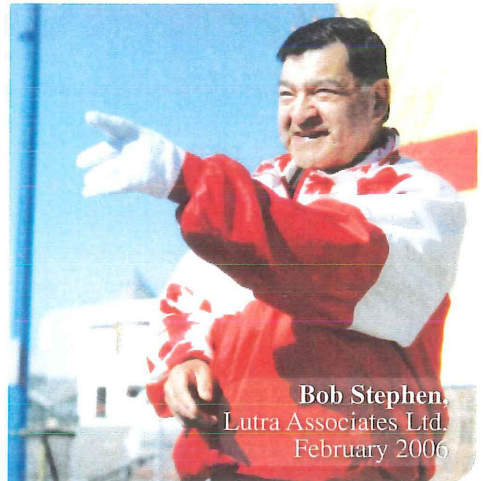
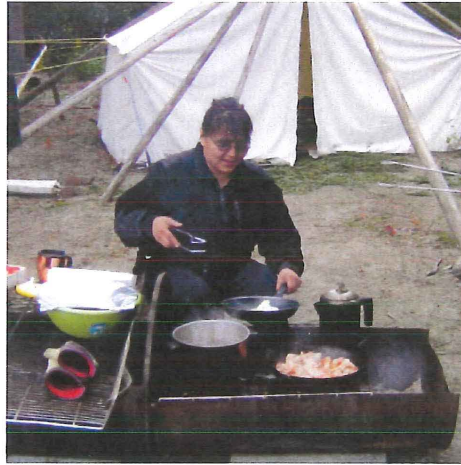




Toward New Voluntary Sector-Government of the NWT Relationships and Funding Arrangements



Final Report



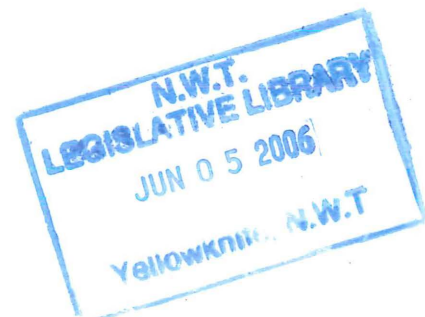
Bob Stephen, Lutra Associates Ltd. February 2006



# **Toward New Voluntary Sector-Government of the NWT Relationships and Funding Arrangements.**

**Final Report**

Bob Stephen,  
Lutra Associates Ltd.  
February 2006



## Preface

This research was directed by the NWT Finance Action Group, made up of representatives of the voluntary sector and a representative of the Government of the Northwest Territories (GNWT), appointed by the Committee of Deputy Ministers.

The NWT Finance Action Group was set up after a call for interest by the Voluntary Sector Forum. The Forum provides pan-Canadian leadership and coordination on issues affecting the sector.

The project arises from a recognition that there are serious financing issues facing many voluntary sector organizations and that these affect the relationship between the sector and the GNWT. The Finance Action Group is coordinated by Volunteer NWT.

The Voluntary Sector Forum received funding from the McConnell Foundation to pay for work by Finance Action Groups in six jurisdictions. The McConnell Foundation funding for this research depended on the NWT Finance Action Group being able to provide partial matching funding. The GNWT Department of Municipal and Community Affairs provided the necessary additional funding.

Any comments or questions about this research or the follow-up to it can be directed to:

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## Glossary of Terms

**Core funding.** Monies necessary to maintain essential organizational capacity to sustain and support programs, staff positions, basic infrastructure and administration.<sup>1</sup>

**Administration.** Direct support for program and service delivery for example, financial and human resource management, promotion, banking, and facility costs.

**Capacity Building.** Stabilizing and strengthening an organization's financial, human resource and structural capability to fulfill its mission and mandate, usually achieved through management and human resource management supports, paying competitive wages and benefits, providing volunteer coordination, enhancing governance functions, undertaking research and evaluation, maintaining a financial reserve for salary and wage liabilities, and capital replacement.

**Program or Project Funding.** Funds that are targeted at particular programs and services and seek certain results. The targets of program or project funding may change from time to time to reflect the priorities of the funding agency.

**Voluntary Sector.** Both volunteers and voluntary organizations. Voluntary organizations are a self governing group that exists for the common good or public benefit and does not distribute profits to members; involves volunteers in meaningful ways and is independent from the formal structures of the government and business sectors. Volunteers are individuals who freely choose to help without any expectation of financial compensation or reward.

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<sup>1</sup> Statistics Canada. 2005. *Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations*

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## EXECUTIVE SUMMARY

In early 2005, Volunteer NWT facilitated the formation of a voluntary-public sector Finance Action Group to identify and negotiate changes to inter-sector relationships and GNWT funding arrangements with voluntary organizations. The Finance Action Group retained Lutra Associates Ltd. to conduct research to support these efforts. The research objectives were to:

1. clearly articulate the scope and depth of the financing issues facing the voluntary sector, including access to funding and funding information, reporting requirements, and proposal requirements.
2. examine the relationship issues between sector organizations and the GNWT and the connection between government and department goals and the program funding for sector groups.
3. assess the barriers within the voluntary sector and the GNWT to improved relationships, and improved funding criteria, access, and levels, as well as accountability and proposed requirements (including financial, outcomes, results).
4. develop short and long term options and recommendations for GNWT policy and necessary legislative amendments which could form the basis for negotiations with the GNWT that address the relationship and financing issues faced by the sector.

This report addresses these objectives from the perspectives of the voluntary sector and the public sector. The voluntary sector's perspective on inter-sector relationships and public funding of voluntary organizations is drawn from a literature review (Appendix B) and five case studies with voluntary organizations in the NWT (Appendix D). Case studies were completed with the:

1. NWT Council for Persons with Disabilities in Yellowknife.
2. Open Sky Creative Society in Fort Simpson.
3. Ecology North in Yellowknife.
4. Soaring Eagle Friendship Centre in Hay River.
5. T'loondih Healing Society in Fort McPherson.

The GNWT's perspective on inter-sector relationships and public funding of voluntary organizations is drawn from a review of relevant literature and interviews with 16 GNWT personnel in several program departments (Appendix B).

## Findings

Voluntary organizations identify six main funding and relationship issues that impact on the stability and credibility of their operations and activities, and their ability to respond to social needs in the NWT:

1. Insufficient project funds.
2. Inadequate project administration and core funds.
3. Delayed release of project funds.
4. Lack of multi-year funding.
5. More demanding and often protracted funding application, approval and accountability processes.
6. Lack of current information and opportunities to participate in policy and program development.

While these issues affect voluntary organizations across the country, the impacts are more severe for groups in the NWT, Nunavut and Yukon (Appendix C).

Funding and relationship issues among voluntary organizations mean that:

- residents of small NWT communities do not have equal access to the same programs and services as people in large communities.
- programs and services are unavailable even when they are needed the most.
- community input is ignored in public policies and programs.
- NWT residents may not get appropriate programs and services.
- gaps in services are created and more northerners 'fall through the cracks'.
- public policy and programs may not reflect the realities of NWT communities.

GNWT departments identify nine main issues related to funding voluntary organizations and affecting relationships with the voluntary sector:

1. defining voluntary organizations

GNWT personnel tend to identify four types of voluntary organizations: 1) those created or mandated by government even though these groups are not voluntary organizations as defined by the NWT Volunteer Support Initiative (NWT VSI); 2) those that deliver essential services on behalf of government; 3) those that provide services valued by society and government; and 4) purely volunteer groups serving particular interests. This segmentation influences government relationships and funding arrangements with voluntary organizations.



2. the *NWT Volunteer Support Initiative* (NWT VSI) and the *GNWT Declaration on Volunteering*

GNWT personnel are aware of these initiatives but there is little evidence that they have made any noticeable difference on voluntary-public sector relationships or public funding arrangements with the voluntary sector.

3. promoting understanding

The benefits of the voluntary sector and the inter-dependence of the voluntary and public sectors are not widely understood. Ongoing and collaborative efforts to celebrate voluntary sector achievements, government-volunteer partnerships and volunteer contributions to community life are needed.

4. GNWT-voluntary organization relationships

GNWT departments have 'reasonable' relationships with voluntary organizations despite funding and service delivery issues. Stronger relationships between the voluntary and public sectors would improve service and program delivery. Clearer definition of the roles of each sector and ongoing dialogue and consultation between the two sectors would contribute to stronger relationships.

5. capacity building

The voluntary sector would benefit from public sector support but it is unclear how much capacity exists in the GNWT to work with voluntary organizations. Clear policy direction, mentorship opportunities, improved dialogue, shared training opportunities, information sharing, and co-operative outreach activities are among the suggestions GNWT personnel offer for stabilizing and strengthening voluntary organizations.

6. administrative and program funding

The GNWT acknowledges that funding to voluntary organizations is not keeping pace with inflation or program or administrative cost increases. Improving information about the GNWT's business planning and budgeting cycles, linking voluntary and private sector forced growth submissions, interagency approaches within government and clearer program/project terms of references and guidelines are among the suggestions GNWT personnel offer to address these funding issues.

7. core funding

A small number of voluntary organizations receive core funding and enjoy the stability and consistency this funding provides. GNWT departments say they are not mandated and do not have the budgets to provide core funding to voluntary organizations. They

suggest that less restrictive administrative funding criteria may be the best way to address financial issues within voluntary organizations.

8. timeliness and clarity of funding processes

Insufficient or late documentation, and protracted approval processes are among the barriers to timely funding of voluntary organizations. To eliminate unnecessary funding delays, the staff of both GNWT and voluntary organizations need to better understand how funding processes and decision making works within government, have better communications and share expectations. Simplified funding processes and training are among the other suggestions for addressing these issues.

9. multi-year agreements

Although the certainty created by multi-year agreements is acknowledged and the *Financial Management Manual* enables the government to enter into these agreements, GNWT departments are hesitant to enter into multi-year funding agreements with voluntary organizations. Conditional funding based on 'good standing' and subject to the approval of the Main Estimates by the Legislative Assembly is suggested as a way to encourage and support more multi-year agreements with voluntary organizations.

## Recommendations

This research provides the basis for negotiating new GNWT-voluntary sector relationships and financing/funding arrangements. Seven recommendations are offered. It is recommended that:

1. Municipal and Community Affairs (MACA) increase its investment in, and priority to the implementation of the *NWT VSI 2005-2008 Action Plan*.
2. A joint GNWT and voluntary sector policy group be established to work out a policy framework that promotes new ways to fund and account for public funds spent in the voluntary sector, and supports new relationships between the two sectors. Further, the joint policy group should adopt the two federal government-voluntary sector codes - *A Code of Good Practice on Funding*, and *A Code of Good Practice on Policy Dialogue* - as the basis for new funding and relationship practices, and promote the acceptance of these codes throughout the two sectors.

3. In collaboration with the voluntary sector, MACA develop a policy to guide core and project funding and other financial and in-kind supports for the voluntary sector. Further, MACA should seek government-wide acceptance of this policy and work with the voluntary sector to promote it in both the voluntary and public sectors.

4. The Financial Management Board Secretariat (FMBS) give clear direction for, and insist on consistent funding accountability practices with voluntary organizations, and monitor and report annually on how these practices are exercised throughout the GNWT.

5. The FMBS direct all GNWT departments to:

- allow no less than 12% of project funding for the administrative costs of the projects they fund in the voluntary sector.
- facilitate access to multi-year funding among voluntary organizations.
- clearly address the “forced growth”<sup>2</sup> requirements of voluntary organizations with ongoing and multi-year funding arrangements with the GNWT.

Further, the FMBS should monitor and report annually on compliance with this directive.

6. The GNWT match the federal government’s level of funding to Volunteer NWT so this voluntary group can continue efforts to support voluntary organizations to meet their accountability responsibilities and participate in strengthening relationships with the GNWT and the general public.

7. The GNWT and the NWT voluntary sector plan and strengthen inter-sector communication and promotional efforts.

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<sup>2</sup> ‘Forced growth’ costs are the “hard-to-control” increases in government’s costs of providing its programs and services. These costs are usually due to factors such as population increases, utility cost increases, inflation and additional operational or maintenance costs because of new community infrastructure.

## 1. Introduction

The voluntary sector is made up of a diverse array of individual volunteers and voluntary organizations whose efforts are directed at the common good. The voluntary sector is active in a wide-range of services in NWT communities including sport, recreation, leisure, educational, arts, health, emergency, environmental and spiritual activities. The active participation of voluntary organizations and volunteers is an indicator of health and well-being both of individuals and NWT communities. Through citizen participation and engagement, the voluntary sector contributes to the quality of life and the health and strength of Canadian democracy.

Recognition of the vital role that the voluntary sector plays in NWT communities is emerging. Along with this is a growing awareness of the many issues faced by volunteers and voluntary organizations. This report discusses these issues and seeks to address many of them through improved relationships between voluntary organizations and the Government of the NWT (GNWT), and new GNWT funding and financing arrangements with voluntary organizations. While the voluntary sector has a variety of relationships and funding arrangements with the Government of Canada, foundations, the private sector and other groups and individuals, these relationships and arrangements are not discussed in this report.

### 1.1 From Core to Project-Service Funding

Historically about 60% of the overall funding to voluntary organizations in Canada was derived from direct funding arrangements with government.<sup>3</sup> Policies of fiscal restraint rigidly enforced since the 1990s have impacted the level and nature of government funding to voluntary organizations. At the same time, governments are increasingly seeking the help of both the voluntary and private sectors to fulfill political priorities and legislated responsibilities. Within this environment, values such as viability, profitability, competition, diversification, entrepreneurship, and innovation that are usually associated with the private sector, are influencing the design and delivery of public programs and services regardless of whether they are delivered by the public, voluntary, or private sectors.

Changes in voluntary and public sector roles and responsibilities over the past decade have also influenced government funding arrangements with voluntary organizations. In

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<sup>3</sup> Canadian Council on Social Development. 2003. *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*

general, government has shifted away from core funding to project or fee-for-service funding. Extensive results-based management and outcome accountability requirements also accompany the project-service funding model. The project-service funding model is characterized as unpredictable, competitive and short-term<sup>4</sup> and tremendously exacting for most voluntary organizations because most lack sufficient staff and financial capacity to manage complex demands and unstable funding. Today, voluntary organizations spend significantly more time and resources on fundraising and accountability functions than in the past. Often the dominance of these activities comes at a cost to achieving the organization's mission or meeting the needs of the community or members served.

Voluntary organizations in the NWT and throughout Canada share common concerns about current funding relationships with the public sector. They also share concerns about the impact of the project-service model and other funding arrangements on their capacity to respond to the diverse and growing service needs in their communities, needs that increasingly are unmet by government or are required as an alternative to those provided by the public or private sectors.<sup>5</sup> Voluntary organizations are concerned that current government funding arrangements:

- offer fewer resources for administration.
- demand greater accountability and more detailed and frequent reporting, which in turn requires more skills and more hours of work.
- commit fewer funds for shorter periods of time.
- tend to contribute to volatility due to uncertain cash flow patterns (e.g. late payments resulting in deficit financing and debt accumulation).
- exert greater control and influence on the mandate and work of voluntary organizations resulting in less autonomy and often, less capacity (e.g. due to the requirement to invest scarce resources in time-consuming partnership building activities frequently for short term projects).
- fail to recognize the organizational and physical infrastructure necessary to implement and sustain credible programs/services (e.g. the project-service funding model generally does not provide or under-funds networking, partnership development, volunteer coordination, governance, management/administrative and advocacy functions).<sup>6</sup>

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<sup>4</sup> Lutra Associates Ltd. 2001. *NWT Voluntary Sector Development – The Emerging Third Sector*. Yellowknife: Government of the NWT Municipal and Community Affairs.

<sup>5</sup> Canadian Council on Social Development. 2003. Lutra Associates Ltd. 2001.

<sup>6</sup> Ibid

## 1.2 A Time for New Voluntary Sector-Government of the NWT Relationships and Financing Arrangements

The funding concerns of voluntary organizations in the NWT are documented with amazing consistency in a wide array of documents.<sup>7</sup> These concerns continue to be articulated in voluntary sector research, presentations to the NWT Legislative Assembly, northern media reports, and in other venues. For example, two recent media reports explained the implications of funding issues on a youth centre and an emergency shelter.<sup>8</sup> A recent presentation by the NWT Senior's Society to a Standing Committee of the NWT legislature also discussed these concerns. The Society stated: "*funding for volunteer organizations and volunteers as individuals is in jeopardy.*"<sup>9</sup> The Society admonished legislators for undervaluing the work of voluntary organizations. The Society estimates that if government did the same work, the annual cost would be \$1.5 million. The GNWT's annual investment in the Society's work is \$103,000, 15 times less than the estimated value of its work.

In recent years, several steps have been taken to address voluntary-public sector relationships and funding arrangements in Canada and in the NWT. In Canada,

- *An Accord Between the Government of Canada and the Voluntary Sector*<sup>10</sup> provides a framework to strengthen relationships so both sectors can work together to better serve Canadians. It sets out values, principles and commitments for guiding government and voluntary sector relationships. The Accord expresses the commitment of government to consider legislation, policy and program impacts on the voluntary sector and engage the sector in open and ongoing dialogue. It also expresses the voluntary sector's commitment to identifying issues and bringing them to the government's attention.
- The *Code of Good Funding Practice* and *Code of Good Practice on Dialogue* are tools for implementing commitments in the Accord. The Codes guide interaction between the Government of Canada and the voluntary sector. The tenets underlying the *Code of Good Funding Practice* are accountability to Canadians, sustainability of voluntary organizational capacity to serve Canadians, and greater

<sup>7</sup> Government of the NWT. 2002. *NWT Recommendations on Social Issues 1988-2002*.

<sup>8</sup> A youth centre with nine years of proven community service struggles from year to year without core or multi-year funding reported in the *Hay River Hub* (October 5, 2005) and an emergency shelter needs to fundraise \$100,000 to make ends meet, reported in the *Inuvik Drum* (October 20, 2005).

<sup>9</sup> NWT Senior's Society, Alvin Armstrong, Vice-President. August 25, 2005. *Presentation to the Standing Committee on Accountability and Oversight Pre-Budget Consultations*

<sup>10</sup> Voluntary Sector Initiative (Canada). 2001. *An Accord Between the Government of Canada and the Voluntary Sector*

transparency, consistency and understanding between the two sectors. The underlying premise of the *Code of Good Practice on Policy Dialogue* is that government's policies and programs are more responsive to Canadians when they recognize the voluntary sector's experience, expertise, knowledge and ideas.

The Government of the NWT (GNWT) has been working with the voluntary sector since the late 1990s to strengthen relationships and mutual benefits. In March 2005, the GNWT adopted the *NWT Volunteer Support Initiative (VSI) Action Plan*<sup>11</sup> and *GNWT Declaration on Volunteering*.<sup>12</sup> The Declaration celebrates and honours volunteering, and commits the GNWT to supporting volunteers and voluntary organizations in a variety of ways including implementing the NWT VSI Action Plan. The NWT VSI is intended to honour and support volunteers and voluntary organizations, and increase their capacity to advocate, lobby and support positive change in NWT communities. These outcomes are sought through four goals and seven objectives that focus on fostering understanding, building relationships and strengthening capacity including securing financial stability within voluntary organizations. The NWT VSI commits the GNWT to:

- clarifying and refining government funding/financing policies and practices related to the voluntary sector, and
- pursuing alternative mechanisms for diversifying voluntary sector revenues.

