



Administrative Rules for Investments from Centraide of Greater Montreal

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Introduction

These Administrative Rules are complementary to and form part of the Social Investment Contract. They describe the administrative conditions and expectations related to this Contract. The Contract and Administrative Rules are established in accordance with the Strategic Social Development Orientations and the Social Investment Framework, which are available from the Centraide website.

Centraide assumes that the agency's executive managers have read the Orientations and the Social Investment Framework before they sign the Social Investment Contract.

1. Selection criteria for supported agencies and projects

Social investment decisions made by Centraide of Greater Montreal are guided by:

- Eligibility criteria (posted on its website).
- Centraide's strategic social development orientations and social investment framework.
- The criteria specified in Section 2.1 of the contract.

The amount invested may be revised during the contract term depending on the various provisions specified in the contract.

2. Contract of a variable fixed term

Contracts are of a fixed duration that can vary.

At the end of the contract, Centraide may or may not offer the agency a new contract based on the criteria listed in Section 1 of these Administrative Rules.

The new contract will specify the intended change targeted by Centraide and may be of a different duration and a different amount.

3. Transitional clause for agencies not recognized as a charity by the Canada Revenue Agency

Centraide is evaluating the option of entering into investment contracts with agencies that are not recognized as charities by the Canada Revenue Agency but in accordance with the provisions prescribed by the laws and regulations in force. However, the date that this clause comes into effect has not been established.

For the moment, Centraide will continue to use collaborative agreement that allow agencies under contract with Centraide to act as signatories for agencies that are not recognized as charities.

Once this clause comes into effect, these collaborative agreement may:

- (a) Remain in effect until their expiration.
- (b) Be cancelled and replaced by a contract directly between an agency not recognized as a charity and Centraide. The duration of this contract cannot exceed the term of the initial collaborative agreement.

Option (b) requires a joint application by the signatory agency and the beneficiary agency.

4. Collaborative agreement for initiatives carried out by non-incorporated agencies

Centraide can support collective initiatives or actions carried out by agencies and citizens that are not legally incorporated entities. In this case, Centraide applies a collaborative agreement in which an agency acts as a signatory. In general, this agency must have a contract with Centraide. The collaborative agreement sets out the responsibilities of the signatory agency, including those related to financial reporting and the transfer of investments related to the initiative or collective action. To ensure that the signatory agency is not affected by this arrangement, Centraide allows the agency to cover any additional financial management expenses related to this role from the investment amount itself, up to an amount that does not exceed 5% of the investment. This amount and its allocation must be agreed upon in advance with the members of the group and the signatory agency.

5. Administrative requirements and payments

Centraide has specific administrative requirements for the agencies in which it invests. These aspects are specified in the investment contract that it signs with agencies (Sections 4, 5 and 6 on financial information, rules of financial conduct, and rules of administrative conduct).

In addition to doing so as part of the contractual agreements, Centraide informs agencies of its investment payment schedule and administrative requirements for each fiscal year. A document summarizing the administrative requirements for the annual financial statements that includes a checklist to produce them are also made available.

These documents are available on Centraide's agency intranet. As stipulated in the contract (Section 2.3), it is the responsibility of agencies to regularly consult the Centraide intranet made available to them to check for new versions of these reference documents.

For example, see Appendix II for an annualized version of the ***Administrative Requirements for Annual Financial Statements***.

6. Holiday camps

Centraide is committed to supporting the enhancement of youth and family holiday camps as an additional way to contribute to the development of the potential of these young people and families.

New orientations specific to the holiday camp sector were adopted by Centraide's Board of Directors on December 2, 2015 and are outlined in this section.

With these new orientations, Centraide's goal is to:

- Encourage social diversity.
- Promote networking among the agencies and camps supported by Centraide and provide a greater percentage of the clients supported by agencies with access to camp stays.
- Reinforce the recognition of camps as a tool for the optimal development of youths and families and integrate these camps into a continuum of agency services.

The **calculation of support granted** to holiday camps is mainly based on the number of low-income families or young people living in Centraide’s territory who attend the camp.

It should be noted, however, that the camp must receive a **positive performance evaluation**, which is performed in the same year for all camps to ensure fairness.

