CHALLENGES IN ACHIEVING NON-PROFIT SUSTAINABILITY

Summer 2015

A Study of Social Service Non-Profit Organizations in the Central Okanagan

CHALLENGES IN ACHIEVING NON-PROFIT SUSTAINABILITY: A STUDY OF THE SOCIAL SERVICE NON-PROFIT SECTOR IN THE CENTRAL OKANAGAN

Requisitioned by the Scotiabank Centre for Non-Profit Excellence

Written by: Amanda Wright, Student Researcher

With contributions by:

Dr. Sheilagh Seaton, Professor

Dr. Lynn Sparling, Professor

Jessica Lenz, Student Researcher

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Abstract

The Canadian non-profit sector is the second largest in the world – in 2012 it contributed $176 billion to the national economy accounting for 8% of GDP, employing two million Canadians and benefiting from over 13 million volunteers. Despite the significance of these figures, the non-profit sector is increasingly faced with challenges that impede growth and sustainability, leaving marginalized populations without access to life saving and life changing services. This study aims to contribute to the development of resources that will address real and perceived impediments to sustainability at a local level in the Central Okanagan of British Columbia, Canada. Local executive directors and board members representing social service organizations were enlisted as respondents to a survey that followed a research structure prescribed by USAID and Imagine Canada. The study focuses on external resource providers, organizational and board capacity, the financial environment, public image and awareness, as well as sustainability practices relevant to the non-profit sector. The findings present a challenging future for the Central Okanagan social service non-profit sector - with a high reliance on a single local resource provider and limited knowledge and use of provincial and national resource providers, as well as significant gaps identified in strategic planning, board governance, human resources, marketing, and public image and awareness efforts. Most significantly the region has a high level of service duplication and a high reliance on grant funding. However, there does appear to be a willingness to shift toward more resource sharing and sustainable practices. Despite this willingness, without action and change the challenges of service delivery and basic survival will continue to threaten local organizations; therefore, the gaps must be mitigated with sustainable practices tailored to the unique needs of these organizations. This study has successfully defined the sector and the existing gaps, acting as a foundation for the Scotiabank Centre for Non-Profit Excellence to move forward with the development and coordination of resources that will promote sustainability in the Central Okanagan non-profit sector.

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Chapter One: Introduction

1.1 Introduction

Non-profit organizations are a part of the fabric of Canadian culture. The services they provide are critical – they focus on gaps in society not addressed by the corporate or governmental sectors. However, as Canada's economy and population continue to bourgeon, the gaps appear to be growing beyond the means of the non-profit sector, with sustainability becoming a distant goal. If Canadians value the impact that non-profit organizations have in their communities, work must be done to support the sector and improve the opportunity for sustainability. This research is focused on identifying the gaps that exist in the Central Okanagan that impede non-profit organizations from achieving sustainability. Chapter one will provide background information on the non-profit sector, followed by a statement of the purpose and significance of this study, and will conclude with an overview outlining the nature of the report.

1.2 Background

In Canada, there are over 170,000 non-profit organizations, making it the second largest non-profit economy in the world. In 2012, it generated $176 billion in income, accounting for 8% of Canada's GDP, employed two million people, and benefited from over 13 million volunteers (Faul, 2014). The Canadian public overwhelmingly supports non-profits: Lasby & Barr found that 93% of people believe that non-profit organizations are important, and 88% believe they improve an individual's quality of life (2013a). However, despite size, reach, and support, the sector continues to face challenges that impede sustainability.

The government's contributions towards monitoring the non-profit sector have, in recent years, declined with the growth of the Canadian population and changes in political driving forces. Statistics Canada completed its most recent Satellite Account study on non-profits six years ago, in 2009. At that time, the report found that core non-profit organizations (excluding hospitals and universities) generated 45% of income from the sale of goods and services (Statistics Canada, 2009). Fortunately, the Canadian public was in support of non-profits engaging in business activities; however, there were a decreasing number of individuals (63% down from 71%) in support of this income being earned tax-free (Lasby & Barr, 2013a). The remaining sources of

income reported to be sourced as: 19% from government, 15% from membership fees, 12% from household donations, and 5% from investment income (Statistics Canada, 2009).

In 2009, Imagine Canada began releasing regular non-profit statistical reports through its Sector Monitor; however, a new release has not been issued in over 12 months. The most recent release did find that an increasing number of leaders anticipate their organizations would be stronger in 2014 (Lasby & Barr, 2014). However, it also identified that with flat staffing and volunteer numbers, as well as predicted increases in demand for services, there would be a greater strain on the resources of non-profits across Canada (Lasby & Barr, 2014).

Despite the current lack of current information available from Sector Monitor and the Statistics Canada Satellite Account, action persists nationally and globally to improve the outlook for the sector. Imagine Canada continues to maintain a leading role in addressing non-profit challenges through partnerships with the Canadian government, as well as various foundations, corporate funders, advocacy agencies, and research organizations, in order to develop resources and act as an information hub (Imagine Canada, n.d.a). Furthermore, on an international level, USAID is an organization focused on identifying gaps and promoting sustainability. Locally, research is being conducted and programs developed by universities, research foundations, and passionate individuals seeking to respond to the issues prevalent in their own communities.

1.3   Purpose

With declining national research into the state of the non-profit sector in Canada, there exists an opportunity to conduct research that describes the Central Okanagan non-profit sector and its challenges. Furthermore, local non-profit organizations tend to be more reliant on corporate and government funding – leading corporate funders to encourage a shift toward more sustainable operations, management, and business models. Hence, this research aims to identify the gaps that impede the non-profit sector's ability to achieve sustainability. This purpose is defined with the following research decision statement:

> *What are the real and perceived challenges that impede social service non-profit organizations from achieving sustainability in the Central Okanagan?*

A comprehensive response to the decision statement is based on five research objectives directly pertaining to non-profit sustainability:

RO1: Are the external support mechanisms available to Central Okanagan non-profits effective in providing support to achieve sustainability?

RO2: Do non-profit organizations in the Central Okanagan have the organizational and board capacity to achieve sustainability?

RO3: Does the financial environment of Central Okanagan non-profit organizations support sustainability?

RO4: Is public image and methods used to create awareness effective in increasing the sustainability of Central Okanagan non-profit organizations?

RO5: What are non-profit organizations in the Central Okanagan currently doing to achieve sustainability – and is it succeeding?

1.4   Significance

Much research has been focused on achieving a sustainability goal in the non-profit sector. However, what has been identified is that no single plan, model, or tool has the ability to address all challenges or impediments that non-profit organizations encounter, as these organizations, the regions they exist in, and the clients they serve, are unique, and so must be the solutions (Beachy, 2011; Bowman, 2011; Faul, 2014; Linzey, 2011; McConnell, 2013; Sanchis-Palacio, Campos-Climent, & Mohedano-Suanes, 2013; Spall, & Zetlin, 2004; Stecker, 2014). Therefore, this research is significant in identifying the specific gaps that exist in the Central Okanagan which impede the achievement of sustainability, rather than a larger geographic area. The findings will form a foundation to identify or develop resources to be used in advancing non-profits in this specific region, rather than the sector as a larger whole.

1.5   Nature and Scope of the Report

A response to the decision statement and research objectives is presented in this report based on an analysis of the findings. Chapter one has provided an overview of the non-profit sector and the purpose of this study; chapter two follows with a literature review that explores existing non-profit sustainability research. The research methodology is outlined in chapter three, and discusses the descriptive study process using both qualitative and quantitative methods of analysis. Chapters four and five provide a discussion of the findings and conclusions.

Chapter Two: Literature Review

2.1 Introduction

Research has been identifying impediments to non-profit sustainability for many years, resulting in analogous findings yet conflicting solutions. In response to this, discussions and initiatives are emerging across Canada to build a narrative about the sector that will assist in identifying the unique solutions required to focus and embrace change, thereby improving sustainability (Faul, 2014). To build a narrative in the Central Okanagan and ascertain the full scope of existing challenges, this study is constructed to address the following decision statement:

> *What are the real and perceived challenges that impede social service non-profit organizations from achieving sustainability in the Central Okanagan?*

2.2 Definitions

To appropriately address the issue of sustainability, the term "sustainability" must first be defined. Additionally, to ensure clarity and narrow the scope, the research has been limited to social service non-profit organizations.

2.2.1 Sustainability and the Non-profit Sector

In general terms, the Oxford Dictionary of English defines "sustainability" as when something is "able to be maintained at a certain rate or level" (Sustainability, 2014, para1). To more accurately define sustainability in relation to the non-profit sector, this research will draw upon USAID's seven dimensions of sustainability that assess an organization's legal environment, which are: organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image (USAID, 2012; USAID, 2010). These dimensions of sustainability (Appendix A) are the underlying framework to the developed definition of sustainability for the purpose of this study:

> Sustainability in the non-profit sector is having the ability to adequately address the needs of the community in a manner that sufficiently mitigates internal and external challenges.

2.2.2 Social Services Within the Non-profit Sector

In Canada, the non-profit sector operates across a broad spectrum of industries and provides a diverse range of services and products – Imagine Canada has segmented the sector into two major categories: (1) core non-profits, and (2) hospitals, universities, and colleges (Faul, 2014). It categorizes social service organizations as core non-profits. In this study, a social service will be defined as an organization that provides any of the services listed below:

> "**Social Services**: Child welfare & services. Youth services & welfare. Family services, services for the handicapped & elderly. Self-help & other personal social services. Disaster & emergency prevention & control, shelters, & refugee assistance. Income support & maintenance, material assistance inc. food banks.

> **Development & Housing**: Economic, social & community development. Housing associations & housing assistance. Employment & training, including vocational rehabilitation & sheltered workshops" (Imagine Canada, Grant Connect, & Philanthropic Foundations Canada, 2014, p. 32).

These listings are based on the International Classification for Non-Profit Organizations (ICNPO), which are provided by the United Nations and are recognised globally and within Canada (refer to Appendix B for further details) (Statistics Canada, 2009).

2.3 The Global Movement

There are many players in the global non-profit arena, and USAID, since 1997, has taken a leading role with its Sustainability Index (USAID, 2012). The index is built around its seven dimensions of sustainability (Appendix A) and aims to identify gaps and trends in marginalised regions around the world (USAID, 2012). The index identifies what non-profits have achieved, what outstanding gaps remain, whether the gaps and challenges are recognizable, and if there is existing capacity to address them (USAID, 2012). An expert panel determines the index score by asking a series of predetermined questions outlined in Appendix C, and these have proven to be effective in identifying developments and setbacks in these communities (USAID, 2012). USAID promotes the index as a unique tool available to communities, organizations, governments, and academics to use and apply in their regions to measure and understand sustainability in the non-profit sector (2012).

