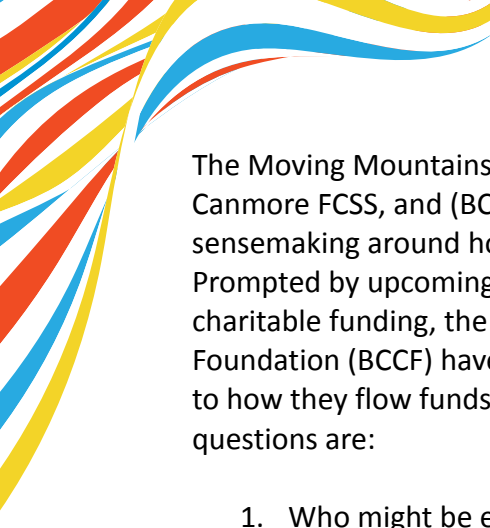


MOVING  
MOUNTAINS

# Flow of Funding






The Moving Mountains initiative, a partnership between the Town of Banff FCSS, Town of Canmore FCSS, and (BCCF) served as a catalyst for BCCF's learning, experimentation, and sensemaking around how more possibilities might be created within their granting strategy. Prompted by upcoming changes to the CRA legislation concerning who is eligible to receive charitable funding, the Moving Mountains initiative and the Banff Canmore Community Foundation (BCCF) have been exploring 3 core strategic questions that relate to their approach to how they flow funds into the hands of those doing critical work in the community. These questions are:

1. Who might be eligible to receive funding under this new legislation?
2. What might we learn from actively practicing different ways to flow funding during the implementation of the collaborative activity of Moving Mountains?
3. What evolutions to our granting program overall might be revealed when we convene dialogue space with social impact investors and other funding organizations?

### **Who is Eligible? AKA: “Who is part of civil society?”**

While the original proposal for Moving Mountains was to promote collaboration between established non-profit organizations within civil society – predominantly those with charitable status – it was surprising for the team to see those who self-identified as civil society held a broader definition of the sector. Those who answered the call for participation included non profit organizations, but also established yet non-qualified organizations, community groups, for profit businesses, social enterprises, as well as passionate individuals seeking collaboration to move the needle on social issues close to their hearts.

Moving Mountains initiative Co-Lead, Jeanie Macpherson was excited to witness the diversity in responses, because it signaled that the initiative was reaching passionate community members who might not typically have seen themselves as a part of the conversation. She says, “non registered community groups in particular, face significant barriers in connecting their work with charitable dollars. The funding models we’re used to often flow funding to organizations with charitable status (most often those with non-profit status), instead of distributing funds more equitably among the broader variety of groups doing community-based work. This is a shame, as the 'on-the-ground' efforts of these non registered groups can often offer tangible, practical solutions that respond efficiently and effectively to meet community needs.” The process of being recognized as a charitable organization can be cumbersome, time consuming and expensive, both financially and operationally, making it an infeasible model for many groups. Erin Melnychuk, a community economic development specialist who worked in consultation with the Moving Mountains initiative team reflects that, “this creates an assumption that the non-profit sector is tasked with the work of community wellbeing. It is a longstanding model, and is showing all kinds of cracks... it's up to all of us, from community groups to social enterprise, municipal governments and industry - every sector needs to play a role and share in the responsibility. That's the reason we have to think differently - those old paradigms that it is only the responsibility of the non-profit sector, no longer serve us, society, or the planet.”



The invitation to think differently about who has a stake in increasing community wellbeing is reflective of a broader conversation about how funding flows. As changes to the CRA legislation due out this year seek to open up funding, organizations like BCCF are left holding, in one hand, a desire to create access points for the funding they have at their own discretion, in order to be more inclusive of different “non-qualified” organizational models in need, and in the other hand, the possibility that ultimately the CRA may choose to specifically designate who is eligible for funding and the growing pains they endure will be for naught.

