



COMMUNITY
FOUNDATIONS
OF CANADA



Investment Readiness Program (IRP) PROGRAM GUIDELINES

The following document is intended to help Social purpose organizations interested in applying to the IRP through the steps of preparing and submitting their application.

Please note: In Quebec, the IRP accepted applications on a rolling basis as early as December 2019 and it has already closed to new applications, having awarded all available funds.

1) Program overview: About the IRP

Community Foundations of Canada (CFC) is one of five Readiness Support Partners mandated by the Government of Canada to deliver funding for the [Investment Readiness Program](#). The IRP is a new \$50M fund whose aim is to help social purpose organizations' (charities, non-profits, social enterprises, for-profits with a social purpose and co-operatives) to build their capacity to participate in Canada's growing social finance market. The IRP is also designed to help social purpose organizations prepare for the Government of Canada's broader investment in social finance via the Social Finance Fund, a historic new \$755M commitment which was announced in November 2018 and is expected to be launched in 2020.

As a Readiness Support Partner, CFC is administering \$18.5M in funding from the Government of Canada that will be made available as non-repayable capital to social purpose organizations. CFC is partnering with community foundations across Canada to help administer the program and distribute the funds. In some cases, community foundations may team up with other local actors (academic institutions; Community Futures organizations, non-profits or others) in their area as part of a consortium approach. See the full list of Regional Partners in Appendix I of this document.

In addition to its funding stream, CFC is also responsible for raising awareness about the IRP and social finance across Canada; convening stakeholders engaged in the program and conducting a developmental evaluation of the IRP.

2) CFC's IRP application deadlines

CFC and community foundations will hold up 2 IRP application periods before March 31, 2021. The first application period was in January/February 2020.

Round 2 Deadline

The application period for the second and final round opens on September 8th 2020 and closes on October 9th 2020 at 5 PM Pacific Time.

**Note: CFC and the community foundation network are one of five national organizations delivering the Government of Canada's IRP funding. To learn more about other Readiness Support Partners' funding programs and application periods, please visit their [websites](#).*

3) Who can apply?

You can apply to the IRP if you are a:

- Charity

- Nonprofit
- Co-op
- For-profit, social enterprise

Social purpose organizations, or enterprise activities, can be in the early or late stages of development and anywhere in between. CFC encourages applications from rural areas, Indigenous-led and focused organizations, linguistic minorities, newcomers to Canada, and other minority communities. For more detail about whether your social purpose organization is eligible to apply, please consult section 6 of this document.

4) How to apply?

- Social purpose organizations should, as a first step, find out whether they are located or operate in a region or community where a community foundation is acting as a local [Regional Partner](#). If so, they can connect with the relevant community foundation with any questions about the program, eligibility criteria, application guidance or other.
- Any social purpose organization working in a region *not served* by a community foundation-led Regional Partnership is welcome to contact CFC directly for any questions about the IRP.
- CFC and Regional Partners will accept applications for non-repayable capital via an online, secure application portal at the following link:
<https://cfc-fcc.smapply.ca>
If you experience technical difficulties with the portal, please contact Irène Ngoy, Coordinator, Investment Readiness Program, at readiness@communityfoundations.ca or 613 236 2664, ext. 339.
- If your social purpose organization is located in a region with limited or difficult access to broadband internet, please contact our team at readiness@communityfoundations.ca.
Paper applications can be made available upon request.
- The application form for charities and other qualified donees is slightly different than for other types of corporations; this does not affect the likelihood of success of the application.
- To use the application portal, social purpose organizations will need to create an account. You can create this at any time. Make sure to keep a record of the chosen username, password and the email address associated with the

account, as you will need this information each time you log into your account. Ensure that you have your charitable number or business registration number on hand.

- CFC's privacy policy is robust. Information collected via the online application portal remains private and accessible only to IRP-associated community foundations unless otherwise stipulated. Social purpose organizations funded through the IRP must consent to sharing information with CFC and the Government of Canada for reporting purposes. Community foundations and any evaluators of the IRP have signed a confidentiality agreement to ensure they will not share confidential information; this would include business information from any social purpose organizations that applied.
- Social purpose organizations are encouraged to prepare their application offline using our non-fillable Application Form as a guide, before entering and saving it into the online application portal.