2.4   The Canadian Movement

Nationally, Imagine Canada is taking a leading role with various partners to address the challenges that exist within the non-profit sector (Imagine Canada, n.d.a). Its "National Engagement Strategy", which is now in its fifth year, has identified four Priorities for Action: (1) Improved conditions for the attraction and retention of paid staff, (2) More diversified and sustainable financing of the sector, (3) Better understanding of the sector and its impact, and (4) Enhanced support for organizations to engage volunteers (and) external talent" (Imagine Canada, 2012a, Imagine Canada, 2012b). These priorities bring a collaborative approach to the sector, allowing Imagine Canada to offer free and membership-based resources focused on industry standards, public policy, research, networking, knowledge development, taxation, ethics, fund development, strategy, and management (Imagine Canada, n.d.b; Imagine Canada, n.d.c).

The priorities and areas of research that the global and national movements highlight identify the leading challenges and foster an open dialogue toward change in the non-profit sector. On a local level, Central Okanagan organizations such as Kelowna Community Resources (www.kcr.ca), The Central Okanagan Foundation (www.centralokanaganfoundation.org), and Urban Matters (www.urbanmatters.ca) are also generating resources and initiating discussion focused on improving local non-profit sustainability. However, currently, there is no existing information or research that identifies if these resources are in fact being utilised by non-profits in the region, or if the resources being used are considered to be effective and useful. These two variables lead to the first research objective:

> *RO1: Are the external support mechanisms available to Central Okanagan non-profits effective in providing support to achieve sustainability?*

2.5   The Leading Challenges

Murray and Seel succinctly identify the key areas of difference of a non-profit as opposed to a for-profit or governmental organization as "(a) organizational mission and values, (b) organizational goals and strategic priorities, (c) the use of volunteers, and (d) the governance practices of the board of directors" (2014, p. 3). The differences in these areas bring about unique internal and external capacity challenges that neither for-profit or government solutions have been able to wholly resolve. However, a non-profit's financial, organizational, and human

resource capacity will define its ability to overcome these challenges and achieve sustainability (Murray & Seel, 2014). Non-profit capacity has long been a topic of discussion in the sector, specifically encompassing such subtopics as the management and skill of staff and volunteers, reporting to stakeholders on results and impact, managing governance and the board of directors, government and community relations, financial ability, legal and taxation requirements, as well as information, knowledge, and resource development (Seel, 2014).

Human resources management presents a multitude of challenges and is quite unique within the non-profit sector, with a mix of paid staff, volunteers, and board members, each of whom has different passions and skillsets (Meinhard, 2014; Imagine Canada, n.d.b; McConnell, 2013). Despite the staff, volunteers, and board all working towards a common mission, the unique aspects of the non-profit environment can lead to trust issues or tension within an organization (Meinhard, 2014). Workplace challenges are further exacerbated due to limited training, a lack of policies and procedures, insufficient financial resources, a lack of role clarity, and a lack of job security (Meinhard, 2014; Linzey, 2011). The executive director role is specifically challenging as it includes such duties as managing up and out to the board and the public, as well as down and in to the operations, employees, and volunteers (McConnell, 2013). This burden of responsibility is often aggravated by the continuing controversial compensation conversation, as the general public does not yet understand that in the non-profit sector "compensation is an investment in impact" (Faul, 2014, p. 28). The Board of Directors is another challenging aspect of human resources in this sector. Some boards are highly skilled and others are not, the difference between governance and working boards is a highly misunderstood concept, roles are unclear and undefined, and many do not understand the dynamics of the non-profit sector, typically attempting to address non-profit problems with for-profit solutions (Linzey, 2011; McConnell, 2013; Meinhard, 2014).

Other organizational capacity challenges identified in Canadian research focus around strategy, structure, performance, technology, market forces, and the legal environment (Faul, 2014; Lasby & Barr, 2014; Bowman, 2011; The Muttart Foundation, 2014; Imagine Canada, 2012a; Aitamurto, 2011; Vakil, 2014). The mission-driven focus of non-profit organizations underlines the importance that the mission and vision align with the strategy, and that this be evident in the operations and program delivery. This is a critical aspect of sustainability and is where business acumen is necessary, but often lacking (Vakil, 2014; Bowman, 2011). Lasby and Barr have

found over the past two years that the growth and availability of resources is outpaced by the growing demand for service, which is heightening demand for scarce resources and increasing competition between non-profits (2014; 2013b). The evolution of technology creates further challenges in the sector as it increases public scrutiny and restricts organizational capacity (Aitamurto, 2011). Recent online trends are seeing some individuals self-organize around causes built through social media, crowd-funding, and other online donation applications, eliminating the need for, or decreasing the reliance on, existing non-profit organizations (Aitamurto, 2011).

Organizational capacity presents a broad variety of challenges for non-profit organizations across Canada. The question is whether all social service non-profit organizations in the Central Okanagan face these same challenges, and what these key challenges might be. These unknown variables lead to the second research objective:

> *RO2: Do non-profit organizations in the Central Okanagan have the*
> *organizational and board capacity to achieve sustainability?*

Financial sustainability continues to be the greatest driver of change in the non-profit sector. Unfortunately, as organizations strive to achieve this goal, there is an increasing risk that these mission-driven organizations are sidelining the cause in exchange for perceived financial sustainability (Beachy, 2011). Resources are used in addressing short-term goals such as the needs of donors and funders, meeting annual budget targets, and maintaining positive cash flow, typically at a cost to the long-term mission of the organization (Beachy, 2011; Bowman, 2011; Faul, 2014). The actions and demands of donors and funders support this shift as funding scopes narrow, accountability increases, and reporting and measurement of impact becomes paramount (Beachy, 2011; Aitamurto, 2011). Nationally, organizations are faced with unrealistic public expectations, with many Canadians believing that non-profit spending on overhead and administration costs is too high. In one study, 83% of Canadians believed that at least 81% of funds should go directly to the cause (Faul, 2014; Lasby & Barr, 2013a).

Despite funding challenges and setbacks, the social service non-profit sector does generate a significant portion of income from revenue generating activities such as membership fees, fee-for-service, and consulting fees (Faul, 2014). This financial focus is, however, also fuelling the "social economy", with new innovations and iterations of old ideas emerging in a frenzy of social entrepreneurship (Beachy, 2011). The social enterprise movement in BC is supported and

driven by organizations such as Enterprising Non-Profits (www.socialenterprisecanada.ca) and the BC Centre for Social Enterprise (www.centreforsocialenterprise.com). These organizations promote social enterprise ventures as strategic tools towards service enhancing, revenue diversifying, and as the key to financial sustainability for the non-profit sector (Enterprising Non-Profits, 2013). In Canada, integrating any of these new revenue streams into a non-profit organization is restricted by (1) the legislation that governs the mission-driven organizational model, and (2) the lack of business acumen and development support (Faul, 2014).

Evidently, the financial capacity of non-profit organizations is a key driver and motivator of sustainability. However, we must question whether, in the Central Okanagan, the non-profit organizations are operating in a supportive financial environment. This leads to the third research objective:

> *RO3: Does the financial environment of Central Okanagan non-profit organizations support sustainability?*

In Canada, donors and the general public are fundamental in building positive awareness and a strong public image, making it important for non-profits to respond to public needs (Ipsos Reid, 2011). Much research has been conducted on donors and volunteers, finding that individuals have a desire to help those in need, support "good" charities, understand a non-profit's purpose, and to see the impact of a non-profit's work (Ipsos Reid, 2011; Lasby & Barr, 2013a; Faul, 2014; Turcotte, 2012). Furthermore, the greater familiarity an individual has with a non-profit organization, the more likely they are to donate money and time to a specific cause (Ipsos Reid, 2011). However, finding "good" and "familiar" charities is now driving the emergence of non-profit rating and ranking organizations within Canada as outlined in Table 2.1.

These rating agencies are increasing competition between non-profits and often compare organizations using low overhead as an indicator of success, even though this is not always an effective measure (Faul, 2014). Furthermore, the sector is challenged with the evolution and growth of crowd-funding and other online campaigns that redirect funding, increase competition, and allow donors to have a greater sense of supporting a cause versus funding administration costs (Beachy, 2011; Aitamurto, 2011).

Table 2.1: Common Non-Profit Listing, Rating & Ranking Agency Characteristics

Agency	Automatic Listing	Free Listing with Registration	Paid Listing or Upgrade	Edit / Add Details to Listing	Ranking or Rating Scales	Number of Charities Listed
Charity Intelligence www.charityintelligence.ca		✓			✓	600
Smart Giving www.smartgiving.ca	Redirects to Charity Focus					n/a
Charity Can www.charitycan.ca			✓			All 86,000 registered charities
Canadian Donors Guide www.donorsguide.ca		✓	✓	✓		
Donate2Charities www.donate2charities.ca	✓			✓	✓	
Charity Focus www.charityfocus.ca	✓			✓		

As these challenges persist, we must question how non-profit organizations manage image and awareness in the Central Okanagan, and whether these efforts are effective. This leads to the fourth research objective:

> *RO4: Is public image and methods used to create awareness effective in increasing the sustainability of Central Okanagan non-profit organizations?*

In serving the needs of the community, researchers and industry experts are increasingly suggesting that the non-profit sector must move toward a collaborative business model – working together, sharing resources and expertise, and addressing common mission goals, while decreasing competition, and reducing financial insecurity (Beachy, 2011; Aitamurto, 2011). Various models and trends are emerging in Canada that are geared toward sustainability and built around collaborative and community approaches, including the application of the concept of collective impact, the rise of community contribution companies (C3), and the use of social impact bonds. Collective impact works on a sharing of knowledge and resources to address specific needs within a community (Rose, 2014; Weaver, 2014; Beachy, 2011; Faul, 2014). This is an evolving movement that requires a champion, financial resources, and a desire for change. The concept is built upon a framework with a common agenda, shared measurement, mutually reinforcing activities, continuous improvement, and a standalone backbone support organization (Rose, 2014). C3 is a new hybrid corporate business model developed in British Columbia by the Ministry of Finance, which restricts shareholder dividends and mandates the bulk of profits be

returned to a social or community cause (Ministry of Finance, n.d.). There are no tax incentives for this type of corporation, however, the benefit in switching to this structure is being able to operate as a for-profit organization while gaining recognition for social ends (Ministry of Finance, n.d.). Social impact bonds (SIB's) are growing in popularity and gaining government support by offering an alternative to social policy (Joy & Shields, 2013). These are financial instruments that promote upfront funding for service programs and aim to alleviate the reliance on annual fund development (Joy & Shields, 2013). However, as with any investment, SIB's are not without risk and require a certain level of investment and business acumen (Joy & Shields, 2013).