Through pre-budget consultations throughout the NWT in 2005, the NWT Legislative Assembly's Standing Committee on Accountability and Oversight heard more about voluntary sector funding issues. The Committee's report documents the:

- inadequacy of GNWT funding to fill gaps, repair/replace infrastructure or pay competitive frontline wages in the voluntary sector;
- lack of multi-year funding;
- complexity and inflexibility of program funds;
- difficulty matching project funding criteria with community/client needs; and
- insufficiency of voluntary sector involvement in policy development and program decisions.<sup>13</sup>

In response to the Standing Committee's report and the discussions of MLAs in the NWT legislature,<sup>14</sup> the GNWT has affirmed its capacity and willingness to enter into multi-year contribution agreements with voluntary organizations. It is expected that longer-term agreements will address cost of living/inflation increases experienced by

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<sup>11</sup> Government of the Northwest Territories. 2005. *Choosing to Help...NWT Volunteer Support Initiative 2005-2008 Action Plan*

<sup>12</sup> Government of the Northwest Territories. 2005. *Government of the Northwest Territories Declaration on Volunteering*.

<sup>13</sup> Northwest Territories Hansard. October 17, 2005. pp.319 - 320

<sup>14</sup> Northwest Territories Hansard. October 17, 2005. pp.294, 297, 301

voluntary organizations.<sup>15</sup> A third-party accountability framework will support these agreements.

### **1.3 Encouraging New Voluntary Sector-GNWT Relationships**

Volunteer NWT is the Northwest Territories Network for the Canada Volunteerism Initiative (CVI). Sport North Federation hosts Volunteer NWT, providing financial administration and other supports. Volunteer NWT's mandate is to encourage northerners to volunteer; develop organizational capacity to manage volunteers; and enhance the experience of volunteers and voluntary organizations. In early 2005, Volunteer NWT facilitated the formation of a voluntary-public sector Finance Action Group. The purpose of the Finance Action Group is to identify needed changes to the relationship and financing situation for voluntary organizations in the NWT, and negotiate desired changes with the GNWT. In support of its mandate, the Finance Action Group called for research to make the case for new relationships and financing regimes for the voluntary sector. The specific objectives of the research are to:

1. Clearly articulate the scope and depth of the financing issues facing the voluntary sector, including access to funding and funding information, reporting requirements, and proposal requirements.
2. Examine the relationship issues between sector organizations and the GNWT and the connection between government and department goals and the program funding for sector groups.
3. Assess the barriers within the voluntary sector and the GNWT to improved relationships, and improved funding criteria, access, and levels, as well as accountability and proposal requirements (including financial, outcomes, results).
4. Develop short and long term options and recommendations for GNWT policy and necessary legislative amendments which could form the basis for negotiations with the GNWT that address the relationship and financing issues faced by the sector.

To accomplish these objectives, a literature review was completed to identify funding and relationship issues facing the voluntary sector. References are listed in Appendix B. The literature review provided the context for developing interview guides used to collect

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<sup>15</sup> Northwest Territories Hansard. October 17, 2005. pp.301, 302, 309



case study information from voluntary groups in the NWT. Case study participants were solicited through invitations faxed (20) and emailed (24) to community and First Nation governments throughout the NWT, and supplemented by notices in Volunteer NWT's newsletter and announcements on 12 community radio stations. The researchers had difficulty engaging voluntary organizations in this research. Lack of time and resources due to current commitments/events, staff-volunteer turn-over, summer holidays or lack of optimism for change resulting from the research were reasons most often given for declining invitations to participate and repeated unavailability for interviews.

Interviews were conducted with nine volunteers and paid staff of six voluntary organizations in the NWT. Sufficient information was collected to allow for the preparation of five case studies. These case studies are appended to this report in Appendix D. The five case studies feature the:

1. NWT Council for Persons with Disabilities in Yellowknife,
2. Open Sky Creative Society in Fort Simpson,
3. Ecology North in Yellowknife,
4. Soaring Eagle Friendship Centre in Hay River, and
5. T'loondih Healing Society in Fort McPherson.

Following interviews with voluntary organizations, funding and relationship issues were summarized and provided to GNWT policy, finance and program personnel with some relationship to the voluntary sector. This summary is presented in Chapter 2. The issues summary was accompanied by a request for an interview, an interview guide and introductory letter. Interviews were conducted with 16 GNWT personnel. Those participating in interviews are listed in Appendix B.

This report draws together voluntary sector and GNWT perspectives about funding issues and relationships, and presents recommendations for addressing these issues. This research provides a snapshot of the issues and environment at the time of the research. While this research corroborates over two decades of discussion on these issues, caution should be exercised in extrapolating from this research, as the views presented are not necessarily representative of the entire GNWT or voluntary sector in the NWT.

## 2. Voluntary Sector Perspectives

The five case studies attached in Appendix D discuss six main relationship and funding/financing issues that impact voluntary organizations in the NWT:

1. Insufficient project funds.
2. Inadequate project administration and core funds.
3. Delayed release of project funds.
4. Lack of multi-year funding.
5. More rigorous and demanding application, approval and accountability processes.
6. Lack of current information and participation in policy/program development.

These issues are corroborated in other research<sup>16</sup> and are not unlike those encountered by voluntary organizations elsewhere in the country. However like voluntary organizations in the other two northern territories, groups in the NWT experience more severe capacity issues related to funding than their southern counterparts (Appendix C).

The impacts of funding and relationship issues on voluntary organizations are being felt in NWT communities today in several ways.

- Residents of small NWT communities do not have equal access to the same programs and services as people in larger communities.
- Programs and services are unavailable even when they are needed the most.
- Community input is ignored in public policies and programs.
- NWT residents may not get appropriate programs and services.
- Public policy and programs may not reflect the realities of NWT communities.
- Gaps in services increase and more northerners 'fall through the cracks'.

### 1. Insufficient Project Funds

Voluntary groups successfully securing funding through the GNWT typically receive:

- smaller amounts than requested and required to deliver a quality program or meet expectations.
- insufficient funding to cover some or all of the costs of activities that improve program successes, namely advocacy, community outreach, networking, governance, board and staff training, volunteer support, policy and program development, risk management, financial and program management.
- insufficient wage and training funding to recruit, develop and retain skilled staff.

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<sup>16</sup> Lutra Associates Ltd. 2003 and L. Little, 2001

Insufficient project funds have several impacts for voluntary groups as well as the communities they serve. The main impacts are:

- communities are not well-served and some groups/individuals 'fall through the cracks'.
- volunteers, paid staff and clients are put at risk due to inadequate or inappropriate supports, numbers of personnel or trained personnel.
- inordinate amounts of volunteer and staff time are invested in fundraising to make-up resource shortfalls.
- voluntary staff and volunteers may feel or be exploited and experience burnout. These impacts may be heightened by the existence of similar services/programs offered by higher paid, better-resourced government agencies.
- voluntary sector efforts are perceived as less valuable and valued than the efforts of the public or private sectors.

## **2. Inadequate Project Administration and Core Funding**

Voluntary organizations with GNWT funded projects take on a myriad of extraordinary activities when they receive public funds. Additional resources may not be provided to respond to these additional expectations or requirements. As a result, voluntary organizations may have difficulty:

- completing audits, seeking credit arrangements, building relationships, coordinating volunteers, governing, managing or consulting with government.
- keeping appropriately skilled staff or contractors able to respond to complex, non-standardized accounting needs unique to each funding source.
- securing the skills and labour needed to seek follow-up or complementary funding.

The effects of inadequate project administration and core funding are:

- difficulties hiring and keeping skilled staff who will accept low wages without benefits.
- the tendency for 'mission drift' or for voluntary organizations to alter or move away from their mission to accommodate the wishes and mandates of funders.
- inequalities among voluntary organizations with some receiving core funds to cover the costs of maintaining an office and office staff, purchase office supplies and conduct regular board meetings (e.g. industry associations or cultural facilities) while others receive limited or no core funds (e.g. artist's societies such as the Open Sky Creative Society and environmental groups like Ecology North).

### **3. Delayed Release of Project Funds**

GNWT project funding regularly fails to be disbursed to voluntary organizations in a timely manner at project start-up and termination and/or at the end or beginning of the fiscal year. The impacts of delayed funding include:

- cash shortages and added costs due to third party financing.
- unplanned funding or fundraising demands on staff and volunteers.
- premature project termination, staff lay-offs and loss of community service.
- loss of credibility among users/community members.

### **4. Lack of Multi-Year Funding**

All types and sizes of voluntary organizations have difficulty securing multi-year funding agreements with the GNWT. Even groups that help fill government mandates and responsibilities, and those with long and successful 'track-records' are unlikely to have the security of multi-year funding. Those who have entered into these arrangements have experienced financing difficulties as multi-year funding agreements don't allow for budgetary increases over the term of the agreement to address cost increases or inflation. Lack of opportunities to participate in multi-year funding arrangements or to negotiate budgetary increases over the term of a multi-year agreement impact:

- the long-term planning.
- organizational stability and capability to provide staff security.
- credibility both for the organization and the volunteers/staff due to the 'stop and start' nature of year to year projects.
- efficiencies and create onerous administrative workloads especially in the last fiscal quarter to satisfy multiple funders, write proposals for new fiscal year funding, and prepare for audits.

### **5. More Rigorous and Demanding Application, Approval and Accountability Processes**

Some GNWT departments and agencies have adopted the Results-based Management and Accountability Framework (RMAF) as a way to measure results and account for public spending. Voluntary organizations applying for GNWT funding may be required to use the RMAF when preparing proposals and reporting and accountability functions. The RMAF process is time consuming and difficult for first-time users. Voluntary organizations receive little or no additional training or compensation to respond to these demands. Voluntary organizations report that more rigorous application, approval and accountability processes:

- increase administrative workloads and require significant volunteer or staff commitment.

- often create demands that they do not have the skills or resources to meet.
- may impact on staff recruitment and/or retention given the higher-level skills demanded by new processes.
- negatively impact relationships and credibility with funders and communities if reporting doesn't meet specified standards.

#### **6. Lack of Current Information about Funding Sources and Participation in Policy/Program Development**

A wide variety of voluntary organizations in the NWT deliver programs and services on behalf of the GNWT. These groups have little if any involvement in shaping the policies or the design of the programs they deliver. They also have few opportunities to learn about or participate in policy or program changes. The exclusion of voluntary organizations from social program policy development, design and information exchanges, means:

- missed opportunities.
- unclear expectations.
- fragmentation and uncoordinated responses.
- that valuable program delivery experiences/user needs understood by voluntary sector program deliverers are not captured by funders in program design, policy or budgetary decisions.
- clients are not appropriately served.

### 3. GNWT Perspectives

The following perspectives on relationships and funding arrangements with the voluntary sector are summarized from interviews with GNWT personnel of those departments and authorities that typically interact with voluntary organizations. GNWT perspectives are summarized under nine main topics:

1. defining voluntary organizations
2. the *NWT Volunteer Support Initiative* (NWTVSI) and the *GNWT Declaration on Volunteering*
3. promoting understanding
4. GNWT-voluntary organization relationships
5. capacity building
6. administrative and program funding
7. core funding
8. timeliness and clarity of funding processes
9. multi-year agreements

#### 1. Defining Voluntary Organizations

The NWT VSI defines a voluntary organization as:

- a self governing group that exists for the common good or public benefit and does not distribute profits to members;
- involving volunteers in a meaningful way; and
- independent from the formal structures of the government and business sectors.

Various parts of this definition resonate for GNWT agencies as most agree that their program or department regards voluntary organizations as those with:

- unpaid volunteer board members,
- non-profit society registration and/or charitable status, and
- autonomous or self-determined mandates and community service priorities.

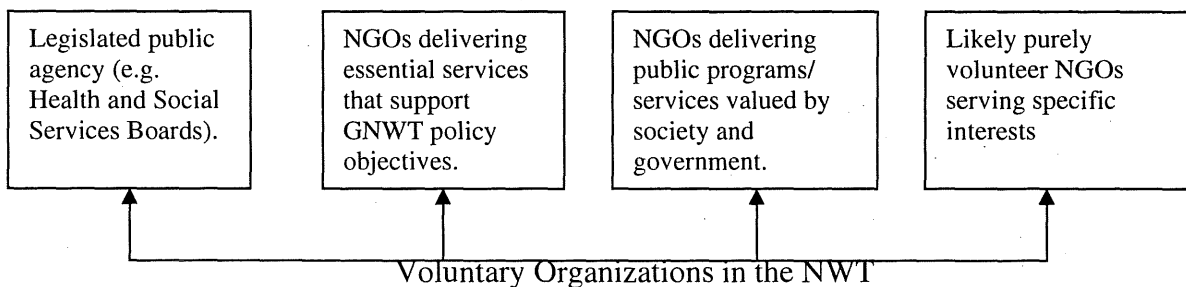
Nevertheless and as shown in the illustration below, GNWT personnel tend to identify four main types of voluntary organizations even though the first category is inconsistent with the definition provided in the NWT VSI:

1. non-profit, arms-length agencies created by government legislation such as the Status of Women Council of the NWT.
2. non-profit/non-government organizations (NGOs) with paid staff/professionals that are enlisted by government to deliver services/programs that support GNWT policy objectives such as the YWCA of Yellowknife or the Yellowknife Association for Community Living.

3. non-profit/non-government organizations (NGOs) with paid staff/professionals that provide services/programs valued by northerners and by the GNWT such as the Open Sky Creative Society or Ecology North.
4. non-profit, purely voluntary organizations without paid staff such as local sports teams and recreation clubs.

This segmentation of voluntary organizations tends to influence government relationships and funding arrangements with the voluntary sector.

### A GNWT Perspective of Voluntary Organizations



## 2. The NWT VSI and GNWT Declaration on Volunteering

GNWT personnel are aware of the *GNWT Declaration on Volunteering* and the *NWT VSI Action Plan*. The Declaration is seen as a reminder of the GNWT's commitment to the voluntary sector. It offers the potential to raise the profile and understanding of volunteers and voluntary organizations in the NWT. GNWT personnel are unaware that the *NWT VSI Action Plan* expresses the government's commitment to:

- engage in open, informed and sustained dialogue with voluntary organizations and volunteers.
- establish linkages with other levels of government and the business sector to facilitate and support the work of volunteers and voluntary organizations.
- build capacity among volunteers and voluntary organizations to advocate and respond to community and social service needs.
- promote and strengthen healthy and equal relationships within the voluntary sector, government and business sectors including Aboriginal organizations.
- seek financial stability within voluntary organizations

At this time, there is little evidence that the Declaration or the NWT VSI have led to any noticeable difference in relationships between the two sectors or in the way that the GNWT responds to financing issues facing the voluntary sector. GNWT staff identify the

need for greater visibility and promotion of these commitments at all levels of government with particular focus at senior managers and policy makers.

With responsibility for both the NWT VSI and Declaration, MACA officials recognize the importance of these documents for promoting understanding of and stronger working with the voluntary sector. In addition to a stronger commitment to action, they also see the need for adequate funding to implement the NWT VSI Action Plan.

### **3. Promoting Understanding**

GNWT program managers say they recognize the benefits of celebrating the achievements and contributions of the voluntary sector. They suggest that government could do a better job of publicly recognizing voluntary organizations and communicating their contributions and successes. Clear, plain information would help to spread these messages.

GNWT funders believe that the NWT's voluntary sector should celebrate achievements year-round rather than only during Volunteer Week. Voluntary organizations, government partners and individual volunteers should be the focus of celebrations. Positive messages about the voluntary sector repeated in the public domain and celebrating solid partnerships with government, might be the necessary lever to sustain and enhance funding supports to the sector.

Communication planning through the collaborative efforts of the GNWT and voluntary organizations is key to promoting understanding of the sector and its value to northerners. Several opportunities exist for collaboration including joint press releases and annual achievements reporting, sharing best practices, inter and intra-sector testimonials, and profiles of champions in both the voluntary and public sectors. A specific example of collaboration is a GNWT career exposition strategically staged during Skills Canada Week that created opportunities for celebrating voluntary efforts.

### **4. GNWT-Voluntary Organization Relationships**

GNWT personnel value partnerships with voluntary organizations. They tend to describe these relationships as demonstrating 'a real willingness to work together'. Although relationships ebb and flow, GNWT departments describe current relationships with voluntary organizations as 'reasonable' or 'good'. Strong leadership, respect for mandates, trust, recognition and understanding of roles and responsibilities are attributes that contribute to good relationships between the two sectors.



GNWT departments have stronger relationships with voluntary organizations when they have multiple agreements with them or are advised by them. An example of such a relationship might be the NWT Senior's Society that also functions as the NWT Seniors Advisory Council to advise the GNWT Minister responsible for seniors. Strong relationships may also be formed when the GNWT invests staff and in-kind resources in voluntary organizations that partner with them to achieve government priorities. Examples of such a relationship might be the NWT Association of Communities that shares a common interest in community governments with MACA. Other examples of strong government-voluntary organization relationships can be seen in groups like Skills Canada who shares GNWT objectives of creating opportunities for young northerners to participate in skilled trades or La Federation Franco-TeNoise that works with the GNWT to promote and enhance official languages.

There can be an entrepreneurial element in GNWT-voluntary sector relationships. 'Value for money' and public accountability may be factors that guide GNWT relationships with voluntary organizations. In some cases these factors have led the GNWT to repatriate services when GNWT service expectation and priorities exceed the resources and skills of the voluntary sector. Often the repatriation of services has increased service delivery costs.

Given the varying definitions of voluntary organizations discussed on pages 11-12, the GNWT may not clearly accept responsibility for investing in all groups. GNWT personnel give priority to those organizations that deliver legislated or mandated public services or those that reflect GNWT priorities. At the same time, GNWT personnel may expect to influence the mandate or set the priorities of voluntary organizations delivering legislated or priority services (e.g. health and social service boards and ministerial advisory councils including industry associations, arts councils, sport and recreation associations).

While voluntary organizations that advocate may be seen as a threat, intrusive or annoying, GNWT personnel interviewed appreciate and respect the "watchdog" role they play. Advocacy "*keeps government on its toes*" and hastens change that the bureaucracy may find difficult accomplishing without the support of voluntary organizations. GNWT departments agree that improving relationships with voluntary organizations will result in better program and service outcomes.

Open and ongoing communications, consultations and follow-up can strengthen relationships between the two sectors. GNWT personnel recognize that every opportunity should be taken to provide information and help voluntary organizations connect and

network with each other and the government. Sharing training opportunities is one example of how the two sectors might connect with each other. While GNWT personnel recognize the need to invest time in building relationships with voluntary organizations, many departments lack staff capacity or don't see the need or give priority to improving relationships with the sector.

GNWT personnel interviewed believe that much could be done if they worked more closely with voluntary organizations. Closer working relationships would promote understanding of voluntary sector priorities, capacities and capabilities thereby avoiding the potential for conflict, confusion and disappointing outcomes for NWT communities. The main elements of closer government-voluntary sector relationships are:

- mutual understanding and appreciation of government and voluntary organization roles, contributions and needs, and
- ongoing dialogue, communication and consultation.

GNWT personnel recommend ways to enhance relationships with voluntary organizations.

- Government program managers could provide more 'hand-on' supports to projects in the form of on-site visits to help voluntary groups develop proposals, gain knowledge of programs and understand funding processes.
- The GNWT could establish a voluntary sector resource position as a one-stop source of information, point-person for identifying issues and facilitating resolution, and coordinating training and consultation opportunities of mutual benefit to the two sectors.
- Each GNWT department/agency could commit to actively monitoring voluntary organizations to identify issues and concerns, and seek constructive solutions for "*doing projects better.*"
- The GNWT could encourage more communication between departments and greater consistency of policies and approaches for dealing with financial administration issues related to the voluntary sector.
- Government program managers could give higher priority to raising voluntary sector awareness of government programs, and funding criteria and restrictions.
- The GNWT could more actively involve voluntary organizations in funding decisions, policy discussions and shaping new program/service initiatives through ongoing dialogue and reflecting the sector's input in the outcomes of these processes.

