

Community Spirit Fund CCVO Issue Paper

The Government of Alberta announced the Community Spirit Fund in their spring 2007 budget. The proposed program will provide matching funds for individual donations. It compliments the increased tax credits for individual donations that were also announced in spring 2007 as a means of encouraging philanthropy.

In June 2007, the Government of Alberta released a workbook and questionnaire to gather input from Albertans on how to shape the fund. Key information, including program goals and budget, have not been released.

The Fund may have a significant impact on the nonprofit/voluntary sector. As a leader on policy issues affecting the sector, the Calgary Chamber of Voluntary Organizations (CCVO) offers the following comments and recommendations regarding the proposed Community Spirit Fund.

Encouraging individual donations is a positive step

- Encouraging individual donations through tax incentives and matching funds will benefit many organizations, particularly those for whom individual donations are a major income source.

The Fund is a supplement, not a solution

- While the proposed Fund is a welcome form of supplemental support, it is not a solution to the significant funding concerns expressed by organizations contracted to provide necessary services and programs on behalf of government.

The Fund does not ensure strategic use of resources

- Matching individual donations does not ensure resources are directed towards the greatest need, the greatest impact, the most effective and efficient work, or the gaps in necessary services to communities.
- Organizations have identified a specific need for funding to provide stability and to address human resources challenges. Matching individual donations does not ensure this core funding is available.
- The provincial government can increase the impact of matched funds by giving organizations maximum flexibility to invest the funds where they are needed most (including programs, operating costs, capital costs, etc). Directing matching funds only to services and programs helping people in Alberta will also ensure maximum local impact.

Accountability should be built in

- We recommend that organizations' application and reporting requirements be commensurate with the amount of matching funds sought. Accountability measures are important, and should provide a balance between protecting taxpayer dollars and enabling organizations to focus their time on community work. We support appropriate accountability measures to protect the reputation of the sector and the program.

- We recommend that only gifts that provide organizations with cash resources (including stocks and land that can be immediately sold) be eligible for matching. Placing a dollar value on in-kind gifts is difficult and creates potential accountability concerns. Deferred gifts are also a concern, and in many cases there is no guarantee the organization will receive the donation or that the gift will retain the same value.

With the right parameters, small organizations could benefit from the Fund

- In order to prevent most of the funds from being used up by a few large organizations, we recommend placing a limit on the amount of matching funds an organization can receive. We also recommend that organizations that already have access to other major matching programs (such as the Future Fund) should not be eligible.
- We recommended the Fund be set up in a way that ensures smaller community-based organizations have reasonable access to the funding. These organizations include charities, nonprofits incorporated under the Societies Act, as well as nonprofits incorporated under the Companies Act.

About the Calgary Chamber of Voluntary Organizations (CCVO)

CCVO is a registered charity that strengthens Calgary's voluntary/nonprofit sector and provides leadership on policy matters affecting the sector as a whole. With the support of 330 diverse members (ranging from small grassroots groups to large umbrella organizations), we promote an understanding of the sector, undertake research, connect people with information, and provide a knowledgeable and realistic view on government policies and other cross-cutting issues.