As these collaborative approaches could be a direct precursor to sustainability, we must question whether non-profit organizations in the Central Okanagan are transitioning to any of these models, or if there are other models or tools that are being used to advance sustainability in the region. These two variables lead to the final research objective:

> *RO5: What are non-profit organizations in the Central Okanagan currently*
> *doing to achieve sustainability – and is it succeeding?*

2.6   Conclusion

The global and national movements are coming together in support of local action to improve sustainability in the non-profit sector and ensure that the needs of communities are being adequately addressed. The leading challenges based on prior research focus on organizational and board capacity, financial capacity, and community engagement. By identifying gaps that exist in the Central Okanagan, as well as recognising successful resources and practices currently available, this study will facilitate the development of an action plan toward sustainability. This gap analysis will be guided by the developed research objectives, outlined as follows:

> *RO1: Are the external support mechanisms available to Central Okanagan non-*
> *profits effective in providing support to achieve sustainability?*

> *RO2: Do non-profit organizations in the Central Okanagan have the*
> *organizational and board capacity to achieve sustainability?*

> *RO3: Does the financial environment of Central Okanagan non-profit*
> *organizations support sustainability?*

*RO4: Is public image and methods used to create awareness effective in
increasing the sustainability of Central Okanagan non-profit organizations?*

*RO5: What are non-profit organizations in the Central Okanagan currently doing
to achieve sustainability – and is it succeeding?*

These research objectives direct the strategic approach and methodology for the research project,
a discussion of which follows in chapter three.

Chapter Three: Research Methodology

3.1 Introduction

USAID and Imagine Canada have been actively promoting and providing guidelines for research globally that supports a collective goal that will ultimately improve sustainability within the non-profit sector, which has driven this research in the Central Okanagan (Imagine Canada, 2012a; USAID, 2012). Chapter three outlines the methodology followed in this study, including the design of the study, sample and the data collection method, and discusses the process for instrument evaluation and analysis.

3.2 Research Design

This research study is descriptive in nature, seeking to identify the gaps that exist in the sector. The USAID Sustainability Index (Appendix A) and previous Canadian non-profit research have provided a sound foundation for this study and support a combined qualitative and quantitative approach (Imagine Canada, 2012; USAID, 2012).Qualitative questioning was used initially to provide an overview of potential gaps specific to this region and inform the development of a quantitative analysis. The quantitative questioning, conducive to a large sample, was then used to further explore a broad range of topics. The results of both the qualitative and quantitative data collected will be used in developing the direction of future phases of the Scotiabank Centre for Non-Profit Excellence research program.

The survey questions are based on the USAID Sustainability Index Expert Panel Questionnaire (see Appendix C) with alterations following consultation with sector experts, Okanagan College faculty, and the Scotiabank Centre for Non-Profit Excellence. The changes reflect political, cultural, and operational differences specific to Canada and the Central Okanagan. The scope of information that the questionnaire modified for this study aims to collect is substantial, with a total of 90 questions and a completion time between 30 and 70 minutes per survey. Prior research conducted through the Scotiabank Centre for Non-Profit Excellence suggested that although the length of the survey is unusually long, the impact on the participation rate would be mitigated by the population's commitment to the success and advancement of the sector. Each research objective is addressed with a variety of open and closed-ended categorical and continuous scale questions that allow for comparisons, relationships, and specific gaps to be

identified. The nature of the information required to address the research objectives strongly impacts not only the research design but also the sample design.

3.3   Sample Design

The Central Okanagan is defined geographically as communities including and between Peachland, West Kelowna, Kelowna, and Lake Country. Within this region, the target population is identified as Executive Directors and Board Members currently employed or volunteering in these roles for a social service non-profit organization; individuals that met these criteria are identified as the unit of analysis. This population was selected based on access to and knowledge of organizational facts, as it was determined that staff or non-board volunteers were unlikely to have the ability to accurately respond to some critical survey questions. The target population, in particular non-profit board members, is recognised as challenging to identify and reach. Therefore, the sample used for the questionnaire was selected using a judgement technique based on Scotiabank's and the student researcher's professional and personal connections. Both qualified and unqualified individuals were encouraged to forward the survey to contacts and other individuals that may be qualified to respond. A total of 69 responses were received, and the findings can be considered representative of the population with a 4% allowable error (see calculation in Appendix D).

3.4   Data Collection Method

The primary research data was collected via an online survey instrument that recorded responses anonymously through an email link and effectively supported the judgement technique used to reach individuals in the population (see attached Addendum for the survey questionnaire). The survey instrument was successfully accessed and completed by 69 participants with 62% (43) of the responses from Executive Directors and 38% (26) from Board Members.

3.5   Instrument Evaluation

A number of measures were taken to ensure the reliability, validity, and sensitivity of the survey measures. Firstly, to address reliability and validity, the survey was pre-tested on select experts in the field of non-profit management and governance. Following the pre-test, adjustments to the survey instrument were discussed with the research team to improve the understandability,

ambiguity, and relevance of the questions to the research objectives. To ensure that quantitative analysis could be conducted on applicable questions, 5-point scales were used to improve the level of sensitivity.

3.6   Analysis

The research and survey instrument design provided for categorical variable analysis on the open-ended questions, and both categorical and continuous (statistical) variable analysis on the closed-ended survey questions. The analysis was completed using a variety of parametric and non-parametric analysis tools to compare groups and explore relationships between variables (for example, Chi-square, Pearson's correlation, and the independent-samples t-test). Other analyses were based on frequency distributions and cross-tabulations which were compared to existing non-profit best practice research. The open-ended questions have been reviewed and grouped by theme to provide additional depth and to indicate trends or issues not identified by the other methods of questioning.

Demographic information was used to group the data by respondent role type to identify relationships pertaining to the research objectives and the principal topic of sustainability. The data was analyzed based on the research objective topic areas, outlined as follows:

RO1 External Resources.

RO2 Board Capacity, Strategic Planning, Management, and Organizational Capacity (Human Resources, Communication, Performance, Legal Environment, Technology).

RO3 Revenue, Donors and Funders, Expenses, Financial Security.

RO4 Public Image, Public Awareness of Cause, Public Interaction, Media Relations.

RO5 Service Duplication, Cooperation and Sharing of Resources, Sustainability, Emerging Trends.

3.7   Conclusion

A descriptive research design was used to provide comprehensive results that address the research objectives, in addition to ensuring a representative sample of the target population. Additionally, the methodology supported the collection of data that will be useful in future phases of the Scotiabank Centre for Non-Profit Excellence research program. Based on the

methodology outlined, the following chapter will present a thorough analysis and discussion of the research findings.

Chapter Four: Findings & Discussions

4.1 Introduction

The data collection and analysis followed the methodology outlined in chapter three, taking a descriptive approach and providing data for both categorical and continuous variable analysis. The findings and discussions will lead to a greater understanding of the gaps that exist for non-profit organizations in the Central Okanagan; this is further discussed in chapter five. Chapter four begins with a description of the research participants, and goes on to present the findings for each research objective: RO1: external resource providers, RO2: organizational and board capacity, RO3: the financial environment, RO4: public awareness and image, and RO5: sustainability alternatives and practices.

4.2 Participants

Participant organizations are located predominantly in Kelowna (94%) and are registered charities (93%). Participants chose multiple core services and these included education, child and youth support, physical and mental health care, men, women's, and family support, addiction support, housing, food security, and elder care. The participants represented organizations with and without paid staff (full-time equivalent - FTE); 16% of the sample operate with no FTEs, and the remainder operate with employees, 40% with 1 to 5 FTEs, 22% with 6 to 20 FTEs, 13% with 21 to 50 FTEs, and 9% with more than 50 FTEs.

4.3 RO1: External Resource Providers

This research objective is designed to identify which support organizations most commonly provide resources to non-profit organizations in the Central Okanagan, thereby identifying the preferred resource organizations and challenges that may relate to these resource providers.

As expected, the most commonly used resource provider in the Central Okanagan is Kelowna Community Resources (KCR), a local non-profit whose mission is to "foster diversity, collaboration, and resourcefulness by tailoring services to meet community, family, and individual needs" (KCR, n.d.). Table 4.1 lists all of the resource providers the respondents were presented with and it is noted that, excluding KCR, all others are provincial or national organizations. The results show that all other organizations are used significantly less than KCR

by respondents' organizations. Respondents also reported using other organizations that were not listed, some of which are local, provincial, and national, as listed in Table 4.2. On average, respondents reported that they would probably recommend these resource providers (m=4.3, 5-point scale: 1=definitely not, 2=probably not, 3=maybe, 4=probably yes, 5=definitely yes). The lowest score along this scale for an individual provider was m=3.3 (maybe), reported for Vantage Point.

Table 4.1: Commonly Used Resource Organizations

Organization	Used By
Kelowna Community Resources	65%
Board Voice	19%
Enterprising Non-Profits (ENP)	19%
Volunteer Canada	16%
Imagine Canada	16%
Vantage Point	12%
Other	12%
The Federation of Community Social Services of BC	10%
HR Council for the Non-Profit Sector	9%
Inclusion BC (formally BCACL)	4%
Board Source	2%
Leadership 20-20	2%
Sector Source	0%
The Muttart Foundation	0%
The Natural Step	0%

Table 4.2: Other Commonly Used Resource Organizations

AFP (Association of Fundraising Professionals)
BCAFRP (BC Association of Family Resource Programs)
BCAPOP (BC Association of Pregnancy Outreach Programs)
BCNPHA (BC Non-Profit Housing Association)
Bowman Employment Services
CAGP (Canadian Association of Gift Planners)
CCAE (Canadian Council for the Advancement of Education)
Child Welfare League of Canada
Community Gaming Branch
Community Social Services Employers Association of BC
FRP Canada (Canadian Association of Family Resource Programs)
Okanagan College
Partners
Revenue Canada
Sector Table of the MCFD (Ministry of Children and Family Development)
Shelternet

Some additional comments were provided, which highlight a variety of opinions related to the external resource providers (see Appendix F - Question 58). One respondent commented that the resources are too targeted at small non-profits, while two others suggested they are too targeted at large non-profits. One respondent remarked, "some of [the support organizations'] recommendations/ideas require funding or a lot of paper work which smaller organizations don't have money/time for". However, overall, the comments are positive, and suggest that a significant number of resources are available online for free or with memberships and reasonable fees.