Funding is then based on an **average of the camp’s two years with the highest overnight stays during the contract period**.

All granted allocations are also based on Centraide’s financial capacity as a result of its annual fundraising campaign.

Payment terms:

- **The minimum number of low-income clients is 50%** for youth camps and family camps.
- **Per-night funding schedule set at a fixed rate of \$35/night** for youth camps and family camps. This amount includes fees for management expenses and programs (e.g. mentoring, inclusion, behaviour disorders).
- **Payments for holiday camps:** May (80%) and November (20%).
- **Payments for the “camp stays” program:** according to the payment terms.
- **Member in good standing of:** the Association des camps du Québec (ACQ).
- **For owner camps: submission of a 5-year capital plan**, including funding arrangements to better plan expenditures needed to upgrade infrastructure.

7. Relationship with Centraide and visibility of support

When requested by Centraide, the Agency agrees to produce public communications (e.g., press releases, social media posts) referring to how Centraide helped it achieve its mission and specific projects, as applicable.

The Agency shall agree to make appropriate use of Centraide’s name and trademarks, including on printed materials and in messages that solely concern the Agency itself or that exclusively relate to agencies that receive Centraide investments. Further details, including Centraide’s visual identity and graphic standards, can be found in the *Identification Standards Guide for Centraide Network Agencies*.

The Agency agrees to remove and have removed from circulation, to cease disseminating or have ceased disseminating, and to have any printed matter or message removed that, in Centraide’s opinion, contains a use of its names and trademarks that is likely to harm its reputation or to confuse or mislead the public.

For the purposes of the foregoing sections, “trademark” means any word, symbol or graphic representation used to identify an entity or to distinguish its services and activities for the public.

8. Particular cases

8.1 Significant accumulated surplus

Agencies that have unallocated funds or an internally allocated surplus that equals or exceeds six months of its average monthly expenses will have their investment amount from Centraide reduced

if they cannot provide satisfactory justification for this situation or if they cannot sufficiently reduce this unallocated surplus within a period that Centraide deems reasonable. Centraide will also question the relevance of maintaining all of its annual financial support if this surplus represents two or more times Centraide's annual investment to the agency.

The contractual relationship between Centraide and agencies (and all clauses arising therefrom) will remain in effect during the period that allocations are reduced or suspended.

Any amounts not paid during the period that allocations are reduced or suspended will not be remitted to these agencies.

Once the situation is resolved, Centraide will perform an analysis to determine whether it will provide the original investment amount, reduce this amount, or even withdraw the amount in specific cases. This analysis will be based on the same criteria used to determine the initial amount and that are listed in Section 2.1 of the contract.

8.2 Failure to comply with administrative requirements, including audited financial statements

Centraide has specific administrative requirements that are clearly outlined in various documents that are available to agencies and initiatives. See Section 5 and Appendix II of these Administrative Rules.

Agencies that do not submit their financial statements in accordance with the specified standards by no later than four (4) months after the end of its fiscal year will have their investment payments withheld until Centraide has received and formally accepted its financial statements. Once the situation has been resolved, Centraide is not required to remit the withheld amounts to the agency.

The contractual relationship between Centraide and agencies (and all clauses arising therefrom) will remain in effect during the period that the payment(s) have been suspended. However, in the case of a continuing problem, Centraide may terminate its contractual agreement with the agency altogether.

8.3 Issues related to Centraide's analysis criteria and the agency's performance

Centraide will identify specific requirements if an agency's overall assessment reveals significant weaknesses with regard to the performance criteria, as identified in Appendix I of these rules.

Where applicable, these requirements will be explicitly stated in the investment confirmation. The agency will be monitored annually to ensure that it is making the required improvements.

If the agency's performance assessment identifies risks deemed sufficient enough to impact to its ability to meet Centraide's expectations or risks that require specific attention and remediation in the short term, Centraide will limit the contract term to one year and include the expected remediation actions in its requirements as well as the timelines to successfully deploy these remedies.

