

# Memo



**Date:** September 6, 2011  
**File:** 0710-40  
**To:** City Manager  
**From:** Community Planning Manager  
**Subject:** Grant Programs: Administration Costs

---

## **Recommendation:**

THAT Council receives, for information, the report of the Community Planning Manager dated September 6, 2011, outlining the administration costs of contracted grant programs.

## **Purpose:**

As part of 2011 budget discussions, Council requested, as follows, that staff, prior to 2012 budget discussions, report back on the administration costs of City grant programs:

*THAT Council directs staff to identify City-funded programs that are contracted out and report back to Council with the relative financial information that sets out the percentage of the funds being used for administrative purposes.*

## **Background:**

The City administers a number of distinct grant programs<sup>1</sup>. Each has its own terms of reference and annual budget allocation. This report looks at those programs that have administration duties contracted to an outside agency. The Central Okanagan Foundation (COF) is now administering the programs that fall under Community Planning and Cultural Services. Heritage grants are administered by the Central Okanagan Heritage Society (COHS).

Council asked for information on administrative costs relative to the volume of work required under the various grant programs. The attached table gives a high-level overview of the spending for each of the contracted grant programs.


It is critical to note that each program is very different in terms of how it is administered. For the Arts and Cultural grants<sup>2</sup>, for example, Cultural Services staff has advised that a close relationship with the arts and cultural community is essential; playing a vital role in ensuring the health and economic benefits of this sector. This close relationship is part of the mandate of the Cultural Services Branch, meaning that the administration of arts and cultural grants programs by the Central Okanagan Foundation is more

---

<sup>1</sup> The following City web page link provides more information on the City's grant programs:

<http://www.kelowna.ca/CM/Page89.aspx#COK%20Heritage%20Grants>

<sup>2</sup> These now include programs and projects grants covering arts, cultural and heritage interests.



administrative and less community support and education. These grants include operating and project grants, with the guidelines and applications available on the City's web site.

By contrast, for the Community grants programs, the Central Okanagan Foundation (COF) has an established understanding of the non-profit sector that provides community services within the city. Its own core funding programs require strong relationships with, and understanding of, the non-profit sector, plus it is a professional agency that receives and administers community funding. The publication of the "Vital Signs" report over the last few years has further increased the understanding of the scope, services and needs of the non-profit sector. This knowledge helps the Foundation in delivering more of a management and education role in administering the Community grants programs. Grant applications require close consultation with the COF staff on the part of applicants and several attempts are usually made before an application is complete enough for consideration by the COF grants committee<sup>3</sup>. Difficulty with the grant process on the part of applicants is consistent with every grant program. Each year, COF hosts an education event and provides further counseling on grant applications' processes on a case by case basis, both during and prior to any application process. Counseling includes referral to other sources of funding, consistent with grant guidelines. This work considerably reduces the need for City staff involvement.

The Central Okanagan Heritage Society (COHS) advised that, although the heritage grants are relatively small, they require significant administration throughout the process. Site visits are necessary to clearly understand the work that is proposed and these are done by COHS staff, volunteers, and members of the COHS Board of Directors. Considerable time is also spent with inquiries prior to receiving any applications, which is consistent with other grant programs. There are also four grant cycles within a year, differing from other programs. This means that it is not possible to provide figures for 2011 for the heritage grant.

The COHS has previously asked for an increase in administrative funding whilst the COF has not up to the present. In 2010, Council provided cost of living increases from the \$8000 paid when the heritage grants contract began to \$8490 for 2011 and future years to the COHS. COHS was, however, asking for \$10,000.

Acknowledging the significant differences between the grant programs, there are some notable similarities in costs. The administrative cost per grant issued is consistently around the \$500 range, averaging \$503, with a median cost of \$476 per grant between 2009 and 2011. Both the COF and the COHS were similar in this measure. These figures still require a measure of caution as the fee is meant to cover all of the administration work, including discussions with agencies that do not submit an application. The percent of administrative cost over the amount of grant money *expended* was about 9% for arts, cultural and community grants, with the COHS administration being higher at 15.7% in 2009 and 21.6%, based on the amount expended, in 2010. Lower numbers of grants, smaller grants and a smaller budget could be contributing to this, aside from the administration needed for building-related grants. Administration cost paid over the total amount of funding *requested* varies from one program to the next. Three to four percent for the arts and cultural grants, compares to six or seven percent for the community grants and ten percent for heritage grants in 2009 with seventeen and a half percent of total funding requested in 2010 for heritage grants.