4.4 RO2: Organizational and Board Capacity

This research objective is designed to identify gaps and better understand the existing capacities of non-profit organizations in the Central Okanagan. The research is conducted with a focus on the broad areas of board capacity, strategic planning, management, and organizational capacity.

4.4.1 Board Capacity

The sample represents a relatively even split of working versus governance boards (46% and 53%, respectively, 1% don't know), with 70% operating with sub-committees as a part of their board structure. Seventy-eight percent of the boards of directors meet at least nine times per year, with 15% meeting at least six times per year, and 7% meeting only twice per year. It was determined that 68% of respondents operate within a clearly defined management structure with a written division of responsibilities between the board and management. To determine the split of these responsibilities and the respondents' understanding of working and governance board roles, a variety of roles were presented in random order. Figure 4.1 graphically depicts the results with "(G)" denoting governance board tasks and "(W)" denoting working board tasks. Red bars indicate the percentage of governance boards which participated in these tasks, and blue bars indicate the percentage of working boards which participated in these tasks.
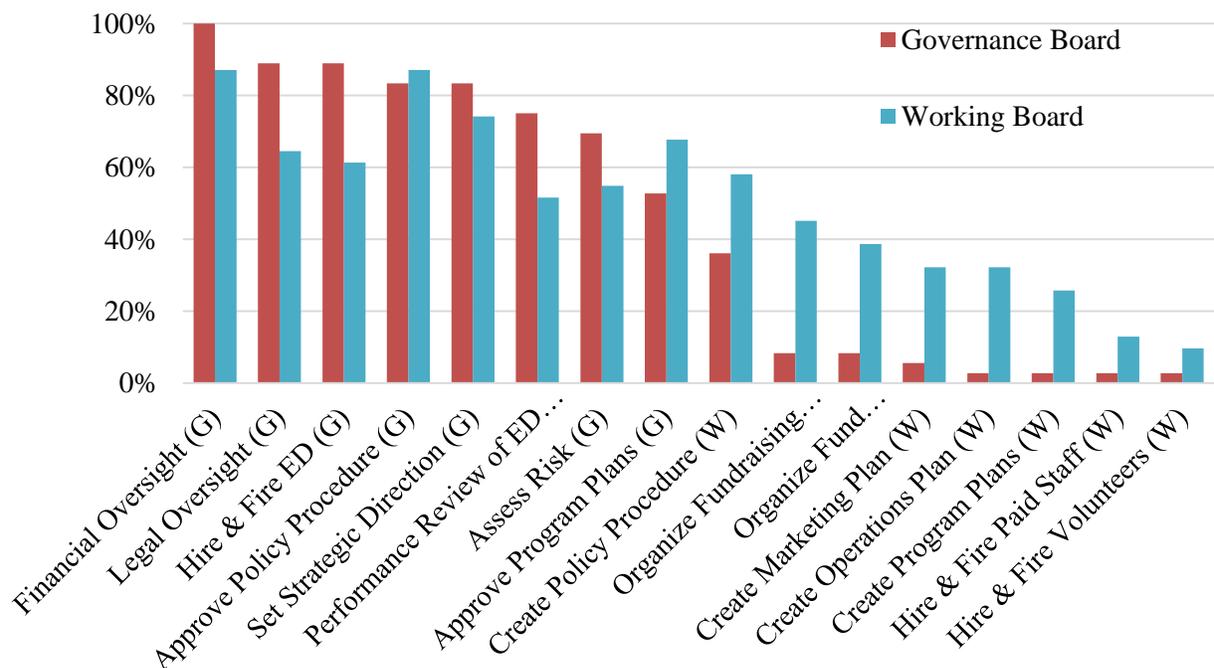
Figure 4.1: Activities Conducted by Governance and Working Boards

Governance board respondents reported engaging in all governance activities with 100% exercising financial oversight, yet only 83% reporting that they set strategic direction (Figure 4.1). In some instances, governance boards reported engaging in working board activities such as creating policy procedures, plans, HR activities, fund development, and fundraising (Figure 4.1). In review of the governance activities, it is noted that on two instances the working board responses exceed the governance board responses, for approving policy procedures and approving policy plans (Figure 4.1). As expected, the working board respondents reported participation across both governance and working board activities with the highest engagement in exercising financial oversight (87%) and approving policy procedures (87%) (Figure 4.1).

A board strengths index was developed using a 5-point scale based on having a full board complement, well qualified board members, expected board turnover, frequency of board meetings, range of skills, communication with management, strong strategic direction, and demonstrating support for the interests of the non-profit organization. It was used to assess the overall strength of Central Okanagan boards. It was found that board members and executive directors responded similarly, as depicted in Figure 4.2. This indicates that respondents in both roles appeared to
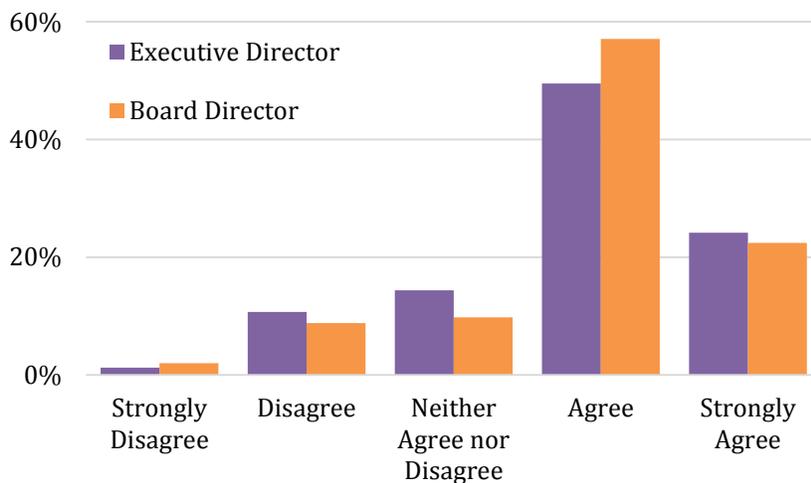
Figure 4.2: Board Strengths Index Comparison of Board Members & Executive Directors

agree upon the relative strength of the boards of directors in their organizations, with little difference between the opinions of executive directors versus the members of the boards themselves. The majority chose "strongly agree" or "agree", indicating a confidence in board strength by all parties.

Table 4.3 provides a closer analysis of some board strengths index components, and identifies that the greatest difference in opinion between executive directors and board members relates to the board providing strategic direction and there being well-qualified board candidates available.

These are in contrast to the lowest variances in opinion, relating to the board communicating effectively with management, the frequency of board meetings for effectiveness, and that the board supports the interests of the non-profit organization (Table 4.3).

Table 4.3: Board Strengths Response Variances for Executive Directors & Board Members

	Strongly Agree or Agree		Strongly Disagree or Disagree	
	Executive Directors	Board Members	Executive Directors	Board Members
Greatest Variance Between Groups				
Board provides strong strategic direction	51%	77%	15%	4%
Well-qualified board candidates	59%	68%	20%	12%
Least Variance Between Groups				
Board communication with management	88%	88%	3%	4%
Board meets frequently enough to be effective	95%	85%	2%	4%
Board supports the interests of the non-profit	90%	100%	2%	0%

4.4.2 Strategic Planning

Respondents' use of organizational tools varies as shown in Table 4.4 – the low use of strategic plans (77%) is a significant concern. Furthermore, for those that do have a strategic plan, only 70% have used this tool in the past six months to make decisions often or all of the time. Table 4.5 identifies that more than half of the respondents with strategic plans conducted in-house strategic planning sessions facilitated by staff or board members, or used a consultant in its development. Most respondents who used these first two tools found these processes useful and would use them again, however, there was minimal use of non-profit and for-profit focused strategic planning training courses (Table 4.5).

Table 4.4: Use of Common Organizational Tools

Organizational Tool	Used By
Mission	96%
Vision	83%
Organizational Values	83%
Strategic Plan	77%
Code of Ethics	71%

Table 4.5: Strategic Planning Process Use & Usefulness

Strategic Planning Process	Used	Useful
In-house facilitated by staff or board	77%	77%
Facilitated by consultant	51%	68%
Non-profit focused training course	20%	
For-profit focused training course	3%	

4.4.3 Management

The sample represents a highly qualified and experienced group of executive directors and board members. The experience of respondents ranges from 4 to 36 years, with an average of 15 years in the respective roles with various non-profit organizations. Table 4.6 lists the highest level of post-secondary education that 86% of respondents have achieved. This education is focused in a variety of

Table 4.6: Post-secondary Education

Level Achieved	
PhD	3%
Master's Degree	26%
Bachelor's Degree	46%
Diploma	15%
Some Post-secondary	10%

areas including health and social services, business and IT, education, finance and accounting, international relations and communications, hospitality and tourism, environment and engineering, legal, and non-profit. For additional support in their role with non-profit organizations, 77% of the 43 executive directors reported having a business mentor or advisor.

4.4.4 Organizational Capacity

Organizational capacity encompasses a broad range of functions and issues including leadership and performance, human resources, communication, professional services, the legal environment, and technology. The pressure of these functions and issues can be somewhat relieved by the support of a provincial, national, or international parent organization – however, it was found that 77% of respondents' organizations do not have a parent organization. Political advocacy can also relieve pressures, however, 51% of respondents reported that political advocacy does not sufficiently support their organization, and an additional 16% didn't know.

The responsibility and leadership for key functional areas falls to a variety of roles within non-profit organizations – respondents reported that most often the executive director takes a leadership role for marketing, fund development, grant writing, and human resources; board members for accounting and finance; and paid staff for volunteer coordination, program facilitation, IT, web, and social media services. The general skill shortages in non-profit organizations call for professional development and training to ensure that leaders are able to competently guide and support their teams. However, 61% of respondents reported that there is insufficient funding available to provide development and training, despite 50% reporting that this is included in the organizational strategy. When professional development and training is made available it is most frequently directed at executive directors and non-board volunteers,

with 58% of respondents' organizations having provided these opportunities to both groups in the past 12 months. However, only 30% of respondents reported having provided this to board members, 9% to other paid staff, and 19% reported that no professional development or training was provided at all.