5) Funding amounts for non-repayable capital

Social purpose organizations can apply for amounts ranging from \$10,000 to \$100,000. Applications for more or less than the permissible amount will not be considered.

6) General eligibility

Social purpose organizations registered in Canada are eligible to apply for IRP non-repayable capital. To be eligible for the IRP, social purpose organizations must:

- **Have, or plan to have, a mechanism that generates revenue from the sales of goods and/or services. Revenue from donations does not count in this context. The IRP is intended to support the adoption and growth of revenue generation through the sale of goods and services.**
- Have a plan or intention to seek investment, whether loans or equity. Seeking to manage capital is not considered an investment in this context. The IRP is not intended to support preparedness to act as a financial intermediary.
- Have a charitable number/be a qualified donee, or have a business registration number or incorporation number.
- Demonstrate they have a plan, capacity and expertise to carry out the proposed project for which they are applying.

Social purpose organizations straddle many sectors. They include:

- registered charities or other qualified donees such as Indigenous governments
- incorporated non-profit organizations
- charitable co-operatives
- other co-operatives
- social enterprise businesses advancing a social, cultural or environmental mission (for-profit social enterprise)
- hybrid entities such as Community Contribution Companies and Community Interest Companies, found in British Columbia and Nova Scotia, respectively.

Consider the following questions in assessing whether your social purpose organization would be considered a social enterprise for the purposes of the IRP:

- Is a portion of profit directed toward the social mission and growing the organizational impact and capacity?
- Is the enterprise a revenue source for a charity?
- Does your social purpose organization have a direct positive impact on community members? Are profits being used to fund direct programming for your community?
- What approach does your social purpose organization take with respect to labour practices, including recruitment? Does it pay fair wages? Does it have a diversity plan amongst its board and employees? Do its employment practices align with its social mission?
- How does your social purpose organization source materials, products and services? Does it employ social procurement practices? Does it actively try to reduce negative impacts throughout its supply chain?

For more information about eligible social purpose organizations, please consult CFC's [Glossary](#)¹.

7) Eligible services and activities

What can IRP non-repayable capital be used for?

¹ It is important to note that a social enterprise goes beyond a socially responsible business. A socially responsible business seeks to ensure that it operates in an economically, socially and environmentally sustainable manner (a 'do no harm' approach). A social enterprise goes above and beyond the focus of operating in a sustainable manner, by seeking to actively contribute to solving a key social, environmental or cultural issue (the social enterprise's social, environmental and/or cultural mission and the social enterprise's primary focus) through the use of a business model which permits the social enterprise to generate revenue for the sake of expanding the impact of its social, environment and/or cultural mission. A socially responsible business, or a business with a CSR portfolio, is not eligible for funding through the IRP.

IRP non-repayable capital can be used for any activity that will help a social purpose organization advance towards, or become, ready to take on investment. This might include working with an expert service provider on business ideation, market research, or business planning to activities that encourage growth and scaling impact.

Activities that are eligible for non-repayable capital can include, but are not limited to:

- Business planning
- Viability study
- Accounting services
- Branding
- Brokerage
- Financial modelling
- Impact measurement
- Investment structuring
- Tendering and bid writing
- Legal services
- Product development
- Market analysis and understanding
- Financial recording
- Negotiation support
- Management coaching
- Minor asset purchases to fulfill a contract
- Minor renovation to fulfill a contract
- Software or web design product

Assets can be purchased with IRP non-repayable capital to fulfill a bid for procurement or a longstanding contract. Below are examples of an eligible and ineligible use of program funds to this end.

Scenario 1

Ineligible: Your social purpose organization wishes to renovate its space to have a better workflow and increase staff engagement.

Eligible: There is a procurement Request for Proposals that requires that your social purpose organization renovate its kitchen to increase its capacity to fulfill the contract.

Scenario 2

Ineligible: You wish to use IRP capital to hire a new permanent staff member.

Eligible: The IRP capital is used to hire a contractor who will help you with the project and fill in the gaps to help you prepare for investment.