If the changes made by the agency are considered unsatisfactory at the deadlines specified in the requirements, the changes made by the agency will be considered unsatisfactory with regard to the

required improvements, and Centraide will terminate the contract and its financial support (gradual or immediate withdrawal).

8.4 Other cases that may lead to the suspension or withdrawal of payments during a contract

If Centraide is concerned about an issue that could have an immediate and significant impact on, for example, an agency's ability to competently carry out its activities, its management and governance (including financial management), or compliance with the contract or an additional protocol, future payments may be suspended during the contract, and the investment or part of it may be placed in a reserve. The suspension will be applied until Centraide's concerns have been satisfactorily addressed. Once the situation is resolved, Centraide will then assess whether or not to pay all or part of the withheld investment to the agency.

Centraide may withdraw its financial support for an agency if it considers that the agency has changed its activities to the extent that they are no longer consistent with the explicit intent or explicit justification for Centraide's decision to work with that agency. This intent or justification will be stated in the investment confirmation letter sent to the agency at the time the contract is signed. Notwithstanding exceptions, Centraide may immediately or gradually withdraw its support in this case.

Section 9 of the contract between Centraide and agencies lists other cases that may impact its financial support during the contract. The investment may then be immediately or gradually withdrawn during the contract.

8.5 Non-use of part of Centraide's investment

Section 5.2 of the contract specifies that the agency must agree to remit to Centraide, along with its annual financial statements, any unused portion of the investment that it may have received specifically for a project during the fiscal year (less an amount not exceeding twenty-five percent [25%] that may be allocated to its working capital fund). In these cases, the agency must send a cheque payable to Centraide of Greater Montreal, to the attention of the Accounting Department, in coordination with its assigned advisor.

Appendix I – Criteria to assess the performance of agencies and initiatives supported by Centraide of Greater Montreal

a) For agencies

1. The agency has **SOCIETAL RELEVANCE** in its community that is in line with Centraide's orientations.
 - Is aware of its community's **SOCIAL NEEDS** and pays attention to new needs and solutions that may emerge.
 - Meets these needs by offering services that are consistent with its mission.
 - Uses the necessary tools to reach and serve its target clients and provide them with access to its activities.
2. The agency deploys **ACTION STRATEGIES** that promote lasting solutions.
 - Runs activities to help the people it serves develop their **independence** and power to act (**empowerment**).
 - Promotes a sense of **belonging** and an experience of **civic engagement**.
 - In its activities, includes strategies to **help** participants mutually support each other and people outside the agency.
 - Internally and in its relationships with the community, offers activities using an **inclusive approach**, particularly with respect to individuals from different ethnocultural communities.
3. The agency develops tools to **ASSESS AND PROMOTE ITS RESULTS** for the people it helps.
 - Determines precise quantitative and qualitative **goals** in its actions to help people.
 - Implements an **evaluation process** for its programs.
 - Analyzes and uses its results to identify **lessons learned** to better understand the needs of its clients and, if necessary, to review its practices or actions.
 - **Presents** its results in documents that it produces and disseminates (such as an activity report).
4. The agency acts **COLLECTIVELY** with stakeholders in its community in order to work towards social development
 - Good **knowledge** of its community and the social development stakeholders that work in the community.
 - Develops **collaboration and partnership** relationships with other stakeholders in its community to achieve complementarity.
 - **Participates** in planning and actions related to social development in its community to develop and act in keeping with a collective vision.
5. The agency develops sound **MANAGEMENT** practices and effective **GOVERNANCE**
 - Has good **financial health** and ensures it has the necessary resources for its operation, development and longevity.
 - Manages its human (salaried and volunteer), material, and financial **resources** to fulfill its mission.

- Plans all of its **activities** and reports annually to its members.
- Has clearly defined the roles and responsibilities of its **decision makers** and its **governance** rules.
- Creates **participatory mechanisms** so that citizens and participants can play an active role in decision-making.

b) For community initiatives

A neighbourhood roundtable is defined as a permanent and structured mechanism for consultation about local social development

As specified in the reference framework of the Initiative montréalaise de soutien au développement social local (IMSDSL), neighbourhood roundtables have the following characteristics:

Intersectoral

The roundtable invites local stakeholders from all areas concerned to get involved with local social development.