Performance reviews vary amongst the different groups of individuals that are involved with non-profit organizations. Annual reviews are most commonly conducted on paid staff and executive directors (68% and 57%, respectively), with only 16% of the respondents' organizations conducting reviews on board members, and 10% on non-board volunteers. Looking at program evaluations, these occur in a variety of ways including: at the end of a project (42%), as mandated by the funder (39%), once per year (36%), at the middle of a project (12%), or at least twice per year (12%). However, some respondents reported that performance reviews and program evaluations are never completed (20% and 13%, respectively).

Thirty-four percent of respondents identified that their organization has been short-staffed in the past 12 months, with this impacting mostly non-board volunteers, paid staff, and executive directors. However, 40% of respondents reported that they don't know if their organization has, in the past 12 months, faced high turnover, been short-staffed, or over-staffed. To address short-staffing issues it was found that the most common methods of recruitment are referral and word of mouth (46%), the organization's website (26%), Castanet (24%), internal promotion (19%), and the Kelowna Community Resources website (11%). Table 4.7 highlights how challenging recruiting individuals with the desired skills can be - over half of the respondents reported that it is most difficult to recruit non-board volunteers and most easy to recruit paid staff. However, there was a relatively high number of respondents that felt neutral toward recruiting individuals with the desired skills.

Table 4.7: Ease of Recruiting with Desired Skills

	Difficult	Neutral	Easy
Executive Directors	33%	30%	37%
Paid Staff	25%	36%	39%
Board Member	41%	44%	15%
Volunteers	58%	21%	21%

There are a broad variety of common HR tools available to both for-profit and non-profit organizations. The sixty-nine respondents selected all HR tools that their organization uses from a list of alternatives – job descriptions were the most commonly used tool amongst this sample as shown in Figure 4.3. Other highly used HR tools included orientation handbooks, training manuals, and employment contracts (Figure 4.3). Paid staff and board members are provided

with the highest instances of HR tools in contrast to non-board volunteers that have the lowest. The most commonly used policy and procedure manuals addressed general issues, fraud prevention, and health and safety.
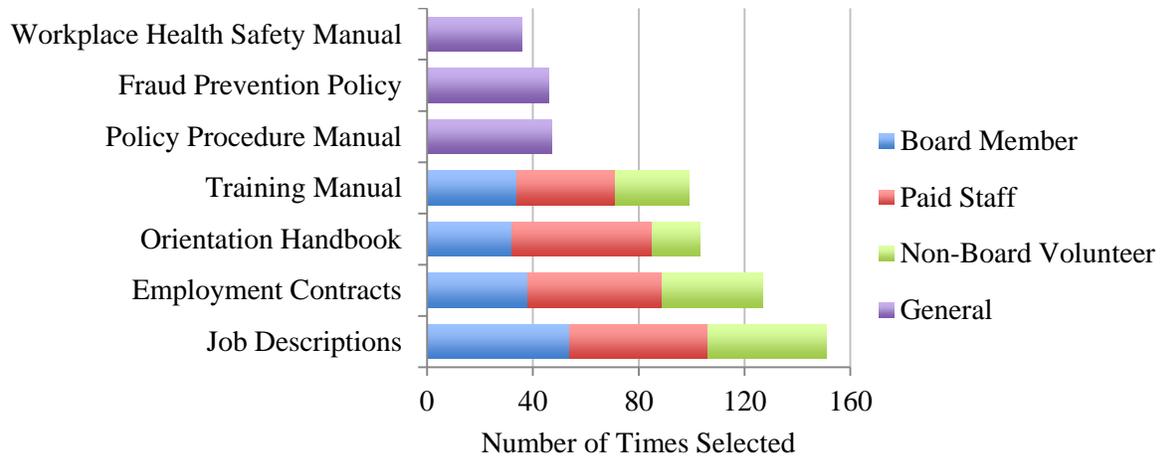
Figure 4.3: Most Commonly Used Human Resource Tools

Policy and procedure manuals related to branding, continuous quality improvement, public relations, privacy, social media, payroll, performance, and development, are used by less than 40% of the respondents' organizations.

Figure 4.4: Internal Relationship Index Scores
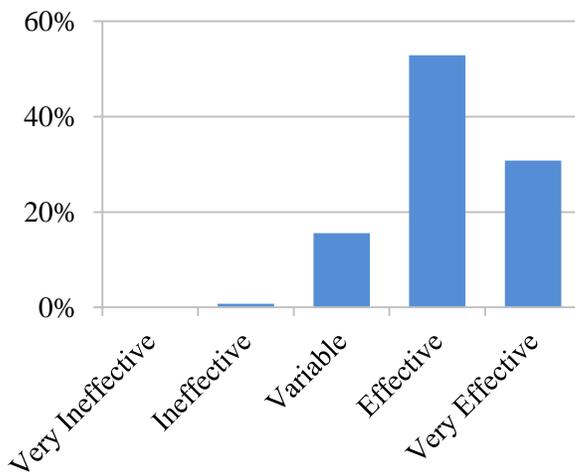
The internal relationship index was developed using a 5-point scale based on team dynamics, workplace culture, conflict management, respect, and internal communications. When assessing the effectiveness of internal communication using this index the respondents agree on average that relationships are effective (m=4.12) (Figure 4.4). The relationship between these index components was investigated using Pearson's product-moment correlation coefficient. There was a positive correlation between all five variables – thus when one variable increased along the scale so did the others (see Appendix E for statistical data). This correlation indicates that, in general, respondents found the internal relationships and communication within their organizations to be effective.

Financial and impact reporting are a standard requirement for non-profit organizations today. When financial reports were requested, 98% of respondents were able to provide these as

requested; however, in comparison, only 80% reported being able to provide impact reports when requested. There is an ever growing variety of impact reporting tools available to non-profits, however, the only commonly used tools based on the responses are throughput measures (99%), basic tracking of service and hours (61%), funder determined measures (57%), and client surveys (55%). Of these measures, respondents reported that client surveys and basic tracking of service and hours are the most accurate (92% and 89%, respectively). Only 6% reported using client interviews and stories, and there was minimal usage of externally developed impact reporting tools such as the triple bottom line (3%), balanced scorecard (1%), economic value added statements (EVAS) (1%), and others such as InfoMax and Share Point.

Outsourcing professional services is also common in the sector, and more than half of the respondents reported using an auditor, lawyer, bookkeeper, and IT manager or consultant in the operation of the non-profit organization (Figure 4.5 – data in red). The respondents' organizations access these services through the payment of service fees (data in green) or volunteered time (data in violet); Figure 4.5 depicts this relationship for each professional service. It highlights that these services are more often than not an expense to the non-profit organization. Some of the other reported services include strategic planning consultants, as previously discussed, and consultants for various types of planning.
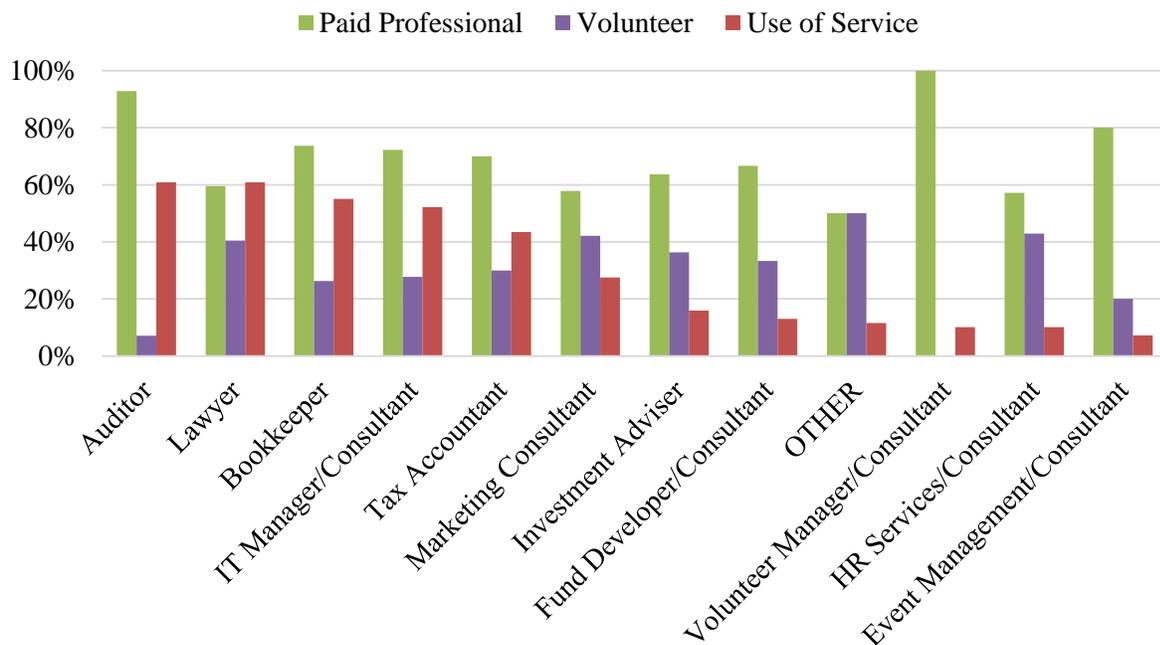
Figure 4.5: The Use of Outsourcing for Professional Services

As previously mentioned, legal work is one of the most commonly outsourced services and 60% of the time it is an expense to the non-profit organization (Figure 4.5). However, non-profits also deal with numerous other activities that have legal aspects or components, and the respondents on average reported that these are somewhat challenging (m=2.8) along a 4-point scale (1=very challenging, 2=somewhat challenging, 3=as expected, 5=simple). These challenging legal issues included preparing for audits, fundraising restrictions and tax receipting for registered charities, adhering to anti-spam legislation, creating partnerships or joint ventures, donor and funder agreements, service and employment contract administration, and managing lawsuits. The legal issues that were not challenging included annual filing for society's registration and charitable status, as well as Canada Revenue Agency (CRA) reporting requirements.

Technology and IT services can be managed both in-house and outsourced, however, inclusion in the strategic plan and funding must be available. Sixty-three percent of respondents reported that technology upgrades are included in their organizations' strategic plans; however, only 38% have sufficient funding available. Databases are another important IT issue for non-profits looking to track and maximise the benefits of relationships with funders, donors, clients, volunteers, partners, foundations, and suppliers, yet 6% of respondents reported that their organization uses no type of database to maintain user group records. Of the organizations that do use database programs and services, many use multiple types including outsourcing to Ceridan or other payroll processors, cloud computing software and servers such as ShareVision, Raisers Edge, Etapestry, Counselling TRAC, and BC Housing, as well as software purchased for in-house use such as Simply Accounting, Giftworks, and Sumac.