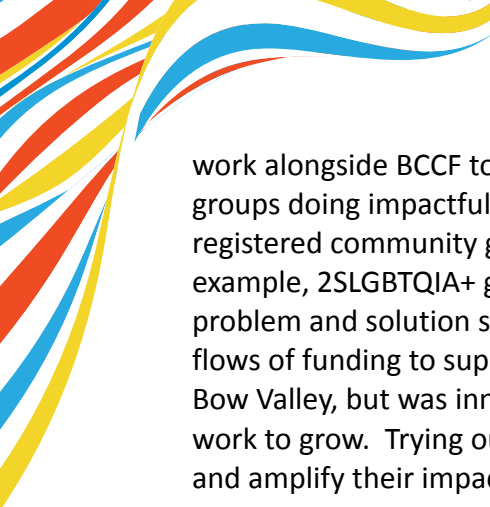
Currently, the charitable objects of the BCCF include granting and providing administrative support to *charitable organizations*, awarding community scholarships, and convening on priority issues. However, as the new legislation is tested, Jen Feikes, Director of Finance for BCCF expresses that “it’s raising a question of whether BCCF will need to change their own charitable objects,” to be able to explicitly support non-qualified organizations directly. Laurie Edwards, BCCF’s Executive Director, adds that “one of the central questions BCCF has been holding since the project’s inception is how our charitable status can be leveraged to support shared services, platforms, and initiatives.”

### **How to Actively Practice Flowing Funding Differently?**

**AKA: “How do we just let the funds flow?”**

Funding from the Alberta Civil Society Fund, supported a partnered approach to experiment toward increasing collaboration and impact through Moving Mountains, a community-based initiative about making change in the Bow Valley across specific priority issue areas; Health and Wellness, Economy, Truth and Reconciliation, and Environment. With an eye to learning about possibility for value creation, opportunities to develop shared platforms, and potential for new social enterprises, Moving Mountains put out the call to participate in a series of dialogues that were open to all in efforts to promote inclusion, build belonging, and encourage participation in future phases. Learn and Try groups that developed from these dialogues were uniquely composed: some included a group of non-profit organizations, others brought for-profit organizations or individuals into closer relationship with non-profits or grassroots organizations. The result was that with each different composition of a group, different mechanisms for allocating funding were required, so that, over the past few years, BCCF, through the work of the Moving Mountains initiative, has been building their internal know-how to facilitate social finance opportunities.

Laurie Edward, Executive Director of BCCF reflects “One of the key reasons that so much of the grant proposal budget was held for supporting new initiatives, was that we knew we wouldn’t be flowing funds in traditional ways. The core team partners knew that this kind of money is exceptionally difficult to secure for non-qualified donees.” Jen Feikes shares, “our approach with the Learn and Try groups was to say, bring your needs to us and we’ll figure out how to make it work - don’t get hung up on barriers before talking to us.” New ways the initiative has experimented to flow funds include strategic granting, emergent grants, co-granting, and qualified disbursements. Macpherson commented further, “it was fascinating and rewarding to



work alongside BCCF to explore how we might forge new financial pathways that could support groups doing impactful work in the Bow Valley. From an equity perspective, many of the non registered community groups were working through lenses of lived experience including, for example, 2SLGBTQIA+ groups, Youth and Indigenous groups. They were approaching important problem and solution spaces from within those communities themselves. Transforming the flows of funding to support these groups was not only innovative for the non profit sector in the Bow Valley, but was innovating in creating more just and equitable positioning for collaborative work to grow. Trying out new funding flows really shone light on opportunity spaces to sustain and amplify their impact.”

Among the challenges BCCF worked to navigate with Learn and Try groups were:

1. **Providing honorariums, contracts for services, and operational support:** Typically, grants are designed to fund specific deliverables, but not necessarily how that work gets done. Issues around what activity can be financially supported with grant funding and what can't be was pushed to the forefront during the Moving Mountains Collaborative Learn and Try phase. New partnerships or collaborations take time to build trust and agreement in how to move forward. It's unsustainable to expect that this time forming, storming, and norming should be uncompensated. For established organizations, saying no to other things to invest the resources in creating new collaborative partnerships is often a risk difficult to swallow. For others, these early stage costs can prevent good ideas from getting off the ground at all. Through Moving Mountains, BCCF provided operational support (in the form of initiative co-leads, Learn and Try Group administrators, and supports like Melnychuk and Be Local's Phillip Lozano), to scaffold coordination and administrative needs, provide continuity and coaching, when it was needed.
2. **Intervening to help identify fiscal sponsors:** The work of finding fiscal sponsors can stop promising work dead in its tracks – in some cases, Learn and Try groups approached 3-5 potential fiscal sponsors, and couldn't find an organization who felt they had capacity or alignment enough to support a new collaborative initiative. Finding a fiscal agent is becoming increasingly complicated – and is not always desirable. Melnychuk shared, “because the project needs to go through the charitable organization's infrastructure and resources, they have to charge an admin fee to the donee to manage the contract on their behalf... the end result is that the donee feels like they have to give up ownership and control of the initiative, and they lose up to 20% of the grant to “pay” the charitable org to be the fiscal agent.” For designated charities, fiscal sponsorship comes with a series of risks it might consider thus: from a compliance perspective, if they are audited and it is determined that a project they take on doesn't advance their own mission directly, their charitable status could be permanently affected; reputationally, they are ultimately accountable for the use of funds and yet are not the team delivering the work; operationally, capacity to do due diligence on the opportunity or to administer the grant may not be – or perceived to be available. If this feels like a lot of red tape, it's because it is.