Scenario 3

Ineligible: You wish to use IRP capital to fund an existing staff person.

Eligible: Your social purpose organization's team possesses the in-house expertise and knowledge to devote to your investment readiness project however lacks time. Through the IRP, you could temporarily recruit a contractor to backfill your team member's functions, freeing them up to conduct the work associated with your proposed IRP project.

What can't the non-repayable capital be used for?

IRP non-repayable capital cannot be used for your social purpose organization's regular operating costs ("core" costs). This includes ongoing administration costs, additional permanent staff or procuring real estate. Allowable funding budgets may include a reasonable allocation (up to 20%) to related overhead such as administration, staffing and rent.

Eligible applicants do not include single individuals, sole proprietors, federal, provincial or municipal government agencies (they can be involved but the grant will be made directly to the social purpose organization), or projects with the majority of activities and impact outside of Canada.

8) Evaluation criteria

To be considered for non-repayable capital from IRP, applicants must meet all IRP eligibility criteria, provide the required supporting documentation and describe their social enterprise's social, environmental or cultural impact or desired impact. Revenue generating enterprises must demonstrate sound business practices and planning. As well:

- Social purpose organizations must have, or plan to operate, a mechanism that generates revenue from the sales of goods and/or services.
- The proposed project must move the organization forward towards investment readiness and there must be an intent to seek investment in the

future

- Social purpose organizations must demonstrate they have a detailed and appropriate budget for their project.
- CFC encourages applications from rural areas, Indigenous-led and focused-organizations, organizations led by and focused on racialized people, linguistic minorities, newcomers to Canada, and other minority communities.
- Potential impact of the project on the community and the organizations

9) Funding and payments

Successful social purpose organizations will receive payment from the Regional Partner or CFC depending on the location of the social purpose organization's head office or activities.

Social purpose organizations who are registered charities will receive payment in one instalment.

Social purpose organizations that are not a registered charity (or otherwise a qualified donee) and that receive \$30,000 or less in IRP funds, the payment will be made in one (1) instalment.

Social purpose organizations that are not a registered charity (or otherwise a qualified donee) that receive \$30,000 or more in IRP funds shall receive two (2) instalments. The second instalment will be conditional on the successful filing of a mid term report.

10) Reporting and project completion

Social purpose organizations that receive non-repayable capital must meet the terms and conditions set out by CFC and community foundations.

This includes:

Acknowledging support as requested

- Social purpose organizations must acknowledge the support of the Government of Canada as well as the community foundation or Community Foundations of Canada in any materials about your project. For more information on this, please consult CFC's IRP [Acknowledgment](#) Guidelines.

Participation in learning and sector development

- Ongoing learning and sector development is a key part of the broader IRP. Social purpose organizations which receive non-repayable capital through the IRP may be asked to participate in reasonable *IRP Developmental Evaluation* learning and evaluation activities.
- Recipients will be required to create a profile on the new irp-ppi.ca website, describing their project and providing visual content such as logos or photos, and optional content such as videos and audio.

Reporting

- Recipients of non-repayable capital must complete up to three reports as part of the terms and conditions of the IRP.
- The first report is a mid-term report required only on recipients that are not registered charities or qualified donees. Additionally, all recipients must complete a short online form available directly in the online application portal, which will be due within 30 days of the project completion.
- The final report is due six months after the project completion. It should aim to demonstrate movement along the readiness continuum, and the impact of receiving non-repayable capital through the IRP.
- Details will be outlined in the letter of notification and project agreement.

Changes to your project

Successful applicants must contact either local community foundations or CFC (as relevant) for approval if they want to make any significant changes to the approved project.

Appendix I : List of Regional Partners

Regional Partners

[CFC is working with a number of community foundations across the country.](#) These partners are either stand-alone community foundations, or a broader consortium of actors who have teamed up to deliver the IRP in their region and are led by local community foundations.

Appendix II: Additional Resources

[FAQs](#)

[Application forms](#) for Charities and Qualified Donees, as well as applicants who are not Charities or Qualified Donees are available on CFC's website. (Downloadable PDF versions to help you prepare your application before submitting it through CFC's online application portal).