4.5   RO3: The Financial Environment

Research objective three is designed to identify the financial strengths and weaknesses of non-profit organizations in the Central Okanagan and to confirm if these are impeding the goal of sustainability. The research is conducted with a focus on the areas of funding sources, key donors and funders, expenses, and financial security.

4.5.1 Funding Sources

The annual budget of respondents' organizations varies significantly from less than $50,000 to greater than 2 million, as seen in Figure 4.6.
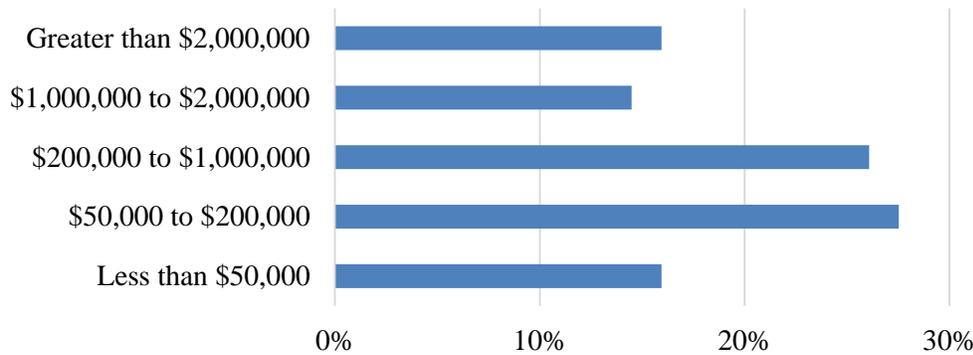
Figure 4.6: Annual Budget of Respondent Non-profit Organizations

Government grants are the greatest source of funding and are the second most common source used by respondents, after donations (Table 4.8 on next page). Thirty-eight percent and 32% of respondents have service fees and product sales, respectively. These respondents rarely use means testing for service delivery (m=2.5) rarely generating a surplus on these fees (m=2.46), and sometimes generating a surplus on product sales (m=3.29) (5-point scale, 1=never, 2=rarely, 3=sometimes, 4=often, 5=all of the time).

Table 4.8: Non-profit Organization Funding Sources Analysis

Greatest Funding Sources		Common Funding Sources	
Government Grants	24%	Donations	88%
Donations	16%	Government Grants	74%
Gaming Grants	14%	Fundraising Events	71%
Fundraising Events	9%	Gifts in Kind	59%
Private Funding	8%	Private Funding	55%
		Gaming Grants	52%
		Corporate Grants	46%
		Investments	39%
		Service Fees	38%
		Membership Fees	36%
		Product Sales	32%
		Rent	28%
		Bequests	20%
		Crowd Funding	6%

4.5.2 Key Donors & Funders

Donations and private funding are common income streams for non-profits and hence stewardship of donors and funders is a critical aspect of the non-profit business model. Table 4.9 shows that only 68% of respondents reported that their organization cultivates a loyal core of financial support donors – and that the donors are only actively engaged sometimes. The most common methods of donor engagement reported include feedback and updates by email, newsletter,

direct mail, or meetings, as well as thank-you letters, cards, or phone calls. Organizations also hold appreciation events, and provide public acknowledgment of financial support online or in their annual reports. In contrast to donor stewardship, 79% of respondents reported that their organization cultivates a loyal core of financial support funders and that on average the demands made by funders have remained the same over the

Table 4.9: Comparison of Donor and Funder Stewardship and Demands

Donors	
Cultivate Loyal Donors	68%
Engaging Stewardship (1=rarely, 5=always)	Sometimes (m=3.81)
Funders	
Cultivate Loyal Funders	79%
Funder Demands Change (1=substantially decreased, 5=substantially increased)	Remained the Same (m=3.31)

past 12 months (Table 4.9). These demands include: the demand for public recognition, input in strategic direction, input in operations, and fiscal and impact reporting. However, demands for fiscal and impact reporting suggest that the sample is split on demand changes in the past 12 months, with 48.9% and 53.3%, respectively, responding that they have either increased or substantially increased.

4.5.3 Expenses

Wages are the greatest expense for respondents' organizations, with program expense being the most common (Table 4.10). In the past 12 months respondents used a variety of measures to reduce expenses as outlined in Table 4.11 – cost saving technology includes implementing new software, cloud computing, and leasing. Cost saving activities include accessing emergency funding, and recruiting volunteers. Furthermore, respondents reported that both management and non-management wages are often less than the for-profit sector, 62% and 48%, respectively, with an additional 20% and 14% reporting they don't know if there is a difference in wages.

Table 4.10: Non-profit Organization Expense Analysis

Greatest Expenses		Most Common Expenses	
Wages	42%	Program Expenses	90%
Program Expense	17%	Administration Overhead	88%
Property Expense	16%	Insurance	87%
Administration Overhead	13%	Wages	84%
		Repairs & Maintenance	64%
		Membership & Accreditation	57%
		Rent	46%
		Lease	33%
		Mortgage	17%

Table 4.11: Most Common Cost Saving Measures

Sourcing Lower Cost Suppliers	36%
Negotiating Discounts on Bundled Services	35%
Reducing Paid Workforce	19%
Cost Saving Technology	17%
Discontinuation of Service	16%
Cost Saving Process or Procedure	14%

4.5.4 Financial Security

Debt loads are relatively low with 64% of respondents' organizations carrying no debt and very few carrying other forms of debt (Table 4.12). In contrast to debt are the operating funds available to respondents' organizations, which range from less than a month up to more than a year (Table 4.13). Also 10% of respondents did not know how long the operating funds of their organizations would last (Table 4.13). Respondents also reported that cash flow is most commonly reviewed on a monthly basis (70%) or only at board meetings (17%).

Table 4.12: Common Types of Debt

No Debt	64%
Corporate Credit Card	14%
Mortgage on an Asset Used in Operations	14%
Corporate Line of Credit	13%

Table 4.13: Operating Funds Availability

Less than 1 month	14%
3 to 6 months	34%
7 to 12 months	24%
More than 1 year	18%
Don't know	10%

4.6   RO4: Public Image and Awareness

This research objective is designed to identify gaps and to better understand how non-profit organizations engage with their community. The research is conducted with a focus on the areas of public awareness of the cause, and public image.

4.6.1   Public Awareness of the Cause

Ninety-three percent of respondents report that their organization actively seeks to build local support for its cause. However, of these only 46% reported that their organization is successful in its advocacy efforts, with 52% reporting they are somewhat successful. Five respondents reported that their organization does not actively engage in advocacy due to reasons including: a lack of staff and volunteers, time, funding, competition, and a lack of past success.

Organizational websites and social media sites are commonly used for connecting and building public awareness in the community. Most respondents' organizations have a website and Facebook page, yet it is surprising how many don't have either of these very common online tools (Figure 4.7). Figure 4.7 also shows that many of the other social media sites popular today, such as Twitter, YouTube, LinkedIn, and Instagram, are not commonly used by non-profit organizations in the Central Okanagan.
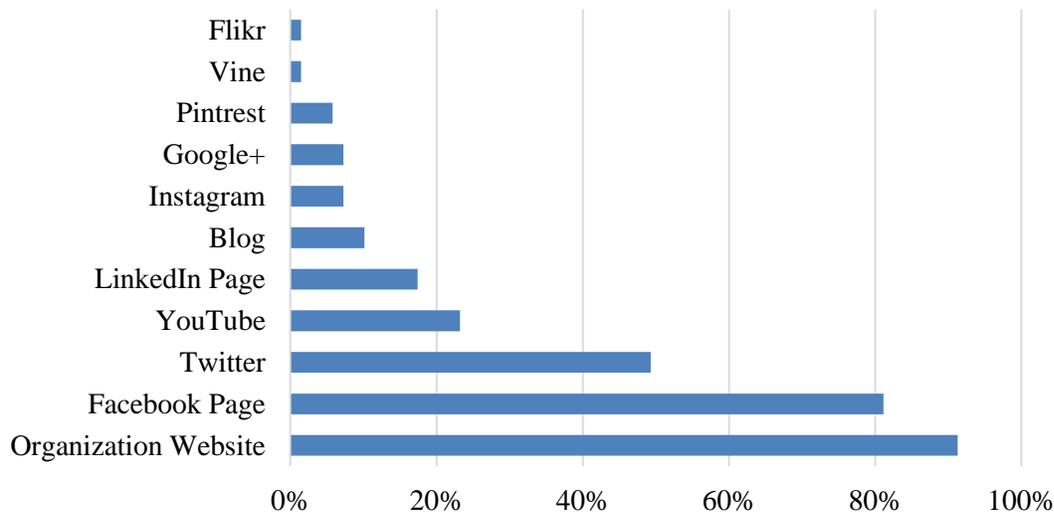
Figure 4.7: Online Accounts Held by Non-Profit Organizations

When promoting organizational services and the cause, 87% of respondents' organizations rely on the organizations' website, and 83% engage with media outlets in the Central Okanagan (Figure 4.8). Of the organizations that engage with media outlets, 59% of the time the media interactions are reported to relate to the promotion of individual events.
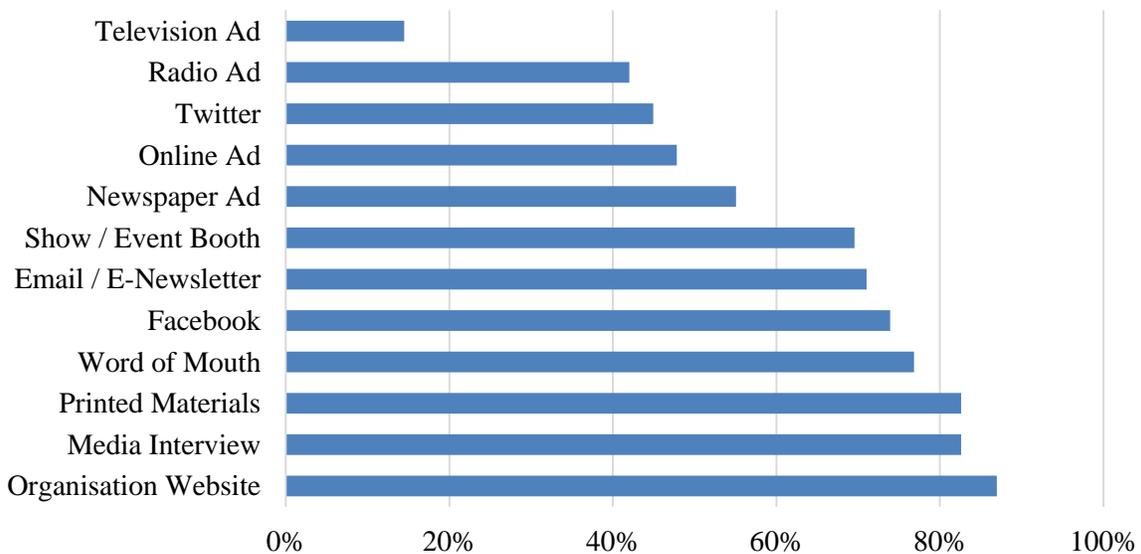
Figure 4.8: Methods Used to Promote Non-Profit Organizations

