

KAMLOOPS SPORTS LEGACY FUND

LEGACY FUND

ALLOCATION PROCESS

Effective: November 2008

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Section 1: Overview

The Allocation Process is an integral component of the administration of the Society Legacy Fund. It is overseen by the Allocation Committee, which maintains fair policies and efficient procedures for funding applications and service requests. The Board of Directors is responsible for all decisions regarding the allocation of funds and services. The process is reviewed annually to ensure that the administration of the fund is aligned with the priorities of the citizens of the Kamloops Region. The Legacy Fund is an enhanced community investment with sport stakeholders.

The allocation of funds and services is consistent with the purposes of the Society constitution and the guiding principles of the organization. Funds are allocated based on the previous year's return on the investment of the Legacy Fund, the capital of which is to be maintained to perpetuity.

Section 2: Purposes and Objectives

The Allocation Process is aligned with the Society constitution purposes and guiding principles. The commitment of funds and services is for the improvement of amateur sport facilities and sporting activities for the citizens of Kamloops and the surrounding area. This is achieved through the provision of funds and services including the purchase of land, building(s) and equipment and the support of training, education and research pertaining to amateur sport. The Society is also committed to promote amateur and junior hockey in and around the City of Kamloops.

Capital and ongoing funding is protected within the scope of decisions regarding annual funding allocations. The Society recognizes both financial and organizational support as valuable use of the Legacy Fund. Wherever possible, financial support is accompanied by efforts to build the capacity and effectiveness of amateur sport organizations. This is accomplished by strengthening organizational capacity, leadership development and volunteer support.

Organizational capacity is based on a sound governance foundation, the strength of leadership planning and appropriate succession strategies for organization membership and direction. This may be accomplished by board development training, customized training workshops and organization management.

Leadership development is key to membership sustainability as well as being directed to the coaches and officials essential for the success of the organization.

Community based volunteer support and cooperative efforts to sustain this much-needed resource are critical for the numerous events held annually in the City and Region. This can be accomplished by encouraging people to volunteer, increasing the capacity of organizations to attract new volunteers, enhancing the experience and recognizing the service.

Historically, volunteers are attracted to strong organizations and the "new" volunteer is looking for meaningful engagements that are project-based and time specific. The challenges are limited time for planning, lack of new perspectives on Boards and

financial sustainability. The goal is to inspire and build leadership in the sport volunteer sector.

Proceeds from the Legacy Fund are not intended to replace existing sources of income for sport organizations. Leverage of Society funds and matching of grants extends the capacity of the Fund.

The Society does not have charitable status as required by the Federal Income Tax Act and as such can not provide tax receipts for contributions. As a non-profit organization (NPO) it is exempt from income tax under the ITA. Charitable status will be revisited once proposed policy changes concerning sports activities by registered or applicant charities are redefined by the Charities Directorate, Canada Revenue Agency (CRA). Public consultation was completed in June 2008.

Section 3: Eligibility Criteria

The eligibility criteria for receiving funds or services from the Society have been developed to assist the Board in the final decision making process and clarify requirements for organizations intending to make application.

Considerations relating to individual support and/or group association, the nature and administration of the applicant organization and the measurement of the effectiveness of planning processes are key components.

3.1 Governance of the applicant organization and accountability standards: Issues

- How the organization is governed
- Ways that it spends its funds
- Truthfulness of its representation
- Willingness to disclose basic information to the community

3.2 Governance and Oversight: The majority of local sport organizations are registered as non-profits under the BC Society Act and as a result have a membership base and a Board structure with a constitution and bylaws. Minimal accountability standards:

1. A Board of Directors that provides adequate oversight of the organizations operations and appropriate communications with its members.
2. A Board of Directors with a minimum of five voting members and a strategic planning process.

The Society recognizes its role in supporting fledgling organizations establish themselves within the community. It is not the intention of the eligibility criteria to exclude these groups because they are not registered or do not have a credible, experienced governance process. The oversight expectations and due diligence is increased until the organization is established.

3.3 Measuring Effectiveness: Applicant assessment requirements:

1. A Board policy of assessing, no less than every two years, the organization's performance and effectiveness and of determining future actions to achieve its goals through a strategic planning process.
2. Submission of the strategic planning process to its membership on a regular base consistent with the Board policy.

3.4 Finances: Minimal standards:

1. Complete annual financial statements prepared in accordance with generally accepted accounting principles.
2. Board approved annual budget for its current fiscal year, outlining projected expenses for major program activities, fund raising and administration.
3. A formal Agreement with the Society for release of funds and measurement of outcomes.
4. Avoidance of accumulating significant funds that is not identified in the strategic plan that could be used for current organizational activities or goals.

3.5 Funding Categories:

1. Donations: Providing unspecified funding to individuals or a group is not consistent with the overall objectives of the Society. The Board of Directors does have the discretionary power to make donations under special circumstances unique to the community.
2. Grants: Funding for specific projects or services is favored and best meets the vision of the Society. These include funds directed to:
 - The improvement of amateur sport facilities and sport activities
 - Funding the purchase of land, buildings and equipment
 - Funding for training, education and research pertaining to amateur sport
 - Funding for organization capacity building, leadership development and volunteer support and recognition
3. Capital Partnerships: The opportunity for joint projects encouraging additional funding from other organizations and for the leverage of Society funds.
Allocation considerations:
 - The maximum percentage of the project or ceiling for the Society
 - The maximum number of years for concurrent Society funding.
 - Society funds will be the last into the project.
4. Organization Loans: The opportunity to extend loans to community sport organizations for securing project or equipment purchase financing. A sound business plan for the project and repayment of the loan is required. The funds are part of the Allocation Process
Allocation considerations:
 - Sustainability of applicant organization
 - Type of project or equipment purchase
 - Maximum contribution
 - Interest rate and repayment requirements
 - Applicant business plan for repayment
 - Security of the loan
5. Scholarships and Bursaries: Investing in the sport community either through existing organizations or directly establishing a sport scholarship and/or bursary fund.
6. Direct Service Provision:
 - Assisting in developing and maintaining organizational capacities
 - Proactive approaches to leadership development in the sport community including coaching, officiating and volunteering.

- Assisting the sport community to establish a volunteer registry, train and recognize volunteers.

7. Non-qualifying Requests: funds will not be granted for program funding, sponsorship requests and funding for travel, meals, accommodations and per Diems

3.6 Qualifications: Qualifying requirements for the applicant organizations, which will provide future opportunities to develop a score card to assist in the selection process are:

- “Community-based” non-profit organizations
- Magnitude of the project
- Percentage of the project capital raised by the organization
- Access to other sources of funding – Provincial Sport Organization affiliation
- Outcomes of benefits to the community
- Numbers of participants and demographic orientation
- Willingness to recognize the Society support
- Interval between project specific requests