GNWT personnel interviewed also offer advice to voluntary organizations to help them sustain healthy relationships with GNWT program managers. They advise:

- maintaining a positive image, making sure any conflicts within the group remains private. *“Don’t air dirty laundry in public.”*
- when possible ‘pitch’ a project to the funder/funders, and create the opportunity for a partnership prior to applying for funding.
- engage the bureaucracy prior to lobbying politicians.

### **5. Capacity Building**

GNWT personnel interviewed are aware of the serious capacity issues within the voluntary sector. They are particularly sensitive to these issues and the impacts of them on smaller communities in the NWT. They say that balancing and responding to the needs of large and small communities is a current policy issue for the GNWT. GNWT personnel also recognize that voluntary organizations face similar capacity and other organizational issues as community governments. To address issues within community governments, MACA has invested in School of Community Government training to strengthen skills and organizational capacity. A similar resource is not available to address capacity issues within voluntary organizations.

Within the GNWT, the practice of supporting capacity within voluntary organizations is a departmental prerogative that is mainly influenced by legislated programs/services. GNWT departments give first priority to funding and capacity building within those entities created through legislation to deliver core departmental programs or services (e.g. regional health authorities). In a very few cases, departments also invest in the core operations and building capacity of those voluntary organizations with which they have ongoing program relationships. Although there are inconsistencies, some departments do invest in-kind resources to assist voluntary organizations address stability and service delivery challenges. An example of this might be the use of a surplus GNWT building in Yellowknife to house St John’s Ambulance. The extent to which in-kind support is provided depends on relationships with the voluntary organization and excess in-kind capacity within the GNWT department itself. Government personnel are unclear how much capacity exists in the GNWT today to pledge in-kind support or additional funding to voluntary organizations.

For the most part, GNWT personnel urge voluntary organizations to address capacity issues by finding new ways to work together and streamline their operations. Still they offer several good examples of positive steps the GNWT has taken to strengthen the capacity to voluntary organizations. For example, the GNWT has:

- provided administrative/secretarial or advisory services to voluntary organizations (e.g. arranging board travel, attending board meetings in an ex officio capacity, providing board secretarial services, networking and sharing information). The GNWT's relationship with Skills Canada is an example of this.
- provided negotiation and proposal development support to voluntary organizations through community visits, proposal preparation workshops, or orientation to application and reporting templates. An example of this is provided by community workshops delivered by the Yellowknife Health and Social Services Authority.
- helped to forge linkages with national organizations and funders. Education Culture and Employment assists voluntary arts organizations to connect with national arts organizations and funding bodies.
- brokered funds to compensate for shortages incurred through arrangements with other GNWT or federal departments. For instance, NWT Justice secured additional funds through federal government sources to offset shortages in voluntary victim services groups in the NWT.
- occasionally allocated surplus assets such as buildings, office space, and boardrooms or allowed access to telecommunications, electronic databases and networks to voluntary groups at no cost.
- offered space in its training and professional development courses.

To support capacity building in the voluntary sector, GNWT personnel interviewed identify the need for:

- policy guidance. They suggest that FMBS and MACA take a lead role in establishing a clear policy that delineates the GNWT's role and responsibilities for helping voluntary organizations build capacity. The policy should include a well-reasoned rationale for building organizational stability and sustainability within the voluntary sector, and seek outcomes that improve inter-sector cooperation and collaboration.
- mentorship. They suggest that skilled and stable voluntary organizations be encouraged and supported by government to help less developed and fragile voluntary groups.
- regular dialogue. They suggest regular voluntary sector-government dialogue so both sectors better appreciate the symbiotic relationship of the two sectors and the value of their partnerships in achieving their common goals (e.g. serving the needs of northerners).
- shared training. They suggest that the GNWT consistently share its training and professional development courses and programs with voluntary organizations.

Training and development related to finance and program administration should be a priority.

- shared information. They suggest improving GNWT-voluntary sector communications and networking so that current community needs and issues, and program information and best practices are known by both sectors, and responses can be improved.
- cooperative outreach. They suggest more cooperative efforts between the two sectors particularly when responding to needs in small communities.

## **6. Administrative and Program Funding**

GNWT administrative and program/service funding decisions are typically made at the departmental level within parameters established by the NWT Finance Administration Act. GNWT personnel interviewed acknowledge that project funding for programs/ services and administration is not keeping pace with inflation or program and administration cost increases. An environment of fiscal restraint is the main reason the GNWT may not approve actual or new program/service costs, administrative costs not directly tied to program/ service delivery, or inflationary increases in multi-year agreements. Within a tight fiscal environment, GNWT departments give priority to funding statutory/legislated programs and services (e.g. primary health care, schools, Student Financial Assistance, Income Support) delivered by government authorities and boards. Nevertheless, shifting GNWT priorities sometimes referred to as the 'flavour of the day' have resulted in funding increases for some programs and drastic reductions for others. For example, GNWT funding to day care has increased by 60% in recent years but funding for arts and cultural programming has diminished.

Perhaps as a symptom of capacity or deficit issues, attitudes within the GNWT about funds spent outside of government may also influence administrative and program funding to voluntary organizations. In this regard, three main attitudes prevail within GNWT departments.

1. A business transaction: Funding voluntary organizations is approached as a business transaction in the same manner as purchasing a product or service from a private business. 'Value for money', 'best bang for the buck', or the most cost effective way to provide a service are the main criteria influencing these transaction. This attitude has the GNWT enlisting voluntary organizations as program/service deliverers as a cost saving measure. When the GNWT deems that the service/program is no longer of good value, as stewards of public funds with public accountability it may repatriate delivery responsibilities or seek another supplier. The provision of mental health services is an example. When mental

health services were repatriated the GNWT achieved administrative saving and improved accountability. The government admits that it is now investing more in wages and benefits and training than when mental health services were delivered by voluntary organizations and First Nation governments.

2. Funding for services not organizations: The GNWT maintains that project funding is for the program/service only, not for the operations of voluntary organizations delivering the program/service. As such, administrative or operational support is offered for a limited range of expense categories at a prescribed rate, usually 5%-12% of project funding. Depending on the nature of the program and government-voluntary organization relationships, some GNWT departments allow for a broader range of administrative expenditures in recognition of the broader range of functions and expenses required to improve the outcome of programs and services. Municipal and Community Affairs (MACA) is one GNWT department that has altered its prescribed administrative contribution to 12%-15%.<sup>17</sup>
3. A track-record of accountability: GNWT personnel interviewed suggest that many voluntary organizations have difficulty and are tardy in accounting for annual funding. Poor accountability practices may account for the reticence of the GNWT to enter into longer-term or multi-year funding agreements with voluntary organizations.

Like voluntary organizations, community governments also grapple with shortages and restrictive funding arrangements with the GNWT. This has spurred MACA to take a lead role in assisting community governments to diversify their funding sources. Today some community governments receive funding from the federal government, philanthropic groups/ foundations, research endeavours and third party arrangements such as the Canadian Municipalities Green Fund. There is a view that the GNWT could support voluntary organizations in similar ways. Others in the GNWT suggest that voluntary organizations should be more aware of the complexities of GNWT funding decisions including political sensitivities associated with meeting needs in large and small communities, and more proactive in addressing funding shortfalls. To this end, some GNWT personnel interviewed suggest the need for voluntary organizations with complementary mandates to collaborate to maximize scarce funds (e.g. various voluntary organizations serving persons with disabilities could collaborate to meet needs throughout the NWT). Some also suggest that voluntary organizations need to organize

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<sup>17</sup> based on unpublished research referred to in personal communication with Gary Schauerte, MACA.

differently or work in partnership to share administration if prescribed funding criteria and levels are insufficient to cover administration expenses. Government personnel also point to the need for voluntary groups to regularly communicate with legislators/politicians to reinforce program/service needs in order to influence GNWT priorities.

GNWT personnel suggest several ways that the GNWT could address program and administrative funding issues within voluntary organizations:

- better communicating government business planning processes and budgeting cycles so voluntary organizations are alerted to timelines and other requirements associated with submitting project funding proposals.
- encouraging voluntary organizations to accurately budget for increased program and administration costs and present a 'good business case' for 'forced growth' funding.<sup>18</sup> Voluntary organizations particularly those with ongoing program relationships with the GNWT, might consider documenting their needs and requesting additional funds in tandem with regular departmental 'forced growth' submissions.
- more cooperative and collaborative inter-departmental relationships and agreements to enable program departments and authorities to work together almost in inter-agency fashion, to support community projects or specific voluntary organizations (i.e. 'what piece each department can contribute to'). A model for this practice is provided by a multi-department approach to funding family violence projects.
- clear terms of references for GNWT funding arrangements to ensure that all parties know the program/project scope, expectations, roles and responsibilities for program/service delivery and administration.
- clear guidelines to ensure that voluntary organizations delivering similar services/programs are funded at comparable rates (e.g. family violence and emergency shelters are funded at comparable rates regardless of the community or clientele they serve).
- more assistance to voluntary organizations with limited capacity for example, to develop funding proposals and lever funds from other sources.

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<sup>18</sup> 'Forced growth' costs are the "hard-to-control" increases in government's costs of providing its programs and services. These costs are usually due to factors such as population increases, utility cost increases, inflation and additional operational or maintenance costs because of new community infrastructure.

GNWT personnel identify two examples where the above-mentioned practices have improved and increased funding for voluntary organizations:

1. The Inuvik Region Training Committee (IRTC) is made up of GNWT, Inuvialuit and Gwich'in funders and industry who meet monthly to share information, discuss program and service needs and pool funding for projects. This regional forum increases cooperation and information and resource sharing, and facilitates relationships to support program and service delivery.
2. Streamlining of official languages funding began in the late 1990s for two main purposes: 1) focus funding on official language communities, and 2) eliminate open proposal calls and unnecessary competition for resources. Changes were made possible through funding partnerships between the GNWT and federal government, and consultation with key stakeholders. Consultation, planning and implementation took place over a two-year period with the following outputs:
  - focused outcomes for program/service priorities.
  - negotiated agreements with key stakeholder groups based on the Results-based Management and Accountability Framework.
  - multi-year agreements.

## 7. Core Funding

The GNWT withdrew from core funding<sup>19</sup> of voluntary organizations about 10 years ago concurrent with reductions of federal funding. Today a request for core funding may set off alarms within the GNWT for the long-term commitment it signifies. However some departments have 'grand-fathered' core funding for selected voluntary organizations although these same departments have refused recent requests for similar arrangements. Core funding arrangements with the GNWT may influence the mandates and activities of these voluntary organizations depending on the size of the contribution or joint accountability or business planning commitments. A vague rationale exists for the practice of core funding a select group of voluntary organizations.<sup>20</sup> Further, the rationale for core funding may vary from department to department. Some GNWT personnel interviewed suggest that core funding arrangements may be historical or at the discretion of the minister. In other cases, these arrangements may be seen as direct

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<sup>19</sup>Core funding tends to be of a recurring or continuing nature. Core funding usually pays for non-program functions of a voluntary organization to maintain essential organizational capacity (e.g. one or more staff salary and benefits, rent and basic administration such as office supplies).

<sup>20</sup> Examples of investment in core operations include: MACA - NWT Recreation and Parks Association; ECE - four voluntary cultural organizations and two registered heritage centres.



funding for the delivery of a particular program or service. Departmental strategic priorities may also influence core funding decisions.

GNWT personnel interviewed advise that funding to voluntary organizations is intended for program and service delivery and the achievement of results in specific program areas. The *GNWT Financial Administration Manual* allows departments to include contribution agreement funding for overhead and administration costs. Still, there is reluctance to invest in a range of core costs (e.g. executive office, infrastructure, board development, policy development, and human resources) for a voluntary organization and a tendency to dismiss any financial responsibility for operational costs unrelated to program or service delivery. Nevertheless, some funding arrangements for programs/services delivered by voluntary organizations (e.g. information and referral telephone lines, marketing and promotion, and ministerial advice/advisory council) may give the impression of core funding. That is, GNWT investment in one or more of these activities may provide sufficient operational funding to stabilize and sustain a voluntary organization.

Departments say they are not mandated nor do they have sufficient budgets to core fund voluntary organizations. For these reasons, departments have embraced the practice of program/project funding<sup>21</sup> that typically allow 5%-12% for related administrative expenses. Some GNWT personnel interviewed suggest that compared to core funding program/project funding allows departments greater flexibility to respond to unique situations. They suggest that rather than core funding or addressing inconsistencies associated with current core funding practices that less restrictive administrative funding criteria, and streamlined and simplified funding criteria applied consistently throughout the GNWT is a preferred approach to dealing with core funding issues among voluntary organizations.

#### **8. Timeliness and Clarity of Funding Processes**

GNWT personnel interviewed are well-aware of voluntary organizations' concerns regarding the timeliness of funding, funding allocations, payment schedules and accountability processes. They acknowledge that there can be a particular 'bottle-neck' in these processes around fiscal year end. GNWT personnel identify several factors that exacerbate these concerns including:

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<sup>21</sup> Government funds targeted at programs and services are flexible to changing priorities (meet elected government priorities) and are results based. There are no apparent plans to reinstate or reconsider ongoing operational/core funding.

- the submission of insufficient or late documentation thereby delaying finalization of contribution agreement reporting and the release of funding under a new agreement;
- onerous reporting requirements (e.g. interim and final audits, financial and activity reports) prior to the release of new funding for ongoing programs and services; and
- delays resulting from processing generally high responses to open proposal calls as well as arranging committee meetings for application approvals, and a somewhat cumbersome finance review and sign-off procedure prior to funding release.

GNWT personnel suggest that internal financial management systems could work with fewer delays. Triggering a quicker response is possible if both GNWT program and voluntary organization staff understand how the system works, have good communication and share expectations so as to avoid delays that can occur for example, with incomplete reporting. The Financial Management Board Secretariat (FMBS) is working to standardize reporting and evaluation requirements for third parties with common characteristics.<sup>22</sup> These guidelines are designed to ensure public accountability of funds transferred to third parties and should improve financial relationships between the government and voluntary sectors.

GNWT personnel are aware that voluntary organizations want simplified and consistent accountability reporting, application and approval procedures. The *Financial Administration Manual* gives guidance with respect to contribution agreement transfer procedures and accountability reporting requirements. The *Financial Administration Manual*:

- provides for payments for social programs to be made as soon as possible and practical upon receipt of an invoice, goods or services (Section 4.1.1).
- requires the transfer recipient to provide the GNWT with results (i.e. measurement and reporting achievement of specified objectives) and financial information (i.e. forecast of income and expenses, payment schedule, accounting for all contributed funds in an agreed chart of accounts, reports and audited financial statements appropriate to the recipient's cash flow, the nature of the recipient's operations and the annual contribution amount).
- provides audit directives for contributions less than \$250,000 (as required), \$250,000-\$500,000 (every two years), and \$500,000 (annually or the provision of

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<sup>22</sup>FMBS. 2005. Excellence Through Partnerships

- reports and audited financial statements appropriate to the recipient's cash flow, the nature of the recipient's operations and the contribution amount);
- requires in ongoing funding relationships, the return of surplus/uncommitted contribution funds in the first month of the next fiscal or to be deducted from the first contribution payment in the new fiscal year.
  - requires contributions exceeding \$25,000 annually to be paid in instalments based on the working capital requirements of the recipient.

Subject to terms and conditions set out in the *Financial Administration Manual*, GNWT departments can streamline application and reporting requirements by:

- requesting applicants to “*keep it simple*” and provide no more information than is necessary to understand project outcomes and measures. Health promotion funding is an example of a simple application and reporting process that results in voluntary organizations spending very little time on these functions. This example is inspiring other program departments to develop proposal and reporting templates with a simplified “*fill in the blank*” application and reporting process.
- offering training and coaching to voluntary organizations on results reporting, budgeting and financial accountability. For example, Education Culture and Employment’s official languages services annually provides results reporting, budgeting and financial accountability training and coaching for voluntary organizations receiving official languages funding.

GNWT personnel interviewed also offer additional suggestions and good practices for streamlining application, financial accountability, and reporting requirements and improving the timeliness of payments including:

- terms of references that clearly state the scope of work, objectives, deliverables and outcomes.
- an electronic directory of funding programs and sources.
- a single point of entry for all GNWT funding.
- a ‘one application fits several programs’ approach and guide/menu to simplify application procedures.
- co-funded projects among departments using a common application form and similar reporting requirements.
- government directives defining funding timelines that are broadly communicated to voluntary organizations and government workers.
- notification in November of a January open proposal call for one-time funding, with the intent of completing approvals and finalizing contribution agreements prior to an April 1 start-up.

- altering submission of audit reports to 90 days after year end.
- relaxed and flexible accountability for voluntary organizations that have a 'track-record' of compliance and are in good standing (e.g. as based on an accountant's letter confirming final audit and financial status, or certified statement of expenditure signed by executive director and treasurer).
- more consistent interpretation/application of audit requirements given in the *Financial Administration Manual*, requiring an audit only in exceptional situations rather than in all cases.
- pending final reporting requirements/audit, three month accountable advances<sup>23</sup> to maintain the cash flow to voluntary organizations receiving ongoing funding.
- prior to the approval of Main Estimates in the Legislative Assembly, acceptance of budgets and work plans for ongoing funding based on prior year expenditures in the last fiscal quarter.
- more communications between voluntary organizations and government personnel during project development and contribution agreement negotiations.
- supporting costs associated with bookkeeping and financial records management.
- directives to program managers to commit budgets prior to the last quarter of the fiscal year.
- additional administrative funding for voluntary organizations to offset onerous and unmanageable reporting costs.

### 9. Multi-Year Agreements

*"There is nothing in the Financial Administration Act (FAA) or Financial Administration Manual (FAM) to prevent departments and agencies from entering into multi-year funding arrangements, as long as the commitment to future year funding is contingent upon the funds being appropriated by the Legislative Assembly and accountability requirements are met. ...The GNWT agrees to enter into multi-year funding arrangements at the earliest opportunity where appropriate."*<sup>24</sup>

GNWT personnel interviewed acknowledge the potential of multi-year agreements to reduce the administrative burden for both GNWT and voluntary organizations and improve the capacity of both sectors to plan for the long term. Still, GNWT departments have been hesitant to significantly increase multi-year agreements with voluntary

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<sup>23</sup>An accountable advance is a disbursement (transfer) of funds that are advanced on the condition that the recipient will expend the funds for approved purposes only, account to the Government for expended funds, and return to the Government by a specified date any portion of the funds that is not expended or accounted for. Source GNWT, Financial Management Board Secretariat. 1999. *Financial Administration Manual*

<sup>24</sup>Health and Social Services, 2002. *Doing Our Part: The GNWT's Response to the Social Agenda*  
Recommendation #3: Multi-Year Funding

organizations. While there are several examples of multi-year agreements, reticence to enter into new or additional agreements may arise from:

- concern that voluntary organizations have insufficient capacity to account for longer term agreements.
- wide variation in the track-records and status of voluntary organizations.
- year to year funding arrangements within GNWT departments combined with fiscal uncertainty and deficits.
- few multi-year agreements between GNWT and federal departments.
- a perceived need or commitment to publicly tender multi-year opportunities.
- a perception that multi-year agreements may pre-empt the annual legislative budget approval process and prove to be awkward for departments.