Other forms of media that are commonly used for the promotion of individual events are printed materials, newspaper ads, online ads, radio ads, and event booths. The respondents' opinions of the most successful methods of promotion provides some contrasting data to what is actually

used (Figure 4.9). Comparing Figure 4.8 and 4.9, it is identified that despite 83% (57) of respondents using media interviews for promotion (Figure 4.8), only nine respondents reported this as a successful method of promotion (Figure 4.9). Also newspaper ads are used by 55% (38) of respondents (Figure 4.8), yet only six identified this as a successful method of promotion (Figure 4.9). The respondents also provided comments such as "it is hard to tell what methods of promotion are successful", and "we only use media promotions if they're free".
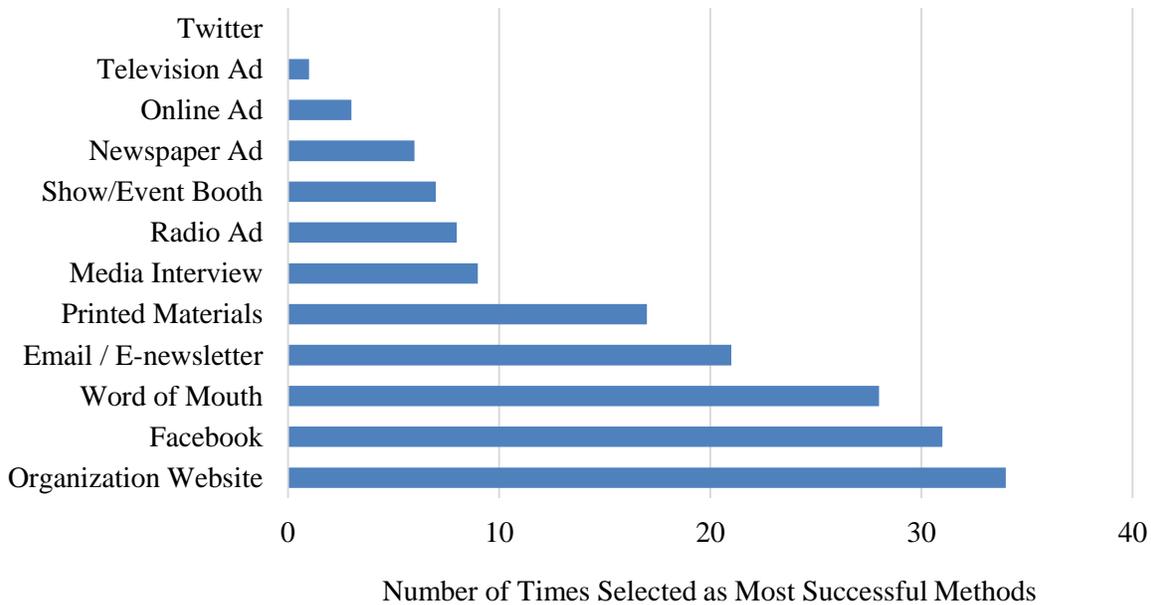
Figure 4.9: Most Successful Methods of Promotion (Perceived)

4.6.2   Public Image

Ninety-one percent of respondents reported that the general public have a positive or very positive perception of their organization, with the other nine percent being neutral. However, 96% reported that their organizations operate without the guidance of a community advisory committee, and only 5 respondents reported having a membership, listing, rating or ranking with a non-profit listing and rating agency. Referring back to Table 2.1, which outlines the characteristics of rating and ranking agencies, it is important to recognize that both Donate2Charities.ca and Charity Focus automatically list all registered charities, hence, 93% of respondents should have responded that their organization has a listing with both of these organizations.

4.7   RO5: Sustainability Alternatives and Practices

Research objective five is focused on better understanding and identifying sustainability practices or impediments that exist in the Central Okanagan. The research addresses resource sharing, service duplication, as well as sustainability practices, and emerging trends.

4.7.1   Resource Sharing

Many of the respondent organizations have either attempted to or do in some capacity engage in resource sharing as represented in Figure 4.10, with 45% of respondents reporting that their organization shares resources as often as possible.
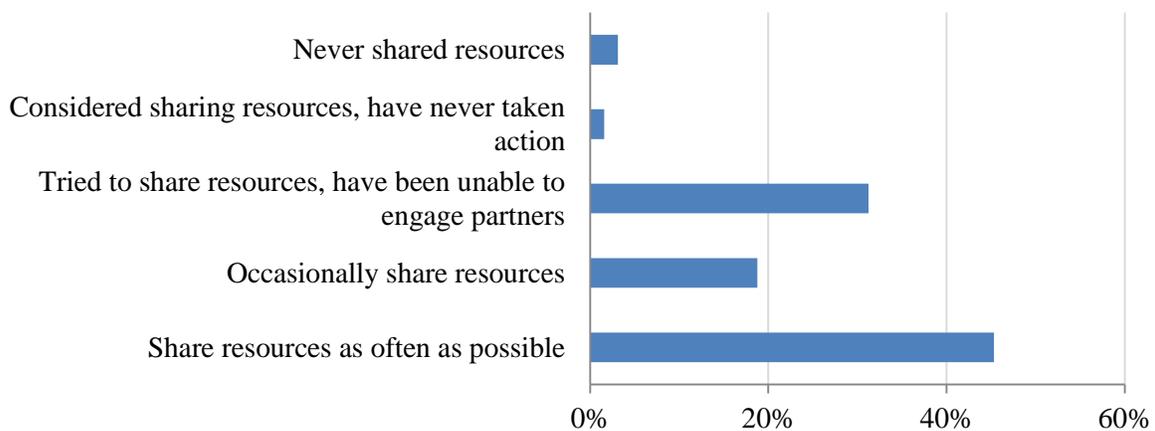
Figure 4.10: Frequency of Sharing Resources with Other Non-Profits

The most commonly shared resource in the Central Okanagan is meeting and office space, with 43% of respondents reporting that this resource is shared (Table 4.14). Employees and volunteers are also commonly shared, along with equipment, knowledge, expertise, policies, and procedures

Table 4.14: Commonly Shared Resources

	Used	Comments and Examples
Office or Meeting Space	43%	Sublet, professional meetings, program delivery, training, available outside of service hours
Employees	29%	Co-facilitating group to share expertise, communication staff, finance staff, outreach workers, secondments, shared ED
Volunteers	19%	Home support
Technology	16%	Adaptive equipment, software knowledge
Information	16%	Training, technical information, templates for procedures, policies, marketing & communications, expertise, other documentation
Other	12%	Food, support, program equipment & supplies, outside speakers for events, delivery drivers
Bookkeeping	4%	
Legal Services	4%	

(Table 4.14). However, the commonly outsourced professional services, such as bookkeeping and legal services are not commonly shared (Table 4.14). One third of the respondents reported that the barriers to collaboration and resource sharing included: differing organizational needs, privacy and confidentiality concerns, expectations, limited resources, and competition.

4.7.2 Service Duplication

The results confirm that there is a significant level of service duplication in the Central Okanagan – with 58% of respondents reporting that the service their organization provides to the community is at least somewhat duplicated by another non-profit, and there is 51% reporting that their service is at least somewhat duplicated by for profit organizations (Figure 4.11).
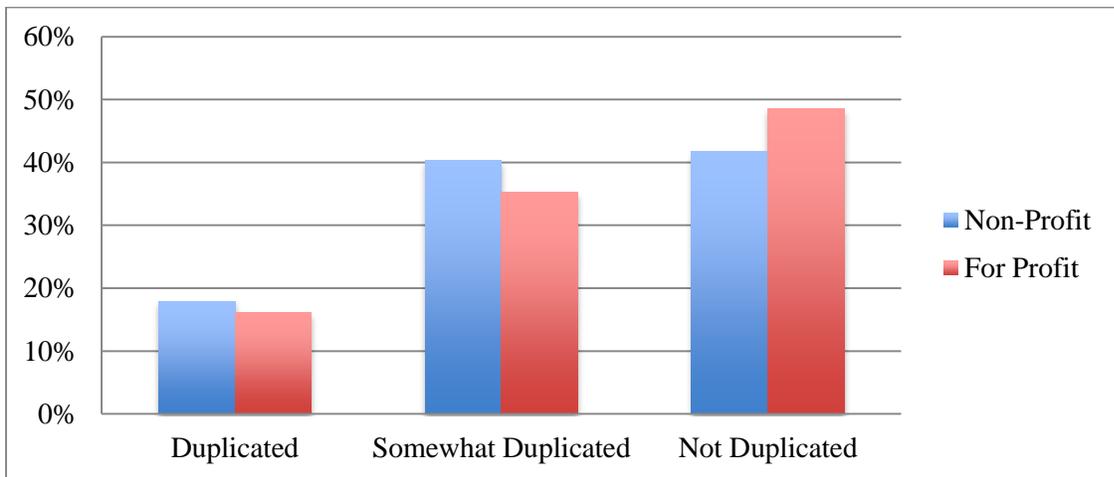
Figure 4.11: Duplication of Service by a Non-Profit or For Profit

4.7.3 Sustainability Practices

Ninety-six percent of respondents reported that sustainability (based on the definition developed for this study) is a priority for their organization. In the past 12 months, 21% of respondents reported that their organization diversified its income sources, and 19% developed or focused on the strategic plan and risk assessments (Table 4.15). Other common sustainability practices reported included marketing and stewardship, development of partnerships, and social enterprise ventures (Table 4.15).

