

Report To: Board of Directors
Subject: Niagara Peninsula Conservation Foundation
Report No: FA-35-19
Date: March 20, 2019

RECOMMENDATION:

1. That Report No. FA-35-19 regarding the Niagara Peninsula Conservation Foundation **BE RECEIVED.**
2. That NPCA Board Members _____ and _____ **BE APPOINTED** to the NPCF Board until December 31, 2019 to ensure that 2018/2019 Foundation reporting is completed and to review the status of the NPCF with the Interim CAO/ST.
3. That the NPCA Board Members appointed to the Foundation **REPORT RESULTS** of their review to the NPCA.
4. That the Board Members appointed to the Foundation and the NPCA Interim CAO/ST offer their services to the Foundation, on a voluntary basis, until the future of the Foundation can be reported to the NPCA Board of Directors.

PURPOSE:

The purpose of this report is to:

- provide the Board of Directors with a brief historical review of the Niagara Peninsula Conservation Foundation (NPCF);
- conduct a high-level overview of other fundraising organizations; and
- authorize two NPCA Board Members and the Interim CAO/ST to participate on the NPCF, in accordance with NPCF By-Laws, in order to review the status of the NPCF, and report recommendations to the NPCA.

BACKGROUND:

The Niagara Peninsula Conservation Foundation (NPCF) was established in 1969, under *The Corporations Act*, as a not for profit organization whose objectives were to raise funds for the Conservation Authority (NPCA). The NPCF's mandate is outlined in their Letter's Patent, and

their Board requirements and operating standards are outlined through approved By-Laws.

The Foundation has a current Strategic Plan (2017 to 2019) with the following mission:

“The NPCF raises awareness and resources supporting environmental initiatives that enhance, protect, restore and conserve water and land within the Niagara Peninsula”.

In the early days of the NPCF, their Board of Directors were aligned with the NPCA Board. Funding was primarily raised through an annual gala dinner hosted in partnership with the Federation of Anglers and Hunters, the NPCA and the NPCF.

By the 1980’s the NPCA Board supported enhancing the Foundation by providing a dedicated Executive Director to the Foundation, funded by the NPCA. Under this model, the Foundation’s revenues and profile increased.

Over the last decade, both the Foundation and the Authority expressed a desire for the Foundation to be more independent. The Authority requested that Foundation staff raise their salaries and Authority appointees to the Foundation Board decreased their attendance at NPCF meetings.

Over the last several years, the Foundation financial support from donors also dwindled, due in part to:

- the publicly outlined challenges of the NPCA;
- the lack of Foundation staffing;
- the lack of well credentialed Foundation Board Members in the fundraising sector; and
- the loss of Foundation Board Members.

To address this current situation, the Authority Chair, Vice Chair and NPCA Board Members Foster and Insinna met with the Foundation Chair and staff on March 12, 2019. At this meeting, the following was recommended for consideration by the NPCA Board of Directors:

1. That the current Audited Financial Statements for the Foundation for the year ending December 31, 2018 be completed by a third-party auditor;
2. That a Financial Status Report for the first quarter of 2019 for the Foundation be completed;
3. That the NPCA’s Interim CAO/ST prepare a report and recommendations for the NPCA to consider at its March 20, 2019 meeting, including a preliminary assessment of other fundraising organizations and how they support their

staff; and

4. That the NPCA appoint two Board members to the NPCF Board to assist with the above as well as review the Foundation and provide recommendations regarding the Foundation's future to the NPCA Board.

ANAYLSIS OF OTHER FUNDRAISING ORGANIZATIONS:

The Interim CAO/ST has reviewed several Conservation Foundations during her 40 years of experience and has found that raising the salary dollars for the Foundation Executive Director is an extremely difficult task in the small not for profit sector. Further, her observation is that the NPCF and NPCA have separated too significantly over the past decade. Although the Foundation needs to maintain independence, it should also not stray from its original mandate, and often needs the advice of senior CA staff regarding finance and governance.

Most CA's, hospitals and universities have moved to an "**Advancement Model**" for fundraising, where the fundraising function is integrated with the overall operations of the parent organization and the fiduciary responsibility of the fundraising rests with the parent organization.

Specific examples of where the Advancement Model has worked well include:

- a) Lake Simcoe Conservation Foundation
- b) Georgian College
- c) Upper Canada College.

Lake Simcoe Conservation Foundation (LSCF)

Like NPCA/NPCF, the Lake Simcoe Conservation Foundation's primary staff were founded by the Authority in the 1980's and early 1990's. Around 1996, the LSCF moved to a funding model whereby the Executive Director (ED) of the Foundation raised their salary dollars. And like most small not-for-profits, this model did not succeed. Around 2014, the LSRCA/LSCF moved to the Advancement Model whereby the ED's salary was paid by the Authority. The Foundation's Events Staff and Administrative Support Staff are paid by the Foundation. The Lake Simcoe Conservation Foundation now raises around \$800,000 per year for Authority projects, which more than pays for the investment in the ED's salary by the Authority.

Georgian College

According to Georgian Collage "In 2007, the Georgian College Foundation Board unanimously recommended a transition of governance from the Georgian Foundation Board to the Georgian College Board of Governors. This Advancement Model has been very successful for most universities and many colleges in creating a strong philanthropic operation where fundraising is

closely integrated with the overall operations, particularly communications and external relations. This ensures consistent messaging with mission and strategic direction of the entire college and eliminates the potential for misalignment. In addition, this model provides improved administrative efficiency, while providing greater corporate leverage for... fundraising initiatives.” Fundraising is done under the portfolio of the Vice President of External Relations, who in turn, reports to the President and CAO of the College. Fundraising is directed by a Development Committee of eight to 10 people who report directly to the College’s Board of Directors.

Upper Canada College

Upper Canada College was created in 1829 and the fundraising portfolio, created in 1962, has been held by the College through an Advancement Office that addresses alumni, communications, marketing, and raising funds. The VP of the Advancement Office reports to the President of the College. A seven-member Advancement Sub Committee oversees fundraising and reports to the College’s Board of Governors. At each Board meeting a comprehensive advancement report is considered. This integration has been embraced as it is considered that the financial well-being of the institution involves fundraising.

Based on the above, it is recommended that the Advancement Model be endorsed, in principle, by the NPCA/NPCF for further discussion by both the Foundation and the Authority.

Staffing regarding the Foundation will be considered in a separate report in closed session.

FINANCIAL IMPLICATIONS:

As the Foundation’s Board operates on a volunteer basis, it is recommended that both the Board member appointed to the Foundation and the NPCA Interim CAO/ST offer their services to the Foundation, on a voluntary basis until the future of the Foundation can be reported to the NPCA Board of Directors.

Submitted by:

D. Gayle Wood
Interim CAO/Secretary-Treasurer