GNWT personnel interviewed offer the following suggestions to address multi-year funding concerns in the voluntary sector. They suggest:

- including a “*conditional on approval of funds in the Main Estimates by the Legislative Assembly*” clause in contribution agreements.
- providing conditional funding approval based on the organization’s ‘good standing’ (e.g. completing annual results and financial reporting, achieving expected outcomes and objectives each year).

## 4. Conclusions and Recommendations

### 4.1 Conclusions

Most voluntary organizations are mandated to work toward the health and well-being of their local communities or particular segments of them. Funding issues within the voluntary sector are affecting the ability of these groups to fulfill their mandates. The five case studies completed as part of this research show that 60% to 85% of funding for voluntary organizations in the NWT may come from the GNWT and the Government of Canada. Other documentation on the voluntary sector indicates that government funding accounts for 35% of non-profit and voluntary organization revenue in the three northern territories.<sup>25</sup> Both the NWT's voluntary sector and the GNWT acknowledge that funding for voluntary organizations is not keeping pace with the escalating costs of serving the social needs of northerners.

Funding and relationship issues affect the stability, sustainability and effectiveness of voluntary organizations. Funding shortages limit the capacity to engage northerners in activities to meet their own and others needs, responsibly manage local and northern issues and contribute to balanced public policy. Funding shortages force voluntary organizations to spend precious volunteer and staff time fund raising, creating partnerships often for short-term, one-of projects, and building relationships with funders. Volunteers are investing long hours and their own money to respond to local or northern needs in the absence of adequate financial support. This situation poses risks for all involved. These circumstances also challenge the capability of voluntary groups to recruit and retain volunteers and staff. Voluntary organizations in the NWT are frequently in the position of losing capacity whether through a loss of volunteers or loss of skilled workers as a result of unstable and inadequate funding. Some are closing their doors or discontinuing long time and much needed services or programs.

To address funding issues, voluntary organizations participate on coalitions and when opportunities arise, in committees and consultations to offer professional advice on policy development and input into program and funding decisions. They are innovative in sharing infrastructure and finding cost effective ways to administer their operations. They dedicate valuable staff and volunteer resources to consolidating advocacy/ networking/ information sharing activities under umbrella organizations or advisory councils, and

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<sup>25</sup> Statistics Canada. 2005. *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations Revised 2003*

collaborate and partner on funding proposals. They take time to understand how government works but often find it challenging to understand what's going on outside their own community. They strive to be transparent and accountable and are innovative in adapting project funding to meet needs within their own organizations, the needs of funders and those of the broader community. Despite these efforts, voluntary organizations continue to face serious financial issues.

The case studies and other documentation indicate that resolving funding issues within voluntary organizations in the NWT is urgent both from the perspective of the health and well-being of northerners and the credibility of voluntary groups. To address these issues voluntary organizations frequently recommend:

- a return to core funding to strengthen the capacity of the voluntary sector to respond to community needs and build and sustain relationships with funders and others.
- funding increases to cover the actual costs of program and service delivery.
- more flexible, consistent and adequate administration funding to pay the full cost of program administration and bookkeeping.
- multi-year funding agreements.
- simplified project funding application and reporting processes.
- more timely funding decisions and payments.
- more consistency in funding practices throughout the GNWT.
- improved responses within the GNWT to voluntary organization funding, policy and information concerns.

GNWT departments through their many relationships with voluntary organizations are aware of the funding issues facing these groups. Funding issues are raised in the media, before standing committees, during community visits and in forums around the NWT. The GNWT shares concerns about the stability and sustainability of programs/services particularly those serving the social needs of northerners. Government spending priorities are legislated programs/services and those government or quasi government organizations that deliver them. To this end, the GNWT continues to invest in community governments, government authorities, and public institutions to build capacity, implement new funding and accountability systems and ultimately provide for high quality efficient and effective services. The GNWT also provides 'forced growth' funding for unplanned expenditures/inflation for these agencies.

Within the GNWT, funding practices and relationships involving voluntary organizations vary widely and are at times, inconsistent. There is no clear rationale for variations and

inconsistencies and little sharing of information to address these or other issues affecting the voluntary sector. Several factors within government limit the extent to which relationship and funding issues in the voluntary sector can be addressed. These factors include:

- staff turn-over and capacity issues.
- less than rigorous application of helpful provisions of the *GNWT Financial Administration Manual*.
- lack of clear directives and policies respecting funding and relationships with voluntary organizations.
- GNWT's relationships with federal funders.
- more than a decade of fiscal restraint/cut-backs.
- lack of understanding of the interdependent nature of voluntary and public sector interests and work.

This research finds that where roles, responsibilities and commitments are clearly defined in government-voluntary relationships, both parties benefit. Benefits in terms of capacity and outcomes are also accrued from simple funding adjustments and improved relationships.

After over five years of consultation and research the GNWT followed the lead of the federal government and made a commitment to working with and supporting the voluntary sector in the NWT.<sup>26</sup> The commitments included:

- engaging in open, informed and sustained dialogue with voluntary organizations and volunteers.
- establishing linkages with other levels of government and the business sector to facilitate and support the work of volunteers and voluntary organizations.
- building capacity among volunteers and voluntary organizations to advocate and respond to community and social service needs.
- promoting and strengthening healthy and equal relationships within the voluntary sector, government and business sectors including Aboriginal organizations.
- seeking financial stability within voluntary organizations.<sup>27</sup>

Overall, GNWT personnel are not well-informed of the *GNWT Declaration on Volunteering* and the *NWT VSI*, mechanisms for fulfilling these government-wide

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<sup>26</sup>GNWT. 2005. *Government of the Northwest Territories Declaration on Volunteering*; GNWT. 2005. *Government of the Northwest Territories Volunteer Support Initiative 2005-2008 Action Plan*

<sup>27</sup>Clarify and refine government funding/financing policies and practices related to the voluntary sector; use federal codes of good practice on funding and policy dialogue as key references; use federal and territorial government intern programs to staff policy development activities; clearly defining and communicating funding eligibility criteria within the government and voluntary sectors.



commitments or the intended impacts for funding and relationships with the voluntary sector. There is the view that direction on these initiatives needs to be coordinated at a higher level of government and that funding for the *NWT VSI* needs to be increased. These two actions would be a big step toward addressing funding and relationship issues facing voluntary organizations.

GNWT staff and voluntary organizations want strong non-adversarial relationships. More time is needed in government to work with and respond to voluntary organizations, and to appreciate the important contribution voluntary groups make to the quality of northern life. More capacity is also needed within voluntary groups to participate in relationship building with government. It is both sector's responsibility to improve funding and relationships for voluntary organizations.

#### **4.2 Recommendations and Expected Outcomes**

This research provides the basis for negotiating new GNWT-voluntary sector relationships and financing/funding arrangements. Seven recommendations and expected outcomes are offered.

It is recommended that:

##### **1. Municipal and Community Affairs (MACA) increase its investment in, and priority to the implementation of the *NWT VSI 2005-2008 Action Plan*.**

*What would be different?*

- GNWT ministers and senior managers would be committed to achieving the outcomes articulated in the *NWT VSI*.<sup>28</sup> The NWT public would be more aware of the *NWT VSI* and the NWT voluntary sector.
- GNWT and the NWT voluntary sector would monitor and evaluate the *GNWT Volunteer Declaration* and *NWT VSI Action Plan* commitments that include the impacts on funding issues within the voluntary sector.
- GNWT and voluntary sector relationships would improve. Stronger GNWT-voluntary sector relationships would lead to better programs and services and improvements to the quality of life of northerners.

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<sup>28</sup>Government of the Northwest Territories Declaration on Volunteering and Government of the Northwest Territories Volunteer Support Initiative 2005-2008 Action Plan.

**2. A joint GNWT and voluntary sector policy group be established to work out a policy framework that promotes new ways to fund and account for public funds spent in the voluntary sector, and supports new relationships between the two sectors. Further, the joint policy group should adopt the two federal government-voluntary sector codes - *A Code of Good Practice on Funding*, and *A Code of Good Practice on Policy Dialogue* - as the basis for new funding and relationship practices, and promote the acceptance of these codes throughout the two sectors.**

*What would be different?*

- Voluntary groups would have more capacity to fulfill accountability and fundraising responsibilities.
- GNWT departments could standardize reporting, monitoring, evaluation and financial accountability functions.
- Voluntary organizations and the GNWT would have tools, standards and principles to guide their work.
- Programs and services could be delivered more effectively.
- GNWT- voluntary sector relationships would improve.
- The public would see more accountability in the voluntary and public sectors.

**3. In collaboration with the voluntary sector, MACA develop a policy to guide core and project funding and other financial and in-kind supports for the voluntary sector. Further, MACA should seek government-wide acceptance of this policy and work with the voluntary sector to promote it in both the voluntary and public sectors.**

*What would be different?*

- The GNWT would have guidelines to provide direct funding, in-kind resources and other financial, human and infrastructure support to voluntary groups.
- The NWT voluntary sector would know what support to request from the GNWT.
- The public could expect more stable programs and services from the NWT voluntary sector.

**4. The Financial Management Board Secretariat (FMBS) give clear direction for, and insist on consistent funding accountability practices with voluntary organizations, and monitor and report annually on how these practices are exercised throughout the GNWT.**

*What would be different?*

- Voluntary groups with small projects might not be required to prepare a full audited financial statement
- Funding delays would be diminished.
- Communities would benefit from uninterrupted programs and services.
- Programs and services would be more successful.
- Voluntary groups would have fewer human resource issues.

**5. The FMBS direct all GNWT departments to:**

- **allow no less than 12% of project funding for the administrative costs of the projects they fund in the voluntary sector.**
- **facilitate access to multi-year funding among voluntary organizations.**
- **clearly address the “forced growth”<sup>29</sup> requirements of voluntary organizations with ongoing and multi-year funding arrangements with the GNWT.**

**Further, the FMBS should monitor and report annually on compliance with this directive.**

*What would be different?*

- The GNWT would have a clear definition of eligible administration costs.
- The GNWT would have a framework to monitor administration costs.
- Projects of voluntary organizations would be more stable and receive the administrative support they need.
- The GNWT would improve public accountability functions.
- Voluntary organizations would be more stable and have more capacity to plan.
- The public would enjoy continuity in programs and services.

**6. The GNWT match the federal government’s level of funding to Volunteer NWT so this voluntary group can continue efforts to support voluntary organizations to meet their accountability responsibilities and participate in strengthening relationships with the GNWT and the general public.**

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<sup>29</sup> ‘Forced growth’ costs are the “hard-to-control” increases in government’s costs of providing its programs and services. These costs are usually due to factors such as population increases, utility cost increases, inflation and additional operational or maintenance costs because of new community infrastructure.

*What would be different?*

- Voluntary organizations would be assisted to get much needed training, proposal writing, accounting, networking/information and relationship building advice and support.
- Voluntary organizations and the GNWT would be more accountable to the public.
- The value and contributions of the voluntary sector would be more recognized and supported.

**7. The GNWT and the NWT voluntary sector plan and strengthen inter-sector communication and promotional efforts.**

*What would be different?*

- The public, the voluntary sector and the GNWT would be better informed of these sectors' work.
- More northerners might volunteer.
- More northerners would be active members of their communities and healthier for it.

**FUNDING for VOLUNTARY GROUPS:  
CASE STUDIES OF NWT VOLUNTARY GROUPS  
Interview Guide for Executive Directors/Finance Officers**

**About Your Voluntary Group**

1. What is your group's mission? What activities is your group involved in to fulfil this mission?
2. Who does your group serve? Does your group target a particular group of people (e.g. youth, seniors, persons with disabilities, women)?
3. How is your group organized (e.g. non-profit society, charity, unincorporated committee, committee of an Aboriginal /public government)?
4. How many people are involved in your group as volunteers? As staff? As clients or people who benefit from the group's activities?
5. What feedback does your group receive from users and other community members about the responsiveness/appropriateness of your programs, supports and services to meet their needs?
6. What was your group's total budget last year? What percentage of last year's budget came from:
  - individual and corporate in-kind and cash donations.....%?
  - volunteer expertise and labour.....%?
  - government.....%?
  - charitable foundations.....%?
  - membership and service fees, product sales, investment income, fund raising.....%?
7. What organizations/companies/departments funded your group last year? Does your group have long-term funding relationships with any groups (i.e. groups that have provided funding for three or more years)?
8. If your group writes proposals, completes applications or responds to tenders to get funding, what percentage of your funding requests were successful last year? What percentage of the funding requested was approved last year? How is this funding pattern different or similar to previous years?
9. Who looks after your group's funds and for accounting to funders (e.g. volunteer board, paid staff, contract service)?
10. How does your group account for funding received? Does accountability differ for different groups (e.g. government, foundations, corporate donors, members, general public)?

## **Funding and Accountability**

11. Thinking back five years, how has your group's funding needs changed? Why? How have they changed over the past 10 years? Why?

12. What funding issues does your group typically face (e.g.
- sufficient resources to meet management/administration needs?
  - adequacy of activity funding?
  - timely receipt of funding or other related cash flow problems?
  - staying current/abreast of funding opportunities and requirements?
  - application and accountability processes and requirements?
  - balancing your group and funders' objectives?
  - mobilizing partners or securing their support/commitment?
  - annual vs. multi year funding cycles?
  - project rather than operational funding?)

13. What challenges does your group face when accounting for funds? How do these challenges affect your group's mission or activities?

14. How do funding and accountability issues affect your group's role or effectiveness in the community? How have funding and accountability issues affected community and volunteer support for/participation in your group? Give examples.

15. If your group receives funding from the GNWT, how have changes in GNWT funding policies, levels or programs affected your group? When did these effects become noticeable? What has your group done to enhance or diminish these effects?

16. In many NWT communities Aboriginal governments do the work of the voluntary sector. In your view what similar or different funding and accountability issues do Aboriginal governments and voluntary groups have?

## **Best Practices**

17. What practices work well in your community to deal with funding and accountability issues? Give examples.

18. What attributes or factors in your group, in Aboriginal governments or in the GNWT contribute to funding successes and supportive government funding relationships (e.g. collaboration with other groups, continuity of staff, time spent building relationships, more volunteers)?

19. What are the outcomes of funding successes and supportive funder-voluntary group relationships (e.g. more clients, objectives achieved more effectively, more media coverage, working relationships with other groups and funders, broader funder and community awareness of how we spend our money or what we do)?

20. Thinking about funding and relationships with government, what lessons can your group share with others?

21. What changes to GNWT policies, programs or supports would help your group be successful and effectively deal with funding and accountability issues?

22. Is there anything else your group would like to share about funding and funding relationships, arrangements and opportunities available to volunteers and voluntary groups, or Aboriginal governments in the NWT?

**FUNDING for VOLUNTARY GROUPS:  
CASE STUDIES OF NWT VOLUNTARY GROUPS  
Interview Guide for Directors**

**About Your Voluntary Group**

(To be completed by administrative staff if available)

1. What is your group's mission? What activities is your group involved in to fulfil this mission?
2. Who does your group serve? Does your group target a particular group of people (e.g. youth, seniors, persons with disabilities, women)?
3. How is your group organized (e.g. non-profit society, charity, unincorporated committee, committee of an Aboriginal /public government)?
4. How many people are involved in your group as volunteers? As staff? As clients or people who benefit from the group's activities?
5. What feedback does your group receive from users or other community members about the responsiveness/appropriateness of programs, supports and services to meet their needs?
6. What was your group's total budget last year? What percentage of last year's budget came from:
  - individual and corporate in-kind and cash donations.....%?
  - volunteer expertise and labour.....%?
  - government.....%?
  - charitable foundations.....%?
  - membership and service fees, product sales, investment income, fund raising.....%?
7. What organizations/companies/departments funded your group last year? Does your group have long-term funding relationships with any groups (i.e. groups that have provided funding for three or more years)?
8. If your group writes proposals, completes applications or responds to tenders in order to get funding, what percentage of your funding requests were successful? What percentage of the funding requested was approved? How is this funding pattern different or similar to previous years?



9. Who looks after your group's funds and reporting to funders (e.g. volunteer board, paid staff, contract service)?

10. How does your group account for funding received? Does accountability differ for different groups (e.g. government, foundations, corporate donors, members, general public)?

## **Your Leaders/Board, Relationships and Funding**

*(To be completed by board members)*

11. What are the roles and responsibilities of your group's leaders or board of directors (e.g. risk assessment, governance, communications and relationships with government, corporate funders and users, succession of board and senior managers, fund raising and accountability)? How are these roles and responsibilities shared among leaders/directors? With staff? With other volunteers?

12. How would you describe the capacity of leaders/directors to satisfactorily fulfill leadership roles and responsibilities? What are the board's/leader's main strengths? Main weaknesses?

13. What funding challenges does your group face? How have these challenges affected the work of your group? The board/leaders?

14. In many NWT communities Aboriginal governments do the work of the voluntary sector. In your view what similar or different funding and accountability issues do Aboriginal governments and voluntary groups have?

15. If your group receives funding from the GNWT, how have changes in GNWT funding policies, levels or programs affected your group? When did these effects become noticeable? What has your group done to enhance or diminish these effects?

16. What are the ideal funding relationships or arrangements for your group? What if any, examples in your community or region have elements of this ideal arrangement/relationship?

17. What funding practices work well in your community and could be recommended to the GNWT as a way of addressing funding challenges facing voluntary groups?

18. What changes to GNWT policies, programs or supports would help your group be successful and effectively deal with funding and accountability issues?

19. Is there anything else your group would like to share about funding and funding relationships, arrangements and opportunities available to volunteers and voluntary groups or Aboriginal governments in the NWT?

**Questions for the Government of the NWT**

**The following questions are intended to find ways to address financing issues experienced by voluntary groups in the NWT.**

1. What is your definition of a 'voluntary group'? How would you gauge relationships between voluntary groups and GNWT? Is a better relationship between these parties desirable?

2. How does the GNWT's commitment to volunteers and voluntary groups expressed in the Volunteer Declaration and the NWT Volunteer Support Initiative (VSI) Action Plan, help to address financing issues facing voluntary groups?

3. How can shortfalls in government-funded projects implemented by voluntary groups be addressed (e.g. increased funding, increased administration funding ratio and implementation of less restrictive administration criteria in project funding; in-kind services, assisting with fund raising initiatives)?

4. What can the GNWT do to help build capacity within voluntary groups (e.g. invest in advocacy, community outreach, networking, governance, training, policy and program development, financial and program management to build volunteer group capacity; seek avenues to achieve equity in wages and benefits for voluntary group staff delivering government services; compensate or reward voluntary groups for direct cost savings or their contributions to policy dialogue or consultation)?

✓ 5. The GNWT provides core/operational funding to some voluntary groups but not others. How can these inconsistencies be addressed in a way that responds to the operational needs of all voluntary groups (e.g. alter project criteria to increase funds for operations; establish an operational fund to cover the costs of maintaining an office and office staff, purchasing supplies and conducting regular board meetings)?

✓ 6. How can payments to voluntary groups be timelier to eliminate uncertainties and the 'stop and start' cycle frequently associated with government-funded projects?

\* ✓ 7. What policy or legislative change, or program guidelines would enable more GNWT departments to adopt multi-year funding arrangements for work done by voluntary groups?

\* ✓ 8. How can GNWT funding application, approval and accountability processes be streamlined to improve access to funds and reduce administrative time and stress (e.g. standardized GNWT processes, standing offers with 'qualified' voluntary groups, negotiated renewals)?

9. What mechanisms would be effective for enhancing relationships between voluntary groups and the GNWT? What could both parties expect from stronger working relationships particularly around policy or program development initiatives?