Multi-network

The roundtable mobilizes and brings together stakeholders in its territory (from the community sector, associations, institutions and private companies) as well as citizens to engage in a collective approach that includes different stages of planning, implementation and action plan follow-up. Different points of view are considered in a consensus-building approach.

Structured and permanent

The roundtable sets up concrete operational mechanisms. It is a sustainable part of the community. Through its inclusive way of operating, it is attentive to the concerns of the community and encourages local stakeholders to participate in all its activities. Its form of governance includes diverse local stakeholders who reflect its local roots and its commitment to respond to its environment.

Promotes networking and synergy

The roundtable encourages the sharing of different types of expertise to inform its work and generate possible avenues for joint action. Depending on the issues, it may also carry out initiatives with other neighbourhood roundtables.

By leading a concerted collaborative process in its neighbourhood, the **neighbourhood roundtable** fulfills the following roles:

- Provides a global and common vision of the issues and development potential of its neighbourhood based on a diagnosis.
- Leads a forum.
- Plans its priorities in the form of an action plan.
- Initiates and/or coordinates actions that have an impact on quality of life and living conditions.
- Documents and evaluates its operations and activities (self-evaluation).
- Reflects with the local partners of the IMSDSL on conditions surrounding the partnership and its collaborations.

Its evaluation of the performance of community initiatives in the territories of Laval and the South Shore is based on the same characteristics and roles. The name of the initiative may vary depending on the territory (e.g., community development corporation in an RCM rather than a neighbourhood roundtable).

c) For collective actions

Success conditions:

- Collective initiative plays a unifying role.
- Consensus building around its implementation must be dynamic and participatory.
- There must be no apparent crisis situation.
- Partners must reach a consensus as to why the funding is being requested.
- Leaders must be able to demonstrate the added value of this initiative.

Specific criteria:

- Has a clear purpose.
- Has clearly identified project leaders.
- Encourages collective involvement.
- Promotes dialogue.
- Has a consultation mechanism that recognizes each individual's contribution.
- Brings together many types of partners (outreach).
- Has information that is fluid and accessible.
- Has access to sufficient financial resources.
- Is the result of a local reflection process that is part of a community's overall planning.
- Is expected to influence certain practices or commitments of partners.
- Will achieve results in terms of community development.
- Will achieve results in terms of the issues at stake and the target goal.
- Is in line with Centraide's orientations.

Appendix II – Administrative requirements and payments

Administrative requirements for annual financial statements

1. **Content of the annual financial statements:** The annual financial statements must be consolidated and include a balance sheet, a sufficiently detailed income statement, and a statement of changes for each fund managed by the agency. These statements must be approved by the agency's Board of Directors and sent to Centraide by **no later than four (4) months after the end of the agency's fiscal year.**
2. **Audited financial statements:** Agencies that receive an allocation from Centraide that is equal to or greater than \$30,000, or whose total budget from all sources is equal to or greater than \$100,000, must submit financial statements audited by a chartered professional accountant (CPA, CA) or by a certified general accountant (CPA,CGA), provided the latter has obtained his or her auditing permit and signs the statements in this capacity.
3. **Financial statements with review engagement report:** Agencies that receive an allocation from Centraide that is equal to or greater than \$15,000 but less than \$30,000, or whose total budget from all sources is equal to or greater than \$50,000 but less than \$100,000 must submit financial statements accompanied by a review engagement report or financial statements audited by a chartered professional accountant (CPA,CA) or by a certified general accountant (CPA,CGA), provided the latter has obtained his or her auditing permit and signs the statements in this capacity.
4. **Financial statements produced by the agency:** Agencies with a total budget of less than \$50,000 will be required to submit annual financial statements prepared by their own accounting department.
5. **Special allocations requiring a proxy:** A proxy agency preparing financial statements for a project must separately include the revenues and expenses related to this specific allocation for which the agency is acting as a signatory (Appendix B to the contract). The auditors must detail the most important line items, such as salaries (i.e., with a note to the financial statements). Otherwise, a separate report (such as the one submitted by the Recipient if appropriate) may be sent to Centraide.
6. **Related foundation or agency:** If the agency is associated or affiliated with a foundation or connected or related agency, send Centraide a copy of the audited financial statements of this foundation or connected or related agency no more than four (4) months after the end of its fiscal year.
7. **Auditor recommendations:** If your auditor produces a list of recommendations on the current system, a copy of the list should be sent to Centraide for review.