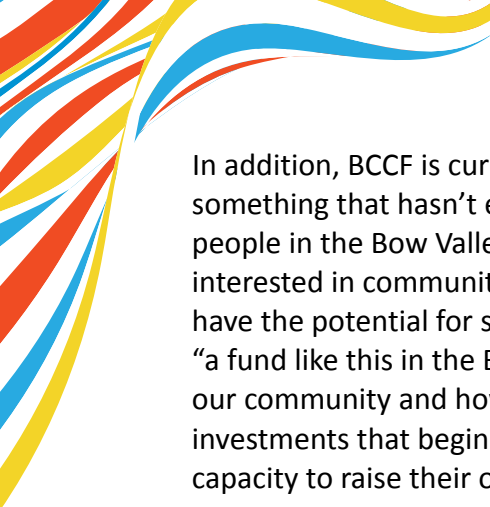


3. **Convening conversations, providing grants for training and exploration, and smaller and more frequent grants to support emergent activity :**

BCCF grants were made available to encourage the participation of interested community members in top-tier social venture-specific training opportunities that both built skills and capacity, and supported personal application to projects in real time. 10 Bow Valley social entrepreneurs attended HollyHock Leadership Institute and Be Local's Social Venture Institute (SVI) Alberta in July, 2022, and 8 members of one Learn and Try group attended The Wolf Willow Institute for Systems Learning's program, Here Be Dragons. From the participant's perspective, SVI AB "helped me to see myself as a social entrepreneur and inspired me to really think through my proposed approach. I would never have been able to prioritize attending if it wasn't for the support I received from BCCF," while "Here Be Dragons "gave the group a really good foundation to build the vision for the group."

A paradox around small sum grants was identified during Moving Mountains. While small sum community grants carry less risks for foundations and are therefore easier to disburse, it is also true that the administrative cycle of applying for and receiving small sum grants can be a burden on the teams working on securing the funds to support their work. Unrealistic expectations around timing and scope can result when groups applying for funding need to have a fully - or even an almost fully fleshed out plan in advance of securing funding. The grants themselves do not retroactively compensate teams for the time it takes to prepare the grant proposal, and the reporting required if you get one, often doesn't cover the timeframe of the completed work, let alone the actual project planning and delivery. Innovation around social issues is complex and non-linear, so the operational cost of applying and reapplying for small sums often distracts from the actual activities of the initiative. Taking risks on new ideas, platforms or social enterprises is complexified when groups are funded linked to deliverables that are no longer relevant due to contextual or environmental shifts. This paradox raises questions around whether funder collaborations could result in the creation of longer-term funding pathways to support and extend the impact of collaborative work on social issues.

4. **Pulling funds from existing channels within BCCF's existing grant portfolio:** In some instances, Learn and Try groups had requirements that could be easily satisfied through existing funding mechanisms, allowing BCCF to protect CSF funding for less straightforward circumstances. An example of this includes BCCF adding a pool of funds from within their current portfolio to support qualified donees, who had more typical structures conducive to existing mechanisms. Adds Edwards, "we were also able to carve out funds in the BCCF budget so that the Moving Mountains co-leads could support Learn and Try initiatives beyond the end of the grant term, with the intention to focus attention on uncovering new funding models and sources and opportunities to extend the work that groups want to do."