10. Understanding and valuing the work of voluntary groups may be a first step to building stronger relationships between the GNWT and these groups and northern volunteers, and to addressing financial issues. What recommendations can you offer to foster greater understanding of the value of the work of the NWT's voluntary groups and volunteers?

11. Finally, are there other comments or suggestions you would like to offer about new relationships with or the financing regime in the voluntary sector?



## APPENDIX B:

### BIBLIOGRAPHY AND PERSONS INTERVIEWED

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## Persons Interviewed

### GNWT

Warren St Germaine, Director Financial Services, Health and Social Services, Yellowknife  
Shannon Watson, Manager, Prevention Services, Health and Social Services, Yellowknife  
Elsie DeRoose, Team Leader, Health Promotion, Health and Social Services, Yellowknife  
Laura Zaparinuk, Senior/Disabilities Consultant, Health and Social Services, Yellowknife  
Joanna Russell, Regional Health Promotion Coordinator, Yellowknife Health and Social Services Authority

Kathy Tsetso, Chief Executive Officer, Deh Cho Health and Social Services Authority, Fort Simpson

Paul Devitt, Acting Director of Policy, Education Culture and Employment, Yellowknife  
Catherine Boyd, Director, College & Career Development, Education Culture and Employment, Yellowknife

Benoit Boutin, Coordinator Legislation & French Programs, Education Culture and Employment, Yellowknife

Barbara Miron, Coordinator, Literacy & Adult Basic Education, Education Culture and Employment, Yellowknife

Boris Atamenenko, Manager, Community Programs, NWT Arts Council, Education Culture and Employment, Yellowknife

David Waite, Regional Superintendent, NWT Canada Service Centre, Yellowknife

Phil Lee, Regional Superintendent, North Slave, Industry, Tourism and Investment, Yellowknife

Sheila Bassi Kellet, Director, Corporate Affairs, Municipal and Community Affairs, Yellowknife

Gary Schauerte, Manager Recreation and Sports Programs, Municipal and Community Affairs, Yellowknife

Dawn McInnes, Victim Service Coordinator, Justice, Yellowknife

Karyn Hicks, Programs Advisor, Financial Management Board Secretariat, Yellowknife

### Case Studies

Bob Bromley, Ecology North, Yellowknife

Doug Ritchie, Ecology North, Yellowknife

Cecily Hewitt, NWT Council of Persons with Disabilities, Yellowknife

Josie Gould, NWT Council of Persons with Disabilities, Yellowknife

Tonya Cazon, Open Sky Creative Society, Fort Simpson

Tracy Kovalench, Open Sky Creative Society, Fort Simpson

Vern Jones, Soaring Eagle Friendship Centre, Hay River

Sharon Snowshoe, Tetlit Gwichin Council/Tloondih Healing Society, Fort McPherson

Patricia Duncan, NWT Youth Council, Yellowknife

## Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations

Table 4.11

### Nonprofit and voluntary organizations reporting problems, by province or territory, Canada, 2003

General problem area	Specific problem	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
			%				
Volunteer human resources	Difficulty recruiting the type of volunteers the organization needs	63	56	56	57	57	57
	Difficulty obtaining board members	53	49	50	56	65	49
	Difficulty retaining volunteers	58	48	47	49	45	48
	Difficulty providing training for volunteers <sup>1</sup>	40	45	35	35	37	41
Financial issues	Lack of paid staff to recruit or manage volunteers <sup>1</sup>	44	47	37	31	33	34
	Difficulty providing training for board members <sup>2</sup>	35	35	30	33	35	34
	Difficulty obtaining funding from other organizations such as government, foundations or corporations	58	47	44	42	53	42
	Difficulty obtaining funding from individual donors	46	51	49	49	46	47
Planning and development	Competition with other organizations for funding or revenues	45	48	44	37	39	44
	Difficulty earning revenues	48	43	41	38	45	38
	Difficulty planning for the future	64	59	64	61	57	60
Demand factors	Difficulty adapting to change	43	42	40	44	43	40
	Difficulty participating in development of public policy	42	43	40	35	45	36
Infrastructure	Increasing demands for services or products	46	44	44	36	46	41
Relationships	Lack of internal capacity (e.g., administrative systems and technology)	44	38	37	38	42	41
Paid staff human resources	Difficulty collaborating with other organizations	26	25	25	23	25	24
	Difficulty obtaining the type of paid staff the organization needs	34	36	22	28	30	27
	Difficulty providing staff training and development	31	35	24	29	26	28
External funding	Difficulty retaining paid staff <sup>3</sup>	20	16	17	18	20	18
	Reductions in government funding <sup>4</sup>	71	67	67	62	62	68
	Overreliance on project funding <sup>4</sup>	65	61	60	54	68	53
	Unwillingness of funders to fund core operations (e.g., long-term programs, administrative expenses) <sup>4</sup>	64	67	62	56	57	65
Reporting requirements of funders <sup>4</sup>	Need to modify programs <sup>4</sup>	50	59	51	40	50	47
	Reporting requirements of funders <sup>4</sup>	39	41	42	29	47	46

1. These figures apply only to the 79% of organizations that had volunteers in non-governance positions.

2. These figures apply only to the 98% of organizations that had volunteers in governance positions.

3. These figures apply only to the 46% of organizations that had paid staff.

4. These figures apply to the 39% of organizations that were incorporated, that had been active for at least three years and that had received funding from governments, foundations or corporations over that period.

Source: Statistics Canada, National Survey of Nonprofit and Voluntary Organizations.



Table 4.11 (cont'd)

**Nonprofit and voluntary organizations reporting problems, by province or territory, Canada, 2003**

		Manitoba	Saskatchewan	Alberta	British Columbia	Territories	Canada
			%				
Volunteer human resources	Difficulty recruiting the type of volunteers the organization needs	67	61	58	54	64	57
	Difficulty obtaining board members	60	56	55	50	55	56
	Difficulty retaining volunteers	61	52	52	51	61	49
	Difficulty providing training for volunteers <sup>1</sup>	41	35	35	36	45	38
	Lack of paid staff to recruit or manage volunteers <sup>1</sup>	45	31	33	36	42	35
	Difficulty providing training for board members <sup>2</sup>	36	34	34	32	52	34
Financial issues	Difficulty obtaining funding from other organizations such as government, foundations or corporations	52	43	48	49	60	48
	Difficulty obtaining funding from individual donors	54	48	47	47	50	48
	Competition with other organizations for funding or revenues	50	44	45	44	56	43
	Difficulty earning revenue	42	41	41	43	48	42
Planning and development	Difficulty planning for the future	63	62	56	55	66	58
	Difficulty adapting to change	48	44	42	35	46	41
	Difficulty participating in development of public policy	41	39	35	37	53	39
Demand factors	Increasing demands for services or products	47	37	43	41	49	43
Infrastructure	Lack of internal capacity (e.g., administrative systems and technology)	44	36	34	35	53	39
Relationships	Difficulty collaborating with other organizations	27	28	20	20	32	24
Paid staff human resources	Difficulty obtaining the type of paid staff the organization needs	36	30	26	25	44	28
	Difficulty providing staff training and development	31	27	25	24	45	27
	Difficulty retaining paid staff <sup>3</sup>	18	23	18	16	22	19
External funding	Reductions in government funding <sup>4</sup>	68	60	67	66	72	65
	Overreliance on project funding <sup>4</sup>	62	58	61	55	62	61
	Unwillingness of funders to fund core operations (e.g., long-term programs, administrative expenses) <sup>4</sup>	62	60	60	62	67	61
	Need to modify programs <sup>4</sup>	50	43	39	43	52	47
	Reporting requirements of funders <sup>4</sup>	42	38	37	33	50	43

1. These figures apply only to the 79% of organizations that had volunteers in non-governance positions.

2. These figures apply only to the 98% of organizations that had volunteers in governance positions.

3. These figures apply only to the 46% of organizations that had paid staff.

4. These figures apply to the 39% of organizations that were incorporated, that had been active for at least three years and that had received funding from governments, foundations or corporations over that period.

Source: Statistics Canada, National Survey of Nonprofit and Voluntary Organizations.

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**NWT Council for Persons with Disabilities – A Case Study**

2005

Prepared by: Bob Stephen, Lutra Associates Ltd. for  
Volunteer NWT Finance Action Group

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## **1. Making the Case for a New Relationship and Financing Regime**

In the spring of 2005, Finance Action Group sponsored by Volunteer NWT launched a research project to examine the scope and depth of financing issues experienced by voluntary groups, particularly in their dealings with the Government of the NWT (GNWT). The research is expected to help build a case for compelling the GNWT to establish policies and legislation to streamline funding arrangements with the voluntary sector. The objectives of the research are to:

- clearly articulate the scope and depth of financing issues facing the voluntary sector including access to funding and funding information, and reporting and proposal requirements.
- examine relationships between voluntary groups and GNWT agencies, including linkages between government/department goals and program funding for voluntary groups.
- assess the barriers to addressing financing and relationship issues experienced by voluntary groups and the GNWT.
- develop short and long term options and recommendations for addressing financing and relationship issues affecting both the voluntary sector and the GNWT including necessary policy and legislative amendments.

This case study of the NWT Council for Persons with Disabilities is one of five that illustrates the relationship and funding experiences of voluntary groups in the NWT.<sup>1</sup> The Council is a territorial organization serving people in all 32 NWT communities and headquartered in Yellowknife, NWT.

## **2. About the NWT Council for Persons with Disabilities**

The NWT Council for Persons With Disabilities (NWTCPD) grew out of a need to support people with disabilities to engage in active living pursuits. In 1978, the Council was registered as a non-profit society under the NWT Societies Act. The Council is also a registered charity with the Canada Revenue Agency.

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<sup>1</sup> This case study is based on documentation provided by the NWT Council of Person with Disabilities and interviews with executive director, Cecily Hewitt and volunteer board member, Josie Gould.

The mission of the NWT Council for Persons with Disabilities is to achieve self-determination and full citizenship for persons with disabilities.

The NWT Council for Persons with Disabilities is a territory-wide cross-disability organization. An 18-member volunteer board of which approximately two-thirds are from Yellowknife and one-third are from communities throughout the NWT governs the Council. Approximately 160 volunteers support special fund raising events such as the Celebrity Auction, Ability Cup, Spring Fever Fashion Show and Cash Raffle.

The Council is committed to building caring, inclusive and responsive communities. It manages programs that are feasible and designed to remove societal barriers and integrate persons with disabilities into the community, advocate and increase disability awareness in daily life in the NWT. In particular, the Council offers:

- advice on public policy and standards related to disability issues and needs.
- advocacy for individuals and families living with disability to better articulate their needs and understand their rights.
- information, referral and support. The Council's 1-800 information line is a main information and referral service for persons with disabilities in the NWT.
- awareness and education. Disability Awareness Week, networking and promoting supports for communities and regions, website, newsletter, outreach visits to and workshops with community members and leaders are main tools for supporting community development and building caring inclusive and responsive NWT communities.

The Council also delivers programs and services depending on identified needs and available funding. For the past several years, the Council has delivered:

- an Early Childhood Intervention Program in Yellowknife;
- the North Slave Employment Program delivering employment supports to persons with disabilities and employers in the North Slave/Tli Cho region;
- the Experience Summer Program of one-to-one assistance for young people with disabilities to participate in a Yellowknife recreation program.

- the Accessible Parking Placard Program

The Council employs eight full time staff. Typically, the Council also strives to engage three summer students to assist with program, member and office functions.

### 3. Relationships and Funding

Through funding agreements and fund-raising activities the NWT Council for Persons with Disabilities maintains a diverse array of relationships with governments, communities, the private sector and individuals. The distribution of funding sources is illustrated in the chart below.

GNWT funding flows to the Council from three departments and agencies. Main funders are:

- Health and Social Services and the Minister Responsible for Persons with Disabilities for the 1-800 Disabilities Information Line, Accessible Parking Placard Program and selected Disability Awareness Week activities;
- Yellowknife Health and Social Services Authority for the Early Childhood Intervention Program.
- Education Culture and Employment for the North Slave Employment Program and for the Early Childhood Intervention Program (Healthy Children Initiative funding).<sup>2</sup>

Federal funding flows to the Council from:

- Health Canada, Community Action Plan – Children (CAPC) for Early Childhood Intervention Program.
- Indian and Northern Affairs Canada for newsletters, capacity building and community outreach workshops.
- Social Development Canada, Office of Disability for FASD project and New Horizons for workshops and presentations.<sup>3</sup>

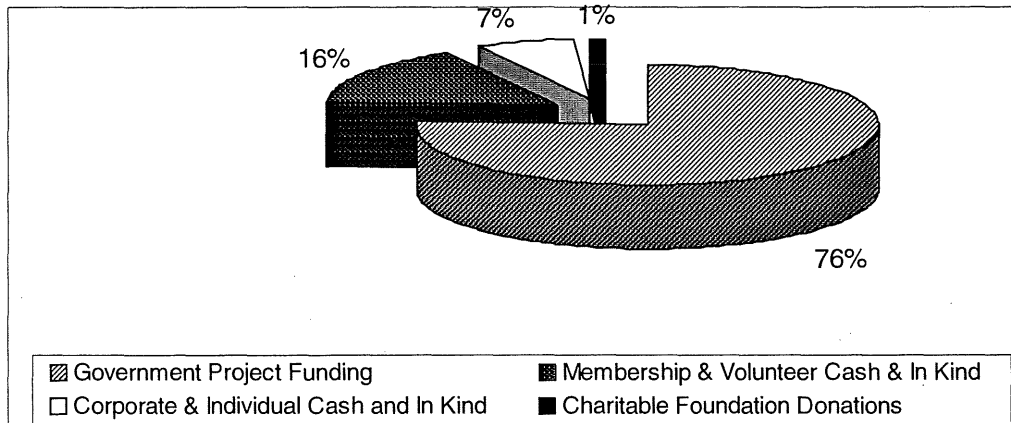
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<sup>2</sup> Employment Program funding flowed through Yellowknife Association for Community Living.

<sup>3</sup> Flows through GNWT, Health and Social Services

- Justice Canada, Community Mobilization Program for Early Childhood Intervention Program.

**Distribution of NWTCPD Funding Sources**



The Council is fortunate to have multi-year and core funding status for some of its projects. For example, multi-year funding agreements exist with the Yellowknife Health and Services Authority and Education Culture and Employment Healthy Children Initiative for the Council's Early Childhood Intervention Program. These three-year agreements have reduced reporting workloads and paid for staff training and a portion of the Council's ongoing operating costs. In 2006, it is expected that core or committed funding will be available from the City of Yellowknife for the Experience Summer Program. The Council has long term funding relationships with Health and Social Services, Education Culture and Employment and Indian and Northern Affairs Canada, though not multi-year agreements.

The Council accesses in-kind and financial support from agencies and other voluntary groups for specific projects:

- foundations and service clubs (e.g. Elk's Club, Legion, Rick Hanson Man In Motion Foundation, Royal Bank Community Foundation).
- agencies (e.g. Yellowknife Association for Community Living, Native Women's Association, Dene Nation)

Partnerships with a diverse array of agencies are viewed as essential to fund raising efforts as the Council must raise \$50,000 - \$70,000 each year to offset program deficits, and cover advocacy, general administration and board operating expenses. Annual fund raising at this level requires substantial planning, staff and volunteer time, reliance on the generosity and support of the community, and lack of competition (e.g. with other voluntary fund raising events).

The Council gives priority to accountability functions as it strongly believes that the nature of its relationships and its credibility are tied directly to its accountability. With this in mind, the Council works hard at avoiding unnecessary accounting and has found that ensuring that government funding objectives are linked to the Council's mission and objectives is one certain way to avoid this.

Financial accountability is a responsibility of the Council's finance committee and treasurer. Staff are responsible for basic administration, financial control and accountability. The Council contracts additional support in order to comply with complex accountability and audit conditions associated with some government funds. The Council uses electronic bookkeeping (Simply Accounting) to generate project and consolidated quarterly and annual financial reports.

The Council is acutely aware that accountability today is more than reporting on how funds are spent. It also involves reporting on project results, effectiveness and the extent to which funded goals and objectives are achieved. While paid staff are responsible for tracking indicators and reporting results (e.g. number of contacts for 1-800 information line), the need to be accountable and transparent in these functions is a preoccupation of all staff and volunteers involved with the Council. To this end, the Council produces regular project reports for funders along with regular newsletters and website updates for members, volunteers and the general public. Volunteers and staff also take every opportunity to provide community members with information on the work of the Council.



The Council's efforts to be transparent and accountable pay off. The Council is perceived in positive terms by funders and as credible within the communities it serves. The involvement of large numbers of volunteers, long-term funding arrangements with government, and the Council's substantial fund raising efforts in the community are proof of the organization's credibility. Positive relationships with GNWT and federal project funders, member and volunteer support for fund raising initiatives is helping the Council move closer to its goal of stable and sufficient funding to adequately represent the interests of persons with disabilities in the NWT.

#### **4. Relationship and Financial Issues**

Over the past 10 years, the NWT Council for Persons with Disabilities has experienced tremendous change in its financing arrangements and its relationships with government particularly the GNWT. To a large degree, changes in funding and relationships with the GNWT were driven by deficit elimination legislation introduced in the NWT prior to the separation of the Nunavut territory and the NWT. During this period, the GNWT withdrew from core/operational funding arrangements with voluntary groups and reduced funding for programs and services. The GNWT also introduced tighter controls and greater accountability for project funds. These changes directly impacted the NWT Council for Persons with Disabilities and continue to impact it today.

In the past, the Council received core funding from the GNWT to function as a type of northern secretariat for persons with disabilities. Core funding provided for the ongoing costs of Council administration and overhead. For the last decade, the Council has received no core funding. It operates solely with project-specific funds and the proceeds from various fund raising efforts. Under current project-specific funding arrangements, the NWT Council for Persons with Disabilities is allocated insufficient funding to keep up with the inflated costs of operating and delivering programs and services. In addition to increasing pressures on volunteers and staff to fund raise to cover project deficits, insufficient project and administrative funding has caused the Council:

- to be non-competitive with respect to staff wages and benefits. Operating in a highly competitive environment, the Council regularly contends with the risk of

staff turn-over and resulting program/service instability. In the summer of 2005, higher salaries and benefits particularly in government was a factor in a 50% staff turnover.

- to struggle to respond to needs and to remain relevant to communities and persons with disabilities outside Yellowknife. A strategic priority of the Council is to evolve regional committees that could broaden supports to communities, such as the early detection of disability, FASD, childhood diseases and respite services. Regional committees expect the Council to help with fund raising for salary and administration costs if they are to manage regional program and service delivery. The Council's ability to fundraise at a regional level has been tested by small groups of regional volunteers with mixed results.
- to have difficulty accessing funding for advocacy work and to do outreach to build or strengthen community capacity to respond to the needs of individuals and families living with disabilities.

To counter these funding issues, the Council has channelled more staff and volunteer energy into fund raising.

The transition from core to project funding created instability in the organization, and a significant shift in activities and responsibilities it can and does take on. While the Council has achieved a degree of stability over the last decade, it has come at some cost to volunteers, staff and members of the organization. Board responsibilities have grown significantly as has the need to engage and coordinate a large number of volunteers and annually raise significant amounts of money. While more families and individuals with disabilities are able to access and benefit from Council projects and services, availability depends on the generosity of volunteers and the business community, particularly in Yellowknife. While fund raisers such as the Celebrity Auction and the Ability Cup have become Yellowknife institutions, they depend on the generosity of the community. Without this generosity, the Council would be unable to address its main challenge -

offsetting program deficits and covering advocacy, general administration and board operating expenses.