One consistent trend is a decrease in the total funds requested for all grant programs, with the exception of a modest increase in the total ask for Community grants in 2011 and more applications for cultural operating funding. Overall decreased demand is inconsistent with the perceived increased needs of the non-profit sector and individuals over the last three years. The small Community grants increase may be

---

<sup>3</sup> which includes City representation from the Women and Community Needs Committee.



attributed to three 2011 emergency grants to date, compared with two in 2010 and one in 2009. Limited awareness of the availability and purpose of the emergency grant program could be one reason. Arts and cultural operating grants demand is related to less Provincial funding.

One common thread is the lack of knowledge on the part of grant applicants of the grants processes, in spite of all the efforts of the City, its contracted grant administrators and other grant issuing agencies providing funding in the City to offer support and education for grant applicants. The fact remains that some applications fail to meet the requirements of the programs. Aside from this, demand may be low in certain specific programs but greater in others. For example, operating grants for Arts and Culture have shown increased demand while project grants have not.

**Internal Circulation:**

Director of Financial Services  
City Clerk  
Director of Recreation and Cultural Services

**Legal/Statutory Authority:**

Community Charter, Section 25 (2) (c )  
Local Government Act, Sections, 176(1) ( c ) (e), 183.1

**Existing Policy:**

Heritage Strategy 2007, Policy 1.3 “Continue to develop revenue sources to assist with funding the conservation of heritage resources.”

**Council Policies:**

[Community Social Development Grants - Pol-218.pdf \(81kb\) \(2010-05-03\)](#)

[Cultural Policy - Pol-274.pdf \(115kb\) \(2010-03-04\)](#)

[Emergency Grant Requests from Social Development Grant Reserve - Policy 312.pdf \(74kb\) \(2010-05-05\)](#)

[Grants to Address Sexual Exploitation of Youth - Pol-277.pdf \(73kb\) \(2010-05-04\)](#)

[Social Policies - Policy No. 360 .pdf \(53kb\) \(2011-06-03\)](#)

**External Agency/Public Comments:**

The Central Okanagan Foundation is not requesting increases to administrative or grant program budgets at this time (verbal). Stated previously, the COHS had been seeking an increase in administration budget to \$10,000 a year ago.

**Considerations not applicable to this report:**

Financial/Budgetary Considerations:

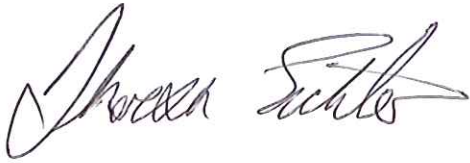
Legal/Statutory Procedural Requirements:

Personnel Implications:

Community & Media Relations Comments:

Alternate Recommendation:

Submitted by:



T Eichler, Community Planning Manager

Approved for inclusion:



Signe Bagh, Director of Policy and Planning

cc:

Director of Recreation and Cultural Services  
City Clerk  
Director of Financial Services

Attachment:

Appendix 1 - Summary of Grants

Appendix 1 to September 6, 2011 Grants report.  
 Summary of total grants per year.

	Annual Program Budget	Total Funding Requested	Adm in Fee Paid	No.App'ns	No. Appr oved	Total Grants Awarded	Adm. \$ / grant awarded	% Actual Fee Paid/ Total Grants	% Actual Fee Paid / Total \$ Ask	Average size of grant
2010 Total Cultural Services - COF contract	\$ 150,000	\$ 425,474	\$ 13,000	43	27	\$ 145,000	\$ 481.48	9.0%	3.1%	\$ 5,370.07
2011 Total Cultural Services - COF contract	\$ 180,000	\$ 312,525	\$ 13,000	43	28	\$ 165,200	\$ 464.29	7.9%	4.2%	\$ 5,900.00
2009 Community Grants - COF contract	\$ 107,000	\$ 227,228.78	\$ 10,000	27	21	\$ 107,000	\$ 476.19	9.3%	4.4%	\$ 5,095.25
2010 Community Grants - COF contract	\$ 112,000	\$ 151,233.95	\$ 10,000	26	23	\$ 112,000	\$ 434.78	8.9%	6.6%	\$ 4,869.97
2011 Community Grants - COF contract	\$ 117,000	\$ 155,092	\$ 10,000	19	19	\$ 117,000	\$ 526.32	8.5%	6.4%	\$ 6,157.89
2009 Heritage Grants - COHS contract	\$ 20,000	\$ 78,500	\$ 8,000	19	17	\$ 50,913	\$ 470.59	15.7%	10.2%	\$ 2,994.88
2010 <sup>1</sup> Heritage Grants - COHS contract	\$ 30,000	\$ 45,600	\$ 8,000	13	12	\$ 37,058	\$ 666.67	21.6%	17.5%	\$ 3,088.13

Average \$ 502.90 11.6% 7.5% \$ 4,782.31

Median \$ 476.19 9.0% 6.4% \$ 5,095.25

<sup>1</sup> 2011 Grants process is not complete: there are 2 more cycles.