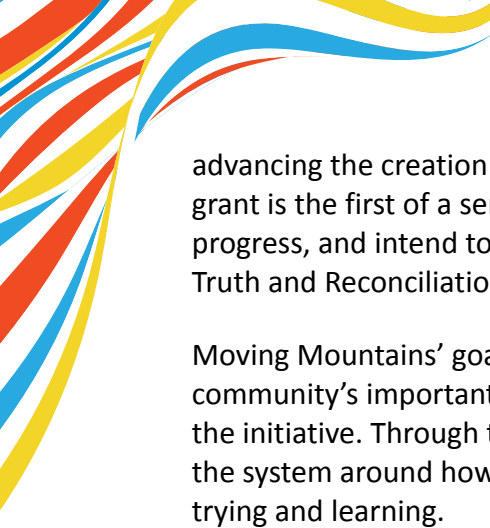


In addition, BCCF is currently building the policy framework for a social enterprise fund - something that hasn't existed here before, that will be, Edwards says, "designed to engage people in the Bow Valley community who consider themselves to be investors and are interested in community building." The goal is to identify investment funding for projects that have the potential for social, environmental, and financial returns. Edwards goes on to say that "a fund like this in the Bow Valley transforms the flow of funding both in how funds come into our community and how they are distributed within it- from community loans to equity investments that begin to support the achievement of financial sustainability," such as creating capacity to raise their own funds, reaching scale, and building diverse revenue streams.

There are a few experiments still left on the table. One idea is a shared platform - a networked space, that would connect initiatives and organizations with potential funding, fiscal sponsorship opportunities, collaborators, etc. Another is the creation of a Funder Circle, a community of practice for funding organizations in the Bow Valley. Mutual understanding each foundation's parameters, community inputs, and processes for flowing funding could create opportunities for coordination that have the potential to maximize community impact. Macpherson shares, "a ripple effect of the initiative that we're noticing in community, are indicators of expanding consciousness around what might be possible. Groups are continuing to self-organize, motivated by shifts in how we think about funding pathways, and possible changes that could benefit broader civil society and community wellness in the Bow Valley. The creation of the Funding Circle - and a community-led spinoff group that has self-organized to discuss collaborative grant applications, are good examples of this." Feikes, reinforces this idea when she says, "I think it's really important that the right people are at the table at the time when we're saying, okay, what is this? What is this amazing thing that's happening? What are the needs and how do we as a collective, come up with the best way to flow funds and resources to this project, or this initiative, or this group." Edwards adds, "we realized that there are a lot of challenges around just getting a bunch of funders together - it's tricky to figure out what is the call, who's playing what role, what is it that we're really trying to do together?"

As short term funding pathways will not sustain momentum of the Bow Valley's collaborative impact infrastructure so, Macpherson suggests that identifying possibilities for funding longer-term, ecosystem building initiatives would be useful. In order to move towards sustainable support for collaborative projects, concepts, and models in civil society, more experimentation is needed. She says, "engaging the support of external consultants to develop collaborative funding strategies and grant programs that serve the common goals (as identified within the initiative - health and wellness, affordability and livability, Indigenous and local economy and cultural and environmental learning) would be a pathway to further scale impact across civil society. These opportunities may include partner eligibility requirements to further grow and encourage collaborative impact around these common goals. External guidance would give focused attention to this idea and create safer conditions for funding partners to explore opportunities together."

For now, as Moving Mountains comes to a close, there is already exciting news to share. The BCCF has issued a first non qualified disbursement to a social enterprise in the Bow Valley



advancing the creation of a local mental health and wellness toolkit and resource guide. This grant is the first of a series of three non-qualified donee grants - the second and third are also in progress, and intend to flow funds to an Indigenous-led community group to advance work in Truth and Reconciliation in the Valley.

Moving Mountains' goal of learning how to transform the flow of resources by connecting the community's important work with shared resource pathways will carry on beyond the close of the initiative. Through this work, BCCF has begun to untangle some of the complexity of shifting the system around how funding flows, and the foundation is committed to iterative testing, trying and learning.

*Katrina Donald is a Banff-based developmental evaluator, and the principal consultant at [ever-so-curious](#). Her work with Moving Mountains supported the collaborative partners as the initiative progressed - as a friend to the process in the thick of it, and in helping them to gather data, reflect, and contextualize their learning so it could inform the initiative's strategy.*