In 2004/05, Council staff prepared about 30 project proposals for government funding. About 60% were successful. Those that were successful most often were funded for less than the amount requested although the expectations or activities were not diminished accordingly. As a result, additional fund raising activities and/or partnership negotiations are required to offset project deficits.

The 'stop-start' nature and uncertainty of annual funding, more demanding and complex proposal application and accountability processes combined with additional fund raising needs are straining the Council's administration. In particular, the federal government's proposal and application process requires very detailed explanations for all funds requested and detailed budgets including in-kind and cash commitments from other funding partners. The Council's lengthy and positive relationship with the GNWT has relieved some administration strain by reducing the need for the Council to include the "*foundation and trust piece*" in each of its proposals. Still, it continues to be a source of concern that regardless of the 'track-record' or nature of the project, government continues to approve less than what is requested and required to undertake any given activity.

Although the Council has good relations with its funders, new funding opportunities are not always conveyed to the Council by government. The Council often comes across this information by accident. The Council is fortunate however to be recognized by the GNWT minister responsible for disabilities who attends the occasional Council board meeting. The Council is hopeful that the recently approved GNWT *NWT Action Plan for Persons with Disabilities* that provides a strong rationale for project funding, will facilitate the work of the Council and strengthen the GNWT's relationship with and willingness to adequately fund the Council's work. The Council is looking forward to more evidence of the GNWT's commitment to implementing the Action Plan.

## 5. Current Efforts to Address Relationship and Financing Issues

The Council believes in the importance of building and maintaining strong, non-adversarial relationships with funders. To this end, Council staff and volunteers focus on cooperating with government and others, taking time to understand how government works, where decisions are made and develop personal relationships with government personnel (e.g. be on a first name basis).

Over the past decade, the NWT Council for Persons with Disabilities has and continues to be an active participant in GNWT-led social development processes. For example, the Council worked with the GNWT to:

- craft the *NWT Action Plan for Persons with Disabilities*,
- influence the decision to designate the NWT Minister of Health responsible for persons with disabilities, and
- advocate for stronger linkages between various government services helpful to persons with disabilities.

Building relationships with the GNWT is a Council priority even though no additional resources are available to support these efforts. Still, the Council reasons that constant attention to relationships is critical, particularly with the GNWT. As an example of this, the Council points to the policy framework document and action plan for persons with disabilities that resulted in large part, from the Council's advocacy and negotiations with the GNWT. The Council admits that little new funding accompanies the framework and action plan, through it provides a foundation and rationale for programs. This document, and perhaps relationships with the Council, may also have resulted in disability programs not being targeted in the most recent round of GNWT program funding cuts in December 2004.

The NWT Council for Persons with Disability has a history of relationship building. It sees the value and need to "*continually read and be sensitive to the needs of the time.*" "*Organizations must let go of needs when they have been met and move on*". This philosophy has served the Council and its members well. Today, the Council is looking beyond relationships with the GNWT to building stronger relationships with regions and

self-government regimes through more partnerships and expanded services to persons with disabilities living outside larger NWT centres. At the time of writing, the Council is strengthening relationships with Inuvialuit and Gwich'in leadership with the hope of influencing self-government policies to ensure supports for individuals and families affected by disability in Beaufort Delta communities. The Council is also establishing contacts in the Sahtu Region and working more closely with Tli Cho Government for the same reasons.

The Council also works hard at maintaining a positive profile. It partners, collaborates and remains active on a number of coalitions with government and other voluntary groups. For example, lobbying efforts and representation of member interests on the Yellowknife homelessness coalition influenced planning for an accessible homeless shelter in Yellowknife, and gained the Council respect and recognition as a team player.

## **6. In Conclusion**

The NWT Council for Persons with Disabilities is proud of its accomplishments and the supports it provides to individuals and families affected by disabilities throughout the NWT. As each year passes, the Council responds to more individuals and families, and improves the accessibility and inclusiveness of a wide range of public, private and voluntary programs and services and institutions. In recent years, the results of the Council's work have been most evident outside Yellowknife in the growing number of community and regionally based disability groups. The volunteer Hay River Disability Committee and the Council's help to this group on the issue of accessible transportation, is an example.

The Council says there are difficulties associated with project funding. These include: increasing the availability of and access to programs and services for individuals and families affected by disability and further outreach to regions and communities. Sufficient funding to support strategic planning actions or build partnership to help build capacity throughout the NWT (e.g. establish community disability organizations, increase

regional representation and participation, and hold regional disability conferences) is difficult to access.

The Council is challenged in its efforts to achieve organizational and service stability. It needs secure, multi-year funding agreements that at the very least, cover the actual costs of service and program delivery, and pay for the board to meet face to face each year so they can adequately represent territorial interests of persons with disabilities and their families. Improved access to information about government funding programs is also needed.

To enhance organizational funding stability, the Council would like to see government funders return to the practice of core funding. More funding from government, particularly from the GNWT, is needed to enhance capacity and fund costs associated with the executive director and office manager positions. Enhanced operational funding would also improve the competitiveness of staff wages and benefits and improve opportunities to support professional development. The Council would also like to see government cover more of the actual costs of program delivery and their administration. While the Council would like to see more from government, it recognizes the need for funding diversity and is prepared to improve fund raising capacity in the communities, from foundations and corporations/industry.

**The Open Sky Creative Society – A Case Study**

2005

Prepared by: Bob Stephen, Lutra Associates Ltd. for  
Volunteer NWT Finance Action Group

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## 1. About the Open Sky Creative Society

The Open Sky Creative Society grew out of a need among artists from several genres to collaborate and receive support to pursue their art. In the past, arts and crafts were recognized as a public interest and a reflection of the quality of life of northern people, and as such, were supported by the GNWT. In the late 1990s, the GNWT withdrew 'on-the-ground' support for the arts in the Deh Cho Region when it terminated the arts and crafts officer position in the region. The Open Sky Creative Society evolved in large part, to fill the void created by the loss of government support for the arts in the Deh Cho.

Informal gatherings of Fort Simpson artists around specific arts projects led to the establishment of a formal arts society in the community. In 2000, these artists incorporated the Open Sky Creative Society as a non-profit society under the NWT Societies Act. The main purpose of the Society is to support the development and sustainability of a healthy arts community in the Deh Cho Region. The Society is committed to serving artists and the arts community throughout the Deh Cho Region by:

- Stimulating and fostering new interest in the arts,
- Nurturing emerging artists,
- Supporting professional artists,
- Promoting Deh Cho artists internationally, nationally and regionally,
- Working to safeguard/preserve the integrity of cultural traditions expressed through arts,
- Advocating for the arts, and
- Operating in a sustainable, culturally appropriate way.

A 10-member volunteer board governs and provides strategic direction to the Society. When needed, board volunteers also coordinate activities and fund-raise. The Society relies heavily on volunteers to sustain and increase the participation of member artists and lead activities that respond to their needs.

Since its inception the Open Sky Creative Society has filled its purpose mainly through one activity - the annual Open Sky Festival. The Festival is the Society's "*centre piece*".

It is held each summer in Fort Simpson and showcases community and regional performing and visual artists. Over its short life, the Open Sky Festival has developed a strong and positive profile that extends beyond the Deh Cho Region. In 2005 the three-day festival:

- featured almost 40 Deh Cho artists and many genres of local/regional artistic expression along side territorial, national and for the first time, international artists.
- involved a diversity of venues and art forms including art exhibitions, performing arts, workshops, kids crafts, youth talent and a community canvas showcasing local art and culture.
- attracted from 225 to 450 participants.
- engaged about 100 volunteers in various aspects of developing, staging and following up on Festival activities.

In 2003 the Open Sky Creative Society secured funding from Canadian Heritage and the GNWT Municipal and Communities Affairs. These resources enabled the Society to complete a strategic plan to respond to issues that had emerged largely as a result of successes in Fort Simpson and the lack of public government support for artists in the Deh Cho Region. The strategic plan considered the need to:

- build organizational capacity.
- expand membership beyond Fort Simpson to include other Deh Cho communities.
- outreach to other Deh Cho communities to serve regional artists and develop regional audiences.
- expand the Society's role in connecting Deh Cho artists in both remote and less isolated communities in the Region with the territorial, national and international arts communities.

To implement its strategic plan, Open Sky secured funding in 2004 through the GNWT's Graduate Transition Program. Over the one-year funding period, this Program enabled the Society to hire its first full-time staff person. The graduate intern worked under the direction of the Society's board to implement the strategic plan, and undertake

administrative and program delivery functions. The graduate intern played a varied role, which was not unlike that of an executive director of many small voluntary groups in the NWT. Among the functions performed by the intern were:

- supporting and working closely with the volunteer board,
- outreach to regional (board) representatives,
- delivery of workshops and professional services to artists and other members,
- streamlining the Society's accounting/ bookkeeping system,
- preparing funding proposals,
- preparing and disseminating quarterly newsletters, and
- maintaining the Society's website.

The Graduate Transition Program together with the skilfulness of the individual in the position enabled the Society to develop some organizational capacity to respond to the needs of the artistic community in the Deh Cho and to implement its strategic plan to achieve intended outcomes. In particular the Society has been able to:

- engage more artists from various Deh Cho communities as regional representatives on the board or in committee functions and involve them in producing newsletters and grant applications, delivering workshops, and fund and profile raising for the Society. Regional representatives also outreach to artists, performers and audiences in their home communities and throughout the Deh Cho.
- develop youth and traditional artists and audiences for this art in most regional communities through such activities as a youth exhibition, community canvas project, video editing basics workshop, a film festival, traditional dance classes, traditional fiddling workshops and professional photography sessions.
- deliver workshops in all the Deh Cho communities to provide artists with needed professional photography skills, and supports to develop DVDs and websites to display their portfolios.
- stage an annual Deh Cho artists' exhibit.
- host a virtual members' gallery on the Open Sky Creative Society website.

- host an annual Open Sky Coffee House at the Beavertail Jamboree featuring local and regional talent.
- access resources (e.g. from Canadian Heritage) for artists to participate in and serve as arts and cultural ambassadors to the national All Tribes No Boundaries Folk Alliance gathering.

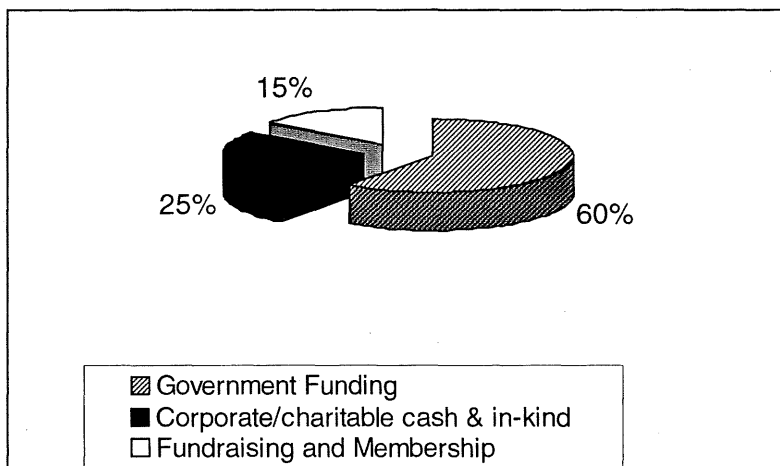
In addition to more program and ongoing support for artists in the region throughout the year, staff capacity enabled Open Sky to play a vital role in promoting and advocating for regional artists regardless of their genre and their location in the region. As a result, the scope and breath of the Open Sky Festival was enhanced and with it, its appeal, relevancy and success. A staff position strengthened the Society's capacity to fund raise, secure funds for a part-time festival coordinator position and recruit and support volunteers. These activities have significantly impacted on perceptions about the relevance and credibility of the Open Sky Festival and its host Society. Access to staff has alleviated stress and demands on board and other volunteers and encouraged more people to consider volunteering (because demands made of them will be fewer).

## **2. Relationships and Funding**

The Open Sky Creative Society's five-year history reveals a funding pattern that is generally replicated from year to year. This pattern reveals a relatively high level of interest and funding support for the Open Sky Festival or event/project specific activities but little if any support for year-round programming for ongoing artist and audience development. The Society sees few if any opportunities to secure funding for non-event/non-project related staff. The anomaly to this pattern was in 2004/05 when the GNWT provided one-year funding for a non-project related position through the Graduate Transition Program. In the same year, contributions from Canadian Heritage were approximately 20% greater than in previous years, allowing for a broader range and duration of activities in the region. As a consequence, the Society was able to provide more support for member artists throughout the region and to stage a festival with more local, regional, national and international artists.

In 2005, the Open Sky Creative Society spent \$150,000 - \$200,000 of which \$100,000 was spent on the Open Sky Festival. The Society's funds are sourced from government (60%), corporate and charitable cash and in-kind donations (25%), and membership and fund raising (15%). A main fund raising activity in the Deh Cho Region is community dances.

### Summary of Open Sky Creative Society Funding



The Society's main financial contributors are:

#### GNWT

- ECE NWT Arts Council, Support For Northern Performers, and the NWT Graduate Transition Program
- Industry Tourism and Investment
- MACA's Youth Corp Program

#### Federal

- Canadian Heritage – Arts Presentation Canada
- Canada Council for the Arts – Aboriginal Peoples Music Program

#### Corporate Sponsorship

- Liidlli Koe First Nation (LKFN) (in-kind)
- NorthwesTel (cash)
- Enbridge Pipeline (cash)
- Northern Canada Power Corp. (long term cash sponsorship)
- Air Tindi (long term in-kind sponsorship)

Volunteer board members maintain good relationships with local funders and work hard to keep abreast of government priorities and funding available through the GNWT and federal government departments. While accessing information about government priorities and funding is time consuming, it becomes easier once the group is established and in the information loop. Now that the Society has a track record, government officials are more likely to take the initiative to share information with the group.

The Open Sky Creative Society's strategic plan targets elders and youth throughout the Deh Cho Region. This focus has led the Society to establish partnerships with local and regional organizations with similar interests. These relationships have flourished. Today, the Society enjoys good relationships and many active partnerships with the Liidlii Koe First Nation, Deh Cho Friendship Centre, Aurora College, Thomas Simpson High School and the Fort Simpson Youth Centre.

### **3. Relationship and Financial Issues**

Planning and capacity building support from Canadian Heritage and GNWT MACA, and GNWT ECE funding for staff helped the Open Sky Creative Society to address the need for year-round artistic and audience development supports in the Deh Cho Region. Society members, the general public, funders and politicians including the MLA for Nahendeh applaud these efforts and the Society's successes.

Its success at responding to needs in the region has heightened expectations within the Deh Cho's artistic community and in the region in general. Now however, the Society lacks the capacity to respond to these needs and expectations in any ongoing or sustainable way. At the time of writing, the Society is without funding or prospects of funding for staff, operations, or any longer-term programming. Further, without industry donations and membership support, it is doubtful that the Open Sky Festival could exist or replicate recent successes or sustain national/international recognition of the Deh Cho artistic community. In short, the expectations and demands have become too great for the

few very committed volunteers or for a widely dispersed regional membership. *“The operation of Open Sky has become more than a full time job shared among too few volunteers.”*

Open Sky’s volunteer board recognizes the need to secure stable year-round operational funding if it is to pursue any activities beyond staging an annual festival. Stable funding would allow the Society to hire a full-time staff person with arts managerial and financial skills and an appreciation for the state of arts in the region. The Society has learned that sustaining year-round work on the ‘back of several projects’ requires substantial volunteer commitment and expertise that is currently beyond the means of existing volunteers or volunteer potential in the Region. Further, the Society is aware that several projects are required to sustain a sponsoring organization and necessary infrastructure. Achieving a critical (project) mass requires capacity to prepare project-specific funding proposals. It is the Society’s experience that this is an onerous task that requires expertise and time. The Society suggests that it can take up to six months to draft and refine proposals, secure partner commitments and attend to cash flow issues. The reality for a volunteer-based group such as the Open Sky Creative Society is that limited capacity can result in missed deadlines, missed opportunities and ultimately organizational instability and tentative member support.

A reliance on project-specific funding through either the federal or territorial government raises several other issues for a small volunteer-based group such as the Open Sky Creative Society. In the Society’s experience:

- Delayed receipt of project funding has created cash flow problems and stresses for volunteers and staff. While the Society’s volunteers have good relationships with the local bank and other creditors, standard or creative debt financing arrangements are not always available. As such activities have to be postponed or cancelled, commitments are not honoured and credibility and reliability of the Society is compromised. Further, the Society’s volunteers are put at personal risk and may or may not be reimbursed for out-of-pocket expenses.

- Low wages without benefits or security of employment diminish the pool of appropriate candidates available for short-term work with the Open Sky Creative Society. Recently, these challenges became evident when at least two appropriately skilled candidates declined opportunities to coordinate the Open Sky Festival in favour of more amenable working conditions with the public or private sectors.
- The federal and territorial governments have adopted results-based management and accountability frameworks. These frameworks have increased accountability requirements for parties receiving government funding. At the same time, groups receiving government funding are not compensated for the additional time and expertise required to meet new demands.
- Project-specific funding often provides limited resources for organizational infrastructure and administrative costs associated with securing and following up on project activities. Consequently, project-specific activities can have negative impacts on the sponsoring organization's accountability and ultimately their credibility among the persons/members served. Open Sky worries about the messages and impacts that 'stop-start' or intermittent activities have for local and regional artists and audiences. They also worry that a 'stop-start' cycle limits longer term planning and the potential for cost efficiencies.

#### **4. Current Efforts to Address Relationship and Financing Issues**

For the Open Sky Creative Society the issues of funding and relationships are inter-related and at the heart of the group's stability and capacity, and ultimately its' relevance and credibility in the Deh Cho Region. Open Sky Creative Society volunteers have approached various government sources and lobbied NWT MLAs for core/operational funding but to no avail. The lack of government support for arts organizations is



consistent with the GNWT's strategic vision for the arts,<sup>4</sup> a vision that values art and artistic expression but does not make financial contributions to arts development. The GNWT does however contribute to product marketing.

The Open Sky Creative Society has applied once again to Canadian Heritage for capacity building funds to continue to implement its strategic plan and respond to member needs. The three-year project would include building and maintaining membership profile in Deh Cho communities and reaffirming commitment of regional board representatives, continuing to develop an artist resource centre, board action planning and a membership drive. While this project will build additional capacity it will not fund the ongoing operations of the Society. Funding approval is not expected before January 2006. In the meantime, the Society is without staff or any long-term project or operational funding. At the same time the need to support the Deh Cho arts community continues.

Open Sky Creative Society volunteers are working closely with another local voluntary group, the Fort Simpson Historical Society, to acquire funding to obtain and operate a permanent office space that might be shared by the two groups. The Society is also communicating with arts festival coordinators in other NWT regions to investigate opportunities for establishing a territorial festival society. The Society believes that a territorial society would improve networking and sharing of resources and best practices. It would also be a forum for generating new ideas and providing a collective voice on arts issues to government and northern society in general.

## **5. In Conclusion**

The Open Sky Creative Society has evolved as a credible and well-supported regional arts group that is responsive to needs in the Deh Cho Region. The Society has a solid network of community partners (e.g. schools, Historical Society, Deh Cho Friendship Centre, Liidlii Koe First Nation) and is evolving similar relationships throughout the Region as a result of regional representation on its board. The Society maintains good

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<sup>4</sup> The GNWT Response to "A Vision for the Arts in the NWT" –NWT Arts Strategy Action Plan, July 2003

communications and relationships with government and business interests in the community and region.