If an agency's financial statements are not submitted within four (4) months after the end of its fiscal year, payments will be withheld until Centraide receives these documents.

For example, for a fiscal year ending March 31, the October 15 payment and subsequent payments would be withheld, as applicable.

Other administrative requirements

If they have not already done so, agencies must send the following documents to the attention of Centraide's Finance Department:

1. A copy of the **Notice of Registration** issued by the Canada Revenue Agency so that the agency can issue official receipts for tax purposes, as applicable.

It is very important to comply with the Canada Revenue Agency's requirements by filling out an annual Registered Charity Information Return (Form T3010) within six (6) months following the agency's fiscal year end, even if the government has not asked the agency to do so. The equivalent provincial information return (Form TP985.22) must also be filed annually.

2. A copy of your **articles of incorporation** and **general by-laws**.
3. An updated version of these documents must be sent to Centraide whenever the agency amends its **articles of incorporation** or **general by-laws**.
4. Centraide must be kept informed of any changes to banking information as soon as possible to speed up electronic payments.

Appendix III – Overview of fundraising policy for agencies funded by Centraide of Greater Montreal – Article 8 of the Social Investment Contract

Fundraising activities	Section number	During the campaign period (October 1 to December 5)			Outside the campaign period (December 6 to September 30)		
		Authorized without restrictions	Authorized with restrictions	Not authorized	Authorized without restrictions	Prior agreement required	Not authorized
Soliciting funds from: businesses with 100 plus employees; associations, professional offices, unions, non-profit corporations with 50 plus employees; and public bodies, either from the institution itself or from staff.	8.1			X			X
Soliciting funds from companies with fewer than 100 employees, either from the institution itself or from staff.	8.1			X	X		
Soliciting companies with 100 plus employees with whom the agency already has an established funding relationship as of the contract signing date and for which an exception has been formally validated by Centraide. The list and details of support will be provided in a signed appendix to the contract.	8.1.2			X		X With prior formal agreement only	
Conducting public fundraising activities, i.e. any solicitation that is directed to the general public in the Centraide territory through print and electronic media (press, radio, Internet, social media, billboards, etc.) and non-media communications (promotions, marketing, public relations, etc.), mass mailings, telemarketing, or brochure distribution.	8.2			X	X		
Soliciting online donations via the agency's website.	8.2.1		X No new procedure		X		
Soliciting the members of the Agency's social networks (individuals only, not companies or their employees).	8.2.2		X Existing active members only		X		
Organizing fundraising activities, lotteries and auctions to support the Agency financially.	8.2.3	X			X		

Fundraising activities	Section number	During the campaign period (October 1 to December 5)			Outside the campaign period (December 6 to September 30)		
		Authorized without restrictions	Authorized with restrictions	Not authorized	Authorized without restrictions	Prior agreement required	Not authorized
Developing projects, collaborations and partnerships with other agencies	8.3						
Selling objects and delivering services							
Soliciting or accepting donations from religious communities, foundations constituted and governed by religious communities, private foundations, or social clubs.							
Soliciting or accepting in-kind donations and sponsorships from a company.							
Accepting unsolicited donations or bequests							
Collecting membership dues and soliciting contributions.							
Obtaining grants from governments or public agencies, or by collecting revenues from programs funded by them.			X			X	
Responding to calls for proposals from non-profit corporations, foundations or funds that administer corporate donations.							
Soliciting or accepting funds from associations, professional offices, unions or non-profit corporations with fewer than 50 employees, either from the institution itself or from staff.							
Responding to calls for projects and specific financial support offers launched by different companies through their websites.							
Obtaining a waiver to conduct a public capital campaign or other fundraising campaign for which the Agency will not receive allocations from Centraide once every five (5) years, except in special circumstances.	8.4			X		X With prior formal agreement only	