quebec's Centraides (which are currently reviewing their organization across the province), have uncovered avenues for increasing synergy and optimizing resources between agents of change.***

21. *Will there be a connection between Centraide's funding and that of governments and other foundations?*

**A fair allocation of our investments should account for all financial mechanisms made available to a community. The Centraide RADAR, which was tested during the first wave of the current pandemic, helped financial partners identify where each one was directing their Emergency Funding in terms of food security. This was an inspiring experiment. We are also in regular contact with many financial partners to develop our collaboration and communication practices.**

22. *Why has a "solidarity reduction" been ruled out?*

Note: In 2014, following a decline in our campaign result, Centraide of Greater Montreal applied a "solidarity reduction" of 2% to all supported agencies. The impact of this reduction was permanent.

**The primary goal of the investment strategy review is not to balance the level of social investment with campaign revenues. A "solidarity reduction" would not address many of the issues identified in our reflections on our funding strategy, such as those described in Questions 16 and 17.**

**Given our observations of how the investment strategy has evolved in recent years, Centraide would like to deploy a more equitable, inclusive, agile, simple, and resolutely impact-oriented investment strategy to help people living in poverty and those threatened by social exclusion.**

23. *Does this mean some level of interference with how agencies operate?*

**With the agencies that it supports, Centraide strives to develop healthy and constructive relationships that are characterized by listening, openness, concrete support, and respect. This does not constitute interference, in our humble opinion.**

**We want to reiterate the goal set out in our 2017-2021 Strategic Orientations (p. 8):**

***Centraide helps communities to develop by supporting local agencies, mobilization initiatives, and collective projects. To be clear, our goal is not to support as many***

***organizations as possible, but rather to support the objectives identified by individual communities that are intended to benefit their residents living in poverty and/or who are at risk of social exclusion.***

24. *Does this mean that Centraide will no longer fund other agencies?*

**Centraide wants to offer more opportunities for support to agencies based on needs in the community and in line with the implementation of our investment strategy. During the crisis, we discovered agencies that we could support in this regard once our financial situation allows.**

25. *Will some areas of action be dropped?*

**We are not considering this option at this time.**

26. *What will happen with the CIP? Will these programs continue?*

**A proposal for a second Collective Impact Project is being finalized with the CIP partners. Confirmation is expected before the end of 2020.**

27. *Can you tell us about the most important lessons learned from the CIP and other collective action initiatives that will guide your decisions?*

**A day-long event to discuss the CIP and lessons learned from this project with the agencies involved was held on November 4. Stakeholders identified many lessons and strengths, including Centraide's bottom-up approach, the duration of committed financial support, the diversity of support, and its flexibility.**

**During the first wave of the pandemic (in the spring), the capacity for response and collaboration among partners at the local level was particularly evident in neighbourhoods with a well-developed and entrenched culture and practices related to collective action.**

**Two webinar attendees made comments along these lines:**

***I would like to add that we did not expect collective work to be very significant during COVID. The Council is one of the organizations that has been doing collective work for many years with funding by Centraide and the Initiative. The expertise we had was very helpful; we would not have been able to build this during the emergency.***

***The coordination and funding agility during COVID led to expertise and/or a different approach to collaborative relationships.***

28. *Do I understand that Centraide is contemplating stopping or reducing funding of more than one housing committee in Montreal, since all housing committees serve a similar population in Montreal?*

**It is important to reaffirm Centraide's goal, which is set out in black and white in our 2017-2021 Strategic Orientations: to support agencies that promote and defend people's rights in order to empower them. The efforts described to pool resources may apply to certain situations; however, agencies with local roots may still be relevant depending on the context, even if the same services are provided in other territories.**

## About criteria

29. *What are the performance criteria to qualify for financial support from Centraide?*  
- *The COVID-19 pandemic has resulted in unprecedented needs and responses from communities - there need to be better accessibility criteria for new agencies.*

The current eligibility criteria for financial support from Centraide are posted on our website <https://www.centraide-mtl.org/en/agencies/join-our-agency-network/>

The performance criteria that Centraide uses to decide whether to renew investment contracts are also available from our website <https://www.centraide-mtl.org/en/agencies/join-our-agency-network/allocation-criteria/>

As mentioned during the webinar, managing the Emergency Funds made us aware of the discriminatory impact of some of our performance criteria, which we would like to review in the coming year.

For example, here is a comment from the webinar:

*I have noticed that “end-users” (real people) are rarely surveyed or asked about the quality of the services or goods they receive.*

30. *We find that, to receive assistance from the Centraide, you need to get assistance from other sources. This choice by Centraide is difficult for us, as the needs of a new agency are obvious. Why not evaluate an agency like ours based on its involvement with citizens and its impact on the population?*

**This was not one of our regular funding allocation criteria. To quickly process and respond to requests from agencies that we did not know (or knew little about) in the exceptional context of the Emergency Fund, we relied on the advice of another partner, who was sometimes a financial partner. This was to assure our donors that these agencies were able to carry out the submitted projects and to ensure sound financial management.**

31. *How does Centraide determine vulnerability and disadvantage? Do you account for fluctuating poverty in light of gentrification?*

**We have, and continue to, consult various partners, studies and tools to thoroughly “measure” these concepts in all their nuance. We recognize that these concepts can be relative. Our goal is not to have THE perfect definition or THE perfect measure. We need to rely on sufficiently solid data to guide a more equitable distribution of our investments throughout our territory. Indeed, we must ensure that gentrification processes do not give the impression that an area has less poverty. Conversely, we must also make sure that the reputation of some “residential” neighbourhoods, or suburbs, does not hide the growing poverty that we see in these areas.**

**“What can we do to help Centraide?”** *(A webinar attendee)*

32. *This is very unfortunate, but we understand the situation. It would still be positive, however, if Centraide could continue to get help from governments. This is not your fault. We understand your situation; however, it is paradoxical nonetheless. Our needs are increasing. You are talking about maintaining funding in the short term and decreasing it in the long term. Yet the needs of the population (and therefore our needs) are increasing. Have any arguments been made to the government (provincial and federal) to address this gap?*  
**As mentioned during the webinar, since the beginning of the pandemic, Centraide’s senior managers have been in contact with the various levels of government and have spared no**

**effort to inform them of the impacts of the crisis in communities and the ingenuity of community agencies to meet these needs. The Emergency Funds were not a coincidence but rather a result of this constant advocacy work.**

**As a community agency, you and your groups can contribute to this advocacy effort.**

*33. How can we best help you with your fundraising?*

**You can give visibility to our concrete support for your mission. You can promote this support.**

**You can refer all donors to**

**<https://donations.helpforcharities.com/centraide/index.php?lang=en>**

We are continuing to receive questions via the webinar survey. We will therefore add to this Q&A if we get new questions that have not been answered yet.

Thank you again for sharing your questions and comments with us.

Mario Régis

Vice-President, Social Development

Centraide of Greater Montreal

November 11, 2020