Despite good relations, credibility and a responsiveness to the need for artistic support in the region, the Open Sky Creative Society cannot acquire the resources it needs to stabilize its organization and deliver much needed artist supports. The Open Sky Creative Society with its too few volunteers spread over mainly isolated communities is at a crossroads with no apparent way to satisfactorily resolve stability and capacity issues or respond to needs and expectations. Further, it has no voice in arts policy or arts funding although it agrees that the NWT Arts Council could play this role on their behalf, and it does not have a peer-group (e.g. NWT festival association) through which to lobby for the resolution of capacity issues.

**Tl'oondih Healing Society - A Case Study**

2005

Prepared by: Bob Stephen, Lutra Associates Ltd. for  
Volunteer NWT Finance Action Group

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## **1. About the TI'oondih Healing Society**

The TI'oondih Healing Society emerged from several wellness and healing initiatives in the Gwich'in Region over the last decade including the TI'oondih Healing Camp and Gwich'in Healing Program. Initially the TI'oondih Healing Society was conceived and operated as a regional healing and recovery program of the Gwich'in Tribal Council that served all Gwich'in beneficiaries. In 2003, the Society was devolved/ transferred to Fort McPherson, the largest Gwich'in community in the region. With the devolution of the Society, the program became a responsibility of the Tetlit Gwich'in Council and the focus of the Society's work was altered to address social and wellness issues of concern to community residents. Through the transfer the TI'oondih Healing Society in effect became the 'social arm' of the Tetlit Gwich'in Council although it is a registered non-profit society and a federally registered charity.

Today a five-member board made up of three directors appointed from the Tetlit Gwich'in Council and two directors from the community at large governs the TI'oondih Healing Society. In its two years in Fort McPherson, the TI'oondih Healing Society has grown and become an active partner and delivery agent for social programs in the community such as:

- the Tetlit Gwich'in Family Healing Program that is designed to meet the ongoing recovery needs of persons surviving the impacts of residential schools. The program funds a community counsellor to help in the coordination and delivery of healing and grieving programs, and education and awareness for community residents. Project funding of just over \$1 million was received from the Aboriginal Healing Foundation between 2003 and 2005.
- the operation of the TI'oondih Camp that is located outside the community of Fort McPherson. The Camp is the land-based site of various community programs (e.g. healing, inmate transition, school staff professional development, and crime prevention for students).

- a Culture Based Crime Prevention pilot project for Chief Julius School. Funding from the Crime Prevention Investment Fund targets students in grades 4-6 and helps them to develop confidence, gain exposure to traditional skills (e.g. through a Traditional Outdoor Classroom) and enhances school-based learning experiences. Elements of the program are delivered at the TI'oondih Healing Camp.
- the Brighter Futures fund that supports a variety of youth programs. Some initiatives funded are: suicide prevention activities, student advisors, youth workshops, summer day camps, elders and youth programs, Midway Lake Festival, on the land activities and National Addictions Awareness Week activities. The Brighter Futures fund is financed through annual contributions from the GNWT Health and Social Services.
- the Community Mental Health Program that provides mental health services to residents. The program has one mental health worker and involves counselling, intervention, and information services. The program is funded through an annual contribution agreement with the Inuvik Regional Health and Social Services Authority.
- the Moms and Tots, Canada Prenatal Nutrition Program that provides mothers and their children with a safe early childhood development program. Proper prenatal and postnatal (for children to the age of one) nutrition is an emphasis of the program. The program has received annual funding from the GNWT Health and Social Services since 1997.
- the Tetlit Zheh Child Centre that was established in 1997 to provide early intervention for young children aged 3 to 5 years. Annual funding is received from both the federal and territorial governments through Health Canada's Aboriginal Head Start Program and the GNWT Healthy Children Initiative and Early Childhood Program.

- the Fort McPherson Justice Committee that provides alternative sentencing and on the land activities for those accused and convicted of less serious crimes. Annual funding is provided by the GNWT Department of Justice.
- the Social Agenda Demonstration Project which is intended to improve the lives of residents and strengthen their resilience to cope with change associated with resource development through the work of an interagency committee and the development and implementation of a wellness plan. GNWT Health and Social Services has committed three-years of funding to this initiative.

## **2. Relationships and Funding**

The TI'oondih Healing Society is in effect a group within a group in that it is an incorporated society within the Tetlit Gwich'in Council. Two Tetlit Gwich'in Council staff, the social manager and comptroller, administer a project budget in excess of \$1 million and manage up to 16 full and part time staff on behalf of the Society.

Administrative functions include bookkeeping, payroll, payables and receivables, budget control, data entry, funder financial reports, and the annual TI'oondih Healing Society project audit. Staff work with the social manager to complete regular activity reports.

The integration of the TI'oondih Healing Society within the administrative structure of the Tetlit Gwich'in Council is an efficient and effective model for social programming in Fort McPherson. The model supports the autonomous governance of a non-profit while providing program users, staff and volunteers with the familiarity of and support of the (Band) Council. A formal affiliation with the Tetlit Gwich'in Council:

- has provided the necessary resources needed to build interagency partnerships, mobilize and pool resources, thereby increasing funding opportunities and social program delivery growth.
- saves operational costs by centralizing administration for multiple programs.
- enables access to band accounting expertise (comptroller and staff) and credit facility (bank line of credit).

The fact that the majority of the Society's board members are elected Tetlit Gwich'in (Band) Councillors, provides an accountability mechanism and a vehicle for linking social and wellness issues to other facets of the community (e.g. political and economic development).

As noted above, the TI'oondih Healing Society receives funding from both federal and territorial governments sources on an annual and multi-year basis. For the most part, the Society reports good relationships with funders although these have taken time to develop and they require time to sustain them. Centralized and professional management and administrative resources provided by the Tetlit Gwich'in Council have contributed to building good relationships with funders. Relationships have also been enhanced by the Council's capacity to tailor financial reporting to meet the needs of different project funding sources whether they be the:

- GNWT Justice, Health and Social Services, Education Culture and Employment, or Inuvik Regional Health and Social Services.
- Health Canada, Public Safety and Emergency Preparedness or the Aboriginal Healing Foundation.

### **3. Relationship and Financial Issues**

The TI'oondih Healing Society reports that annual funding cycles require significant dedicated program staff/coordinators and Tetlit Gwich'in Council staff time during the last quarter of each fiscal year (e.g. January to March) to satisfy different funder reporting requirements. Dedicated time is required to finalize program financial reporting, prepare proposals for ongoing funding and prepare for program/project audits. In addition to the onerous workloads associated with fulfilling these requirements in the last quarter of the government's fiscal year, two other capacity issues are created by annual funding cycles:

1. limited capacity, resources and program security to plan for or make longer term commitments to program staff and users and the community in general.
2. cash-flow shortages requiring the Tetlit Gwich'in Council to finance (e.g. through a credit line) TI'oondih projects between old and new fiscal years. In this regard,



Council administrators implement a 'payroll only policy' between April and June that freezes spending on all other expenses until new funding arrives.

While the Tetlit Gwich'in Council receives core funding through Indian and Northern Affairs Canada (INAC) to fulfill requirements associated with federal legislated and fiduciary responsibilities to First Nations people, the Council is not core funded to administer social and wellness programs. Administrative funding available through the various GNWT and federally funded social programs is insufficient and narrow in scope. Beyond bookkeeping expenses, the Council is required to pick-up administrative funding deficiencies such as costs of insurance, audit fees, credit facilities, cheques and cheque writing. At this time the Council sees little flexibility with existing social program funds to address these administrative shortfalls.

TI'oodih Healing Society program coordinators and Tetlit Gwich'in Council administrators find it challenging to remain current or "*in the loop*" on funding opportunities. As such, the Society often has difficulty finding program funding to respond to community needs. Further, when the Society does find a pot of money that can potentially work to meet community needs, substantial effort must be expended convincing government funders to support various approaches or projects. Advocating and communications with government funders can be a demeaning experience especially when local people are treated as if they don't know what is best for their own community. Similarly, the lack of success in lobby efforts to alter annual funding arrangements to multi year agreements have left program and Council staff with the sense that government funders are inflexible in meeting communities even "*half way*".

#### **4. Current Efforts to Address Relationship and Financing Issues**

Tetlit Gwich'in Council administrators and TI'oodih Healing Society program directors meet/network on a regular basis to share information on new initiatives and potential funding opportunities. Regular and positive interagency relationships within the community as well as regular regional and territorial networking efforts, have earned TI'oodih a good reputation with social policy advisors and decision makers. TI'oodih's

good reputation is a reason that the Society and the Tetlit Gwich'in Council have been invited by the GNWT on several occasions to contribute to public social and wellness policy in the NWT.

The Society is active in engaging the local MLA and inviting policy makers to the community to talk about and experience good community social program practices. These exchanges provide an opportunity for the TI'oondih Healing Society to discuss and share information about programs and services. These exchanges have proven to be helpful to building relationships with funders. Politicians and policy developers are also good sources of information about new funding.

### **5. In Conclusion**

The strong relationship between the TI'oondih Healing Society and the Tetlit Gwich'in Council has resulted in a very efficient and workable approach to social programming in Fort McPherson. This relationship not only enhances the capacity of under-funded social programs in the community but also adds political power and credibility to efforts in the community to address social and wellness issues.

Both the TI'oondih Healing Society and the Tetlit Gwich'in Council are clear that annual funding arrangements place onerous and unnecessary demands on already under-funded projects. Operational funding should be adequate to cover off the full cost of program administration and delivery (e.g. cover more than just bookkeeping costs but include infrastructure, audit, and specialized accounting personnel). Multi-year funding agreements with a minimum three-year horizon, are a more appropriate approach to social programming given that it takes some time to observe the impacts of social change. Without well-funded social projects that have some reasonable lifespan to make a difference in peoples' lives, the TI'oondih Healing Society suggests "*stay(ing) with small stuff and be realistic about what can be delivered.*"

**Ecology North – A Case Study**

2005

Prepared by: Bob Stephen, Lutra Associates Ltd. for  
Volunteer NWT Finance Action Group

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## **1. About Ecology North**

Ecology North began in Yellowknife in 1971. The organization evolved from community concerns about arsenic pollution in the area from mining. Almost 35 years later, Ecology North has grown beyond a Yellowknife-focused organization concerned with pollution to one that actively encourages public participation in a range of environmental issues that promote ecologically sustainable living throughout the NWT.

Ecology North is a non-profit society incorporated under the NWT Societies Act. It is headquartered in Yellowknife but works with individuals and communities throughout the NWT. A highly committed, action oriented and skilled group of 10 volunteers govern Ecology North. These volunteer board members are also actively involved in the operations and day-to-day work of Ecology North. A committee structure and bi-weekly board meetings to share ideas and skills help directors and other volunteer members achieve the group's mandate and participate in initiatives of interest to them. For example, about 10 volunteers are engaged in committees dealing with natural history or transportation issues while others are involved in communications, fund raising or a host of other specific projects. Ecology North's heavy reliance on and extremely successful volunteer efforts were recognized in 2005 when the Gov't of the NWT awarded Ecology North the NWT Outstanding Volunteer Group Award.

Ecology North benefits from the consistent commitment of three environmentally active and professional contractors who are or have recently completed work for the group. Individually, the contractors assume responsibilities for specific projects sponsored by Ecology North and collectively they perform executive director-type duties. Designated Ecology North directors link the work of project contractors to board and committee functions and sign-off on particular projects.

Over its long history Ecology North has led or participated in a wide range of projects, special events and committees to fulfil its mandate. Many activities are entirely volunteer-based endeavours. Larger projects that have involved government and non-

government funding have involved both volunteers and paid personnel. Examples of some larger Ecology North projects follow.

- Ecology North is funded by Natural Resources Canada as the NWT coordinator for the Canadian Climate Impacts and Adaptation Research Network (CCAIRN). As the CCAIRN North coordinator, Ecology North facilitates workshops on climate change impacts and adaptation issues.
- Through its environmental marketing program to address national Kyoto Protocol commitments, Environment Canada funds Ecology North until March 31, 2006 to encourage Yellowknifers to participate in the One Tonne Challenge to reduce green house gas emissions.
- In conjunction with the community of Wha Ti, Ecology North spearheaded the Wha Ti Sustainable Community project and Wha Ti Community Energy Plan. Completed in May 2004, the project and plan identified the La Martre Falls as a feasible location for a run of the river hydroelectric facility that could meet community power and heating requirements for the next twenty years, and diminish dependency on fossil fuels. The community is currently implementing the plan.
- Through funding from Volunteer Canada, Ecology North initiated a youth ecology club in Yellowknife to link environmental education and youth volunteerism.

Mainly through fund raising or very small government grants, various volunteer committees of Ecology North lead several projects in Yellowknife. Recent projects include:

- ecotheatre plays such as *Ptarmigans*, *Troubles* and *Tin Can Hill*, performed outdoors, on-site to increase public awareness of the ecological values of Tin Can Hill as a natural area rather than a future Yellowknife housing sub-division.

- monthly natural history activities such as a winter speaker series with presentations on natural history topics; spring bird counts; slide shows; and family-oriented nature scavenger hunts.
- the Save the Rocks campaign aimed at maintaining the natural integrity of the natural landscape within the urban confines of Yellowknife.
- an Anti-idling Campaign to educate residents about the impact of vehicle emissions on air quality and environmental integrity, with recommendations to the City of Yellowknife for making public transit services more attractive.
- a newsletter showcasing Ecology North's activities with information of interest to readers and members.

Ecology North also regularly sponsors special events such as:

- Earth Week activities that include nature and pond walks, kids eco-crafts, coffee houses and silent auctions, and film nights.
- sustainable living fairs.
- booths and events at community and territorial events such as the annual Folk on the Rocks music festival to invite membership, provide environmental information and sell merchandise.
- sponsoring and hosting the NWT Solid Waste Management Forum.

## **2. Relationships and Funding**

Ecology North describes itself as a credible organization. This is evidenced in several ways, including through its long and active history, success attracting volunteers and

funding, and the extent to which the group is included in consultations and other decision making processes related to environmental issues in the north. For example, Ecology North is regularly invited to participate in government consultation processes, the most recent of which was with the Minister of Indian and Northern Affairs on the Northern Strategy.

Ecology North recognizes that the strength of its relationships with volunteers, funders, members and the public at large is linked to its credibility. The group believes that through transparency and accountability in a wide-range of projects, committee activities and special events, Ecology North builds and maintains credibility not only with the general public and volunteers but also with all levels of government. To this end, Ecology North's board spends considerable time and effort ensuring accurate, transparent and complete financial and activity accounting. Volunteer leaders recognize the importance of these functions to future funding and good relationships with funders and the general public. They know that *"intelligent decisions depend on good financial information."* Knowledge of how government works is important to sustaining good relations with government funders so Ecology North recruits skilled and committed volunteers who know how government works.

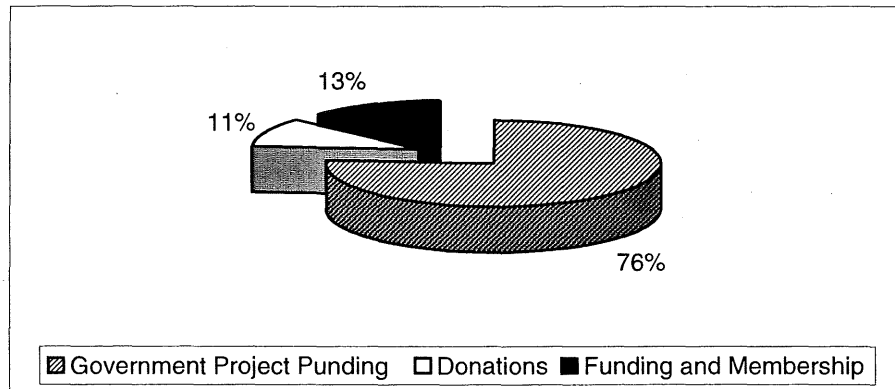
Despite an awareness of the need for good accountability practices and transparency, Ecology North's volunteers lack skills in financial management and accountability practices. As a result, a bookkeeper has been contracted to help with financial reporting and to ease the workload burden on project contractors and the board's volunteer treasurer. By contracting a bookkeeper, Ecology North has been able to streamline its accounting system and produce project specific reports required by funders.

As shown in the figure below, Ecology North relies on government funding. For example, for more than three years, the group has counted on a small contribution (\$4,000) from GNWT Environment and Natural Resources for annual Earth Week celebrations. The group also looks to government for larger amounts and longer-term/multi-year project funding such as the 18 month CCAIRN funding. Longer term



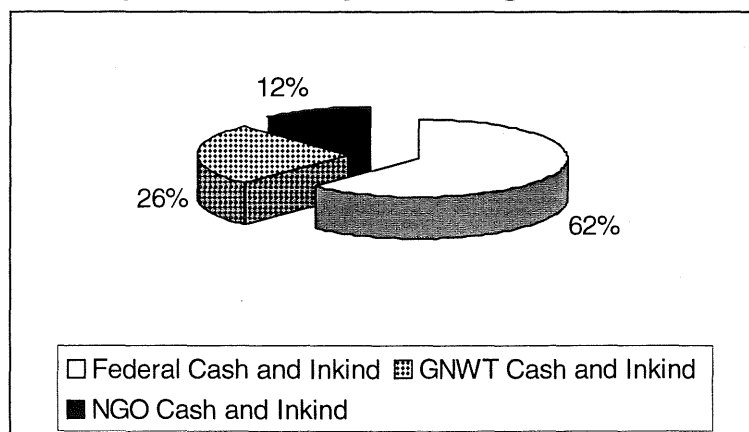
and larger amounts of government funding have enabled Ecology North to attract and keep skilled personnel who can attend to project as well as management and administrative functions.

**Summary of Ecology North Funding**



Ecology North has consciously increased the size and scope of government funded projects since 2002 as a way to have greater impact on environmental issues in the north, and sustain its operations and meet priorities. The Wha Ti Project is a good example of the contributions that a large-scale project can make to these two objectives. In this project, almost \$.75 million was raised from multiple funding sources. As shown below, 88% of direct and in-kind funding of almost \$.5 million raised for the planning and feasibility phase came from government. Five federal departments (Indian and Northern Affairs Canada, Environment Canada, Human Resources Development Canada, Natural Resources Canada) and two Government of the Northwest Territories (MACA and Environment and Natural Resources) contributed to the project.

**Summary of Wha Ti Project Funding 2002 - 2004**



### 3. Relationship and Funding Issues

Stable funding to staff and operate an office on a full time basis continues to be the most significant challenge faced by Ecology North. Lack of operational funding:

- limits Ecology North's stability, credibility and ability to deliver projects and engage northerners in environmental issues.
- overtaxes and threatens to burn out volunteers.
- limits the extent to which relationships can be built and sustained.
- underscores the inter-connectedness of relationship and funding issues.

Funding and relationship issues play out in several ways but have the net effect of limiting the effectiveness of Ecology North in engaging and sustaining northern involvement in increasingly critical environmental issues in the north. Ecology North clearly identifies the inappropriateness of project-specific funding as a vehicle for addressing these issues. As examples, Ecology North points to the many unrealistic and/or limiting factors associated with project-specific funding from both the federal and territorial governments. These include:

1. more demands on already overtaxed volunteers due to:

- additional effort required to meet the unique criteria of each funding program including significant effort to mobilize and demonstrate the commitment of partners.
- the significant volunteer commitment and sometimes personal financial resources required to complete project application forms. For example, at least four months of volunteer time was invested in preparing the Wha Ti project proposal so it would be acceptable to multiple funding sources. Further, the ensuing application and approvals processes particular to each funder required additional administration time and reduced the amount of time available for the planning and feasibility phase.

- extended delays in project approvals or in receiving project start-up funds often require volunteers to personally cash flow a project in order to fulfill financial commitments or meet volunteer/community expectations. Recently a lengthy summer student employment approval process prevented Ecology North from hiring a student to undertake much needed project work. Such protracted approval processes can also limit timely recruitment or retention of appropriate project staff.

2. under-valuing or under-funding of projects (e.g. receiving approval of significantly less funding than was requested but funders expecting the same outputs/outcomes) thereby increasing the demands on volunteers and putting the credibility of the organization at risk.

3. inadequate funding to develop follow-up or complementary proposals; pay administrative or infrastructure costs beyond basic project expenses (e.g. bookkeeping, share of office overhead, telephone); offer competitive wages and benefits to attract and keep qualified staff; or hire project bookkeepers to meet the complex and non-standardized financial accounting requirements of different funders.

4. the short horizon funding 'treadmill' limits the capacity of the sponsoring organization to plan beyond the project itself, thereby limiting the impact that the project can and does have.

Ecology North believes that large, multi-year project-specific funding and fee-for-service contracts have greater potential for addressing some of the funding and relationship issues the group faces. While these approaches create the semblance of organizational stability and capacity, they also increase expectations and demands. They also put voluntary groups at risk of losing their distinctiveness from the public or private sectors - "*you lose your advocacy role as you become a cheerleader for the government.*" These approaches can also cause voluntary groups to shift away from the mandate that volunteers work to fulfill. That is, as volunteers spend more time on government funded

projects, the capacity to advocate and effectively critique and influence a balanced public environmental policy in the north diminishes.

#### **4. Current Efforts to Address Funding and Relationship Issues**

Ecology North seeks to be creative and entrepreneurial in its efforts to achieve financial stability. It believes that a diversified funding plan is important to operational stability.

To address funding and relationship issues, Ecology North has two main priorities:

1. increase its capacity for fund raising through donations and membership.
2. seek long term stable (core) operating funding

Ecology North would like to improve fund raising efforts in order to cover more of its basic operational costs. It would like to increase membership and fund raising investment in the organization beyond the annual \$5-\$6,000. Ecology North's loss of charitable status some years ago has hampered stable funding. It views the recovery of charitable status as a key to securing more stable funding.

Ecology North is encouraged that other volunteer groups receive operational funding from government, and it points to government funded industry associations as examples. It is also encouraged that the GNWT and the federal government regularly express their commitment to responsible environmental management. Ecology North argues that much of its environmental project work is undertaken on behalf of and benefits government thus it is reasonable for the government to support this environmental leadership with long-term operational funding. The group points to the Wha Ti sustainable community project as an example of a project that will create significant long term cost saving benefit (e.g. from community hydrocarbon subsidy savings) to the GNWT that is well above the GNWT's one time investment in the project. Ecology North wants the GNWT to replicate the Yukon Government's relationship with the Yukon Conservation Society. That is, Ecology North wants the GNWT to follow the Yukon Government's lead of adequately core funding one organization to take environmental leadership. Ecology North wants GNWT funding to play this role in the NWT.

## 5. In Conclusion

Ecology North has a long and well-respected track record of environmental work both in Yellowknife and elsewhere in the NWT. Active and strongly committed volunteers and contractors have contributed to the group's successes and credibility and to good relations with funders and the general public. Ecology North identifies transparency and accountability as key to attracting volunteers and building credibility. Ecology North has demonstrated that credibility leads to good working relationships and the potential for more funding and more funding relationships.

Ecology North's credibility and good reputation have made it easier for the group to fulfill its mandate and address its funding issues. These attributes also help Ecology North to take on large demonstration projects and fee-for-service agreements on a range of environmental priorities. Ecology North's positive characteristics of commitment, proven capacity to manage and partner on projects, respect and integrity make it a good candidate to take broader leadership in environmental stewardship of the north.

Despite over three decades of environmental work and demonstrated benefits to governments and the people of the NWT, Ecology North continues to be without long-term, stable funding or any commitment from government to enter into a solid, financial relationship that would benefit both parties. A GNWT offer of core funding support would be welcomed as would a timelier project funding application and approvals process.



## Soaring Eagle Friendship Centre – A Case Study

2005

Prepared by: Bob Stephen, Lutra Associates Ltd. for  
Volunteer NWT Finance Action Group

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## **1. About the Soaring Eagle Friendship Centre**

Soaring Eagle Friendship Centre's mission is to:

- provide a friendship centre for the people of Hay River and surrounding area.
- promote self recognition and recognition by the community at large of the identity, culture and heritage of Native peoples.
- assist people from the outlying communities to integrate into the community of Hay River and other larger centres in the Northwest Territories.
- promote and provide information, referrals, and social, cultural and recreational programs which ensure a better quality of life and support the self determination of Native peoples.
- provide programs and a place for recreation and cultural activity where people can attend and gain a better understanding of each other.
- encourage the assistance of service agencies, voluntary organizations, private industry and all levels of government in advancing and maintaining the well-being of the constituent members and the Native peoples of the Hay River area.
- carry out business in a manner that shows respect and honour for all people.

A nine-member volunteer board provides governance for the Soaring Eagle Friendship Centre. Directors are accountable to the community and play a leadership role by providing policy direction for the Centre. From time to time, volunteer directors also participate in program activities. Beyond volunteer coordination, the board does not play a role in fund raising for the Centre.

The Soaring Eagle Friendship Centre has a history that reaches back to 1975 when First Nations volunteers in the community came together to respond to each other's needs. In these early years, the Soaring Eagle shared space/facilities with the Metis Association. The volunteer group secured funding from the federal government in the late 1970s under the Native Friendship Centres Program. Between 1980 and 1984, funding increases led to the establishment of executive director, secretary/bookkeeper and community facilitator positions. With some stability in staff and resources, the volunteers and staff involved in the 'Soaring Eagle Friendship Centre movement' relocated to the Baptist Church in 1982.



This location provided larger office and program space. In 1987, the Soaring Eagle Friendship Centre registered as a non-profit society under the NWT Societies Act. Through a partnership with the Hay River Metis Nation in the mid-1990s, Soaring Eagle purchased and renovated a building previously owned by the government and in 1996, moved to this new location in the Aboriginal Centre. The Soaring Eagle Friendship Centre's location in the Aboriginal Centre is generally well-equipped and easily accessible to a broad range of Hay River residents.

Soaring Eagle's lengthy history coordinating, delivering and advocating for culturally appropriate programs and services in Hay River is well-known and respected in the community. The Centre offers a mix of seasonal and year-round programs, activities and services depending on need and availability of human and financial resources. Year-round services available to the public include advocacy and personal supports, general counselling, referrals, language services, and the food bank. The executive director and program coordinator mainly provide these services. Year round and seasonal activities and programs are scheduled by the Centre. These activities/programs vary from year to year. Typical services/activities offered include:

- training (e.g. leadership, language and safety/first aid, and income tax support);
- information (e.g. the youth resource centre);
- social interaction and supports (e.g. the elders program, youth dances, coffee houses, elders Christmas and bingo);
- cultural programs (e.g. a cultural day camp, Aboriginal day celebrations, winter land programs); and
- employment supports (e.g. summer student employment program and resume writing).

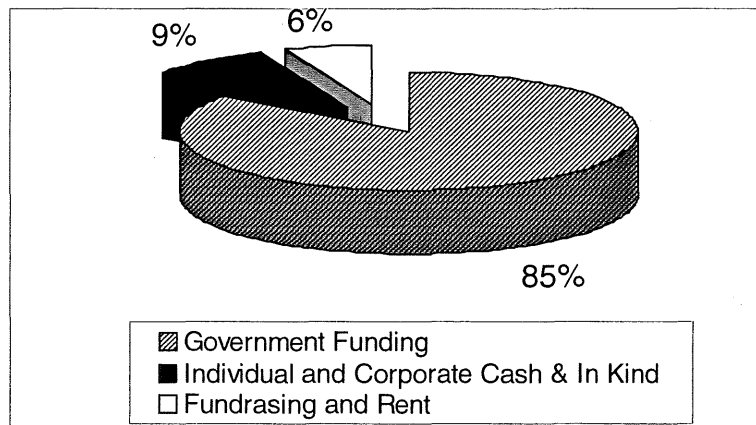
The Soaring Eagle Friendship Centre retains up to six additional staff in term positions to work on projects and at the Youth Resource Centre. Other staff are recruited as required for shorter projects. In addition to core and program staff, a great deal of labour comes from committed volunteers for example, to assist with the food bank, Aboriginal celebrations, and a range of other programs/activities. In 2004, Soaring Eagle recognized

its 285 volunteers at its annual volunteer appreciation feast. Soaring Eagle out-sources monthly financial administrative (of expenses, receivables and payables) activities.

## 2. Relationships and Funding

The Soaring Eagle Friendship Centre operates on an annual budget of up to \$500,000. As illustrated in the chart below, Soaring Eagle receives 85% of its funding from the federal and territorial governments. Fund raising, rent, community and individual donations comprise the remaining funding. The Soaring Eagle has devolved its landlord duties to the Aboriginal Building Society. Through this arrangement, the Aboriginal Building Society collects office and facility rents and applies this revenue to land taxes, utilities, building maintenance and some associated financial administration costs.

**Source of the Soaring Eagle Friendship Centre's Funding**



Approximately 20% of the Soaring Eagle Friendship Centre's annual budget is provided through a five-year core funding agreement with the federal government under the Aboriginal Friendship Centre Program (AFCP). The current agreement is subject to renewal in 2006. Core funding provides for the salaries and benefits of the executive director, program coordinator and secretary as well as some operational support (e.g. board and staff training).

Soaring Eagle has also secured long-term project funding (more than three years) to support the Youth Resource Centre. This funding was made available under Canadian

Heritage's Urban Multipurpose Aboriginal Youth Centre (UMAYC) initiative. The GNWT Education Culture and Employment, Environment and Conservation, and Industry Tourism and Investment also contribute long-term funding for a variety of training, cultural, and wellness initiatives.

The lengthy history of positive contributions to Hay River's Native and non-Native population provides the foundation for strong relationships in the community, and with several government funders. These relationships are evidenced in the long-term government funding arrangements that the Soaring Eagle enjoys.

Soaring Eagle's executive director currently represents seven NWT friendship centres on the National Association of Friendship Centres (NAFC) board. NAFC advocates, and acts as a central communications body for friendship centres and administers the Aboriginal Friendship Centre Program (AFCP) and Urban Multipurpose Aboriginal Youth Centres Initiative (UMAYC) on behalf of Canadian Heritage.

### **3. Relationship and Financial Issues**

Although Soaring Eagle has a long history of delivering appropriate community programs and services and good relationships with its funders, it continues to encounter financial issues. Soaring Eagle's main challenge is coping with government's "stop and start" practice with respect to annual project funding. Each year Soaring Eagle is forced to prematurely terminate programs and lay-off staff on March 31 to avoid budget deficits. Protracted approval processes and tardy project payments/advances frequently delay program start-up for two to three months. Soaring Eagle finds that core staff and volunteers cannot bridge the two to three-month program gap in the spring-time when programs and services are in high demand (e.g. youth activities, youth employment supports, income tax supports). A two to three-month delay in project funding has other impacts. Staff who are laid-off in March without a guarantee of program continuation and rehiring, tend to seek out other employment opportunities as they cannot afford to wait until May or June to be rehired. When and if project funding is renewed and issued, Soaring Eagle must invest substantial time in recruiting, orienting and training new staff.

Soaring Eagle secures information on federal funding mainly through the National Friendship Centre network and information on GNWT funding information from local/northern newspapers. Soaring Eagle has been discouraged from applying for small pots of GNWT and federal funding due to more demanding/complex application, approval and reporting processes. That is, Soaring Eagle is finding that administrative requirements whether in application or report procedures results in little and at times a diminished return on investment from some GNWT and federal funding programs. The federally funded 2005 Summer Student Employment Program is identified as a victim of more onerous application and reporting practices.

Soaring Eagle finds that the government practice of limiting allowable administration costs increases pressures on other revenue sources (e.g. fund raising and rental income). While Soaring Eagle has increased fund raising efforts to make up for project short-falls, it is reluctant to ask for more support from already generous and supportive businesses and individuals in Hay River. Soaring Eagle has also needed to (re)design programs to meet funder expectations and priorities (e.g. funding may be available for language programs rather than culture camps or elders' literacy programs). Rejigging programs to accommodate the priorities of funders rather than the needs of the community can disrupt staff and program continuity as well as have implications for Soaring Eagle's credibility in the community.

Soaring Eagle staff and directors have discussed financial issues and program needs with GNWT personnel and MLAs but have seen few changes in practice. The disconnect and/or distance between policy makers/program design and program deliverers are perhaps reasons for this.

#### **4. Current Efforts to Address Relationship and Financing Issues**

Soaring Eagle is running out of innovative ways to engage funders to help the Centre serve community needs. In recent years, it has had difficulty:

- delivering quality year-round programs and activities particularly for youth.
- even with some core funding, to comply with increasingly onerous demands for diminishing pots of money.
- building relationships with project funders who don't want to engage in policy dialogue or pass information along to those who are making program and policy decisions.

To counter some of its difficulties Soaring Eagle has become more entrepreneurial in its operations. That is, it operates on a balanced budget and terminates government-funded programs to avoid deficits that fund raising may not be able to offset. Outsourcing financial administration to an out of town accounting firm has also resulted in cost savings and improved Soaring Eagle's financial accountability. Soaring Eagle staff also invest significant time in planning in order to better juggle government funding so as to maintain a positive cash flow throughout the year. The decision has also been taken to avoid program start-up until documents are received (e.g. a letter and/or contribution agreement). Admittedly, a more entrepreneurial approach may have negative implications for community residents.

Soaring Eagle believes that partnerships are increasingly necessary to serve the complex needs of Hay River residents. Solid partnerships have helped Soaring Eagle to access government project funding and acquire facilities. Suitable programming space now makes Soaring Eagle a good candidate for more partnerships. Soaring Eagle's membership on the Hay River interagency committee also assists it to build working relationship with other voluntary sector and frontline public government and Aboriginal agencies. Growth of the Hay River interagency committee is viewed as a positive step for voluntary and frontline agencies, gathering project funding support, and sharing information and ideas. The development of the Hay River interagency committee might

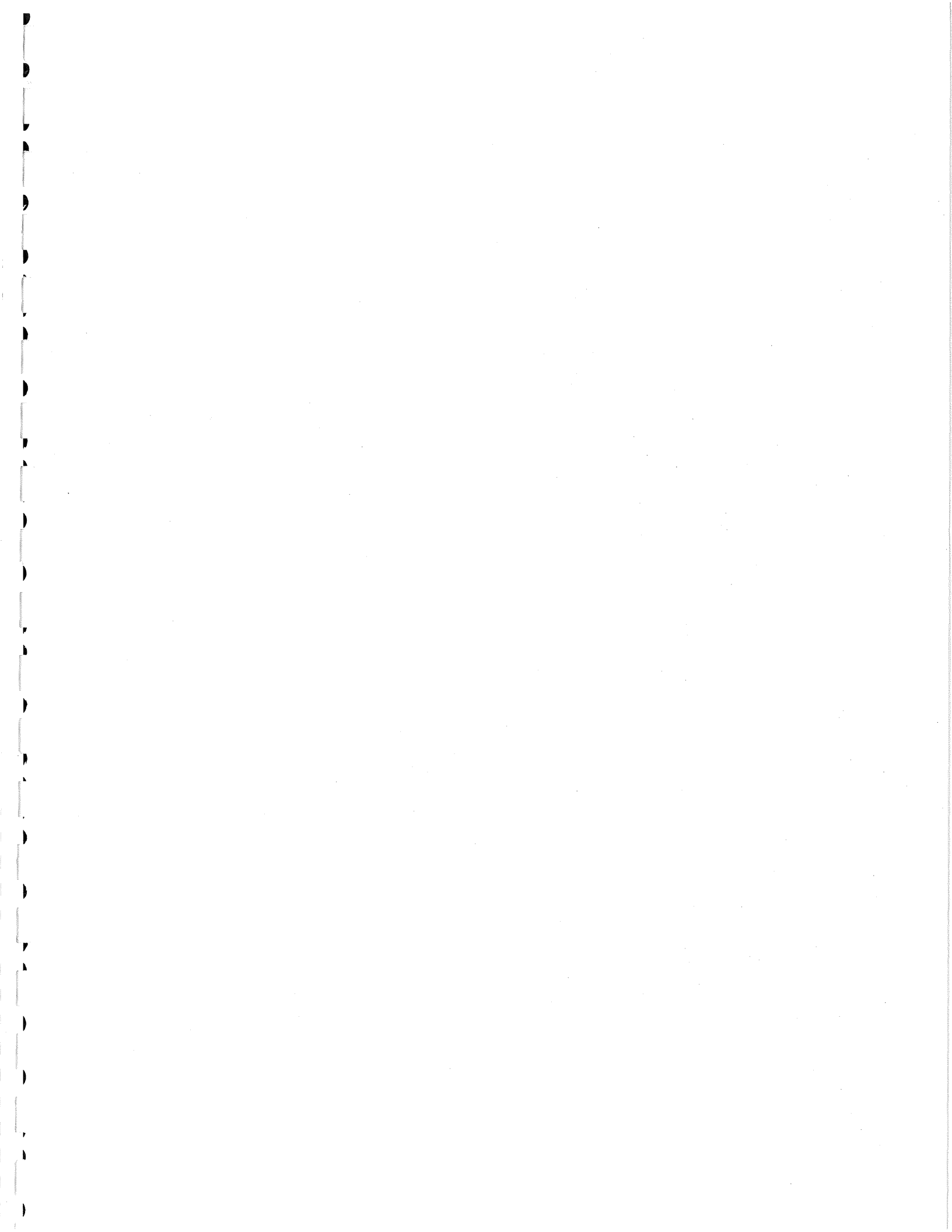
also be a reason that Soaring Eagle has seen less competition among Hay River front line agencies (e.g. an attitude that “*everyone is after the same funding*”) in recent years.

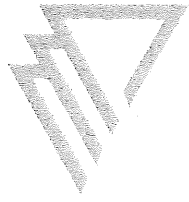
### 5. In Conclusion

Hay River appreciates and expects Soaring Eagle’s contribution to the community’s well-being and much of this recognition is attributed to the hard work and perseverance of Soaring Eagle’s staff and many volunteers. Staff are unwilling to take ‘no’ for an answer - “*If it [a project or activity] is worth trying, we will do it.*”

Soaring Eagle would better serve it’s community, particularly youth, if:

- longer duration multi-year funding was available.
- more project funding was available for Hay River volunteer groups.
- project funding administration guidelines were relaxed for allowable expenses and ratios increased to a minimum of 10%-12%.
- application and reporting for small funding pots were streamlined and more consistent across departments to reduce administration time.
- improved policy dialogue and information flow result from better relationships.





**YWCA**  
YELLOWKNIFE

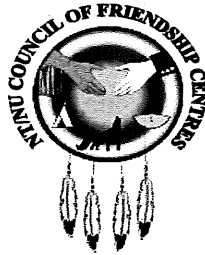
A TURNING POINT  
FOR WOMEN



**Volunteer NWT**

Northwest Territories Network

Canada Volunteerism Initiative



**Voluntary Sector**  
**FORUM**  
du secteur bénévole  
et communautaire



**Northwest  
Territories**