Many barriers to becoming more sustainable were identified by the respondents, and are summarized in Table 4.16 with the full responses provided in Appendix F – Question 88. As expected the most significant barrier to sustainability identified by 52% of respondents is access

to long-term, unrestricted funding. Some comments provided by the respondents highlight the nature and reasoning of this issue:

"Keeping our current funds while needing to attain more in order to facilitate the changes needed."

"People will only typically give a years funding…but it's hard to operate like this as you never know from year to year if your funding will be renewed."

"Identifying sustainable funding sources."

"Establishing funding sources that can be reliable and are not subject to the whims of changes in distribution methods and leadership changes."

Table 4.15: Action Taken in the Past 12 Months to Become More Sustainable

	Action Taken
Diversify Income Sources	20.6%
Strategic Plan & Risk Assessment	18.6%
Marketing & Stewardship	11.8%
Develop Partnerships	11.8%
Social Enterprise	9.8%
Hire Professional	6.9%
Increase Volunteers	5.9%
Minimize Expenses	4.9%
Change Organization Structure	2.9%
Purchase Equipment or Property	2.0%
Change Target Market	1.0%
Mandated by Head Office	1.0%

Table 4.16: Perceived Barriers to Sustainability

	Reported Response
Long-Term & Unrestricted Funding	52%
Access to & Limited Resources	20%
Access to & Retention of Volunteers	16%
Bureaucracy & Government Politics	10%
Board Membership, Development & Participation	7%
Community Engagement	6%
Competition	6%
Expenses	4%
Restrictions of Funding, Program & Collective Agreements	3%
Creating Unique Fundraising Events	3%
Diversified Funding	3%
Access to Donors	1%
Finding Funding Foundations	1%
Membership Growth	1%
Technology Limitations	1%
Limited Resource Sharing & Partnership Opportunities	1%
Lack of Support for Executive Director	1%
Grant Writing	1%
Resistance to Change	1%
Changes in Demand	1%
Growing Need for Service	1%

Furthermore, limited resources and access to resources was reported by 20% of respondents as another significant barrier (Table 4.16), with time being stated most frequently as the limited resource. Some other reported examples of resources include: personal energy, paid staff, marketing, office space, as well as the general term 'resources'. Ninety-four

percent of respondents provided a comment about the organizations perceived barriers to sustainability (see Appendix F – Question 19) – some of the more pertinent comments about these barriers include:

"The time and energy it takes to research and locate alternative funding sources."

"Developing additional resources and partnerships that increase our ability to serve our community, ensuring that we are providing programs and services that are relevant and innovative."

"Increasing board membership with qualified active volunteers."

"We are a small board of very busy people and have the expertise but not the time to develop and implement an effective fund development strategy."

"Grant writing takes a huge amount of effort that takes away from program delivery."

"Managing the daily requirements while balancing (the) need to plan and take steps to build (a) future for the organization."

"Competition in our areas of expertise against large provincial and national non-profits with deep pockets."

"Ensuring that donors know exactly what we do so they are able to make a decision on donating to our mission, based on facts, accountability, and transparency."

4.7.4 Emerging Trends

In the Central Okanagan, social enterprise is a buzzword and currently a "hot" trend, with a strong entrepreneurial and philanthropic movement in the region. Sixty-one percent of respondents reported that a social enterprise would benefit their organization (Table 4.17), with 41% (17 respondents) of these reporting that their organization is currently operating a social enterprise, and a further 57% would consider implementing a social enterprise (Figure 4.12). Collective impact, CCC, and social impact bonds are trends with fewer respondents reporting awareness (Table 4.17),

Table 4.17: Non-Profit Trend Awareness

	Trend Awareness
Social Enterprise	61%
Collective Impact	14%
Triple C Corporation (CCC)	6%
Social Impact Bonds	6%

however all respondents who were aware of these concepts reported that they either have these currently implemented or would consider implementation (Figure 4.12). Of the 10 respondents that reported awareness of the collective impact non-profit business model, 20% (2 respondents) reported that they are currently operating under this model (Figure 4.12).
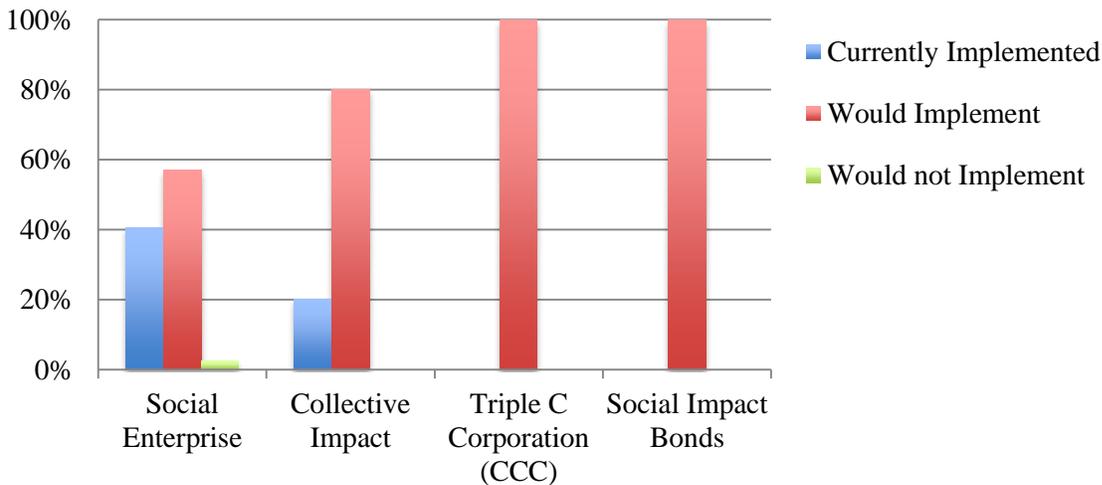
Figure 4.12: Willingness of Aware Respondents to Implement Emerging Non-Profit Sector Trends

4.8   Respondents' Final Comments

At the end of the survey, respondents were presented with three open ended questions requesting additional thoughts and opinions on the greatest challenges that impede sustainability, action that should be taken to improve sustainability, and to share any additional information they felt was relevant to the study. Many respondents provided responses to these questions with common themes being drawn across the sample. The common themes identified in the comments have been categorised in Table 4.18 and 4.19. With 56 responses (some with multiple themes), Table 4.18 outlines some of the greatest perceived challenges identified by the respondents – such as: a lack of long-term funding and contracts, as well as there being too many non-profits, with service duplication and ever increasing competition. Also, table 4.19 with 44 responses (some with multiple themes) outlines respondents' thoughts on what action could be taken to address and improve sustainability – such as: collaboration, meet-ups, and long-term, diversified, and unrestricted funding. The final question requesting additional comments presented further support for the findings outlined in Table 4.18 and 4.19. A copy of all responses has been provided in Appendix F – Question 88, 89, and 90.

Table 4.18: Greatest Challenges that Impede

Sustainability

Themes Identified in Respondents' Comments	Number of Times Mentioned
Lack of long-term funding & contracts	31
Too many NPO's, duplication of service, & competition	17
Limited skills & expertise	9
Volunteer recruitment, management, & retention	9
Lack of community support & understanding	9
Lack of time & resources	8
Expenses & government clawback	7
Lack of collaboration & partnerships	7
Limiting & restrictive policy (Bureaucracy)	4
Lack of training programs	3
Access to qualified & engaged board members	3
Recruiting & retaining skilled staff	3
Burnt out & overworked staff & volunteers	3
Unstable economy	2
Required to be to transparent & administration is significant	2

Table 4.19: Action that can be Taken to Improve

Sustainability

Themes Identified in Respondents' Comments	Number of Times Mentioned
Collaboration & meet-up's	16
Long-term, diversified, & unrestricted funding	10
Education & training	9
Sharing resources & expertise	9
Government & corporate engagement	8
Develop community awareness & understanding	7
Too complex or don't know	5
Combined fundraising events	4
Consolidation of sector	3
Improved access to resources	2
More strategic approach & assessment	2
Lower administrative costs	1
Engage young people in volunteering	1
Social enterprise	1

4.9   Conclusion

Prior research suggests that the non-profit sector faces many challenges that restrict and impede the achievement of success and sustainability. The analysis of external resource providers in RO1, board and organizational capacity in RO2, the financial environment in RO3, public image and awareness in RO4, and sustainability practices in RO5 has identified significant gaps that are impacting the sustainability of non-profit organizations in the Central Okanagan. The following chapter explores these gaps and their implications, and provides conclusions that will be useful in developing the next stage of the Scotiabank Centre for Non-Profit Excellence research program.

Chapter Five: Conclusions

5.1 Introduction

This chapter presents inferences drawn from the research objective findings in chapter four. The limitations of the study are acknowledged to ensure the conclusions and recommendations are taken in the correct context. This chapter addresses all five research objectives: RO1: external resource providers, RO2: organizational and board capacity, RO3: the financial environment, RO4: public awareness and image, and RO5: sustainability alternatives and practices.

5.2 Research Objectives Conclusions

The findings have identified numerous gaps within the Central Okanagan non-profit sector related to all of the research objective topics. These gaps are impeding the achievement of sustainability within the sector.

5.2.2 RO1: External Resource Providers

The results and respondents' comments are congruent with prior research, recognizing that the needs of non-profit organizations vary – suggesting that the resources they use must also. This study found that despite the vast array of quality and varied resources available from diverse resource providers, 65% of Central Okanagan non-profit organizations commonly access and use KCR resources. This result raises questions relating to why local resources are used more often by Central Okanagan non-profits – are the KCR resources tailored and hence better suited to the needs of local non-profits? Does KCR develop resources or does it deliver the resources of other providers? Are organizations aware of other resource providers, the quality, and diversity of their resources? Gaining an understanding of why the KCR resources are more commonly used, in addition to what resources are most useful and beneficial, would positively contribute to this research program and addressing sustainability impediments within the sector.

5.2.3 RO2: Organizational and Board Capacity

In contrast to previous research, this study's respondents are highly experienced and educated in a diverse range of fields and industries – suggesting a high level of competence and business acumen supporting Central Okanagan non-profits. Interview data provided by several anonymous non-profit professionals in relation to this project supports this conclusion – three out

of seven interviewees indicated that one of the strengths of the Central Okanagan non-profit industry was that the "right people [were] in the industry". However, further analysis reveals that although 96% of respondents' organizations have mission statements, too many are without linked strategy, long-term vision, values, or code of ethics. These tools work together like a jigsaw puzzle – communicating, linking, and delivering the mission from the core of the organization to its stakeholders – a missing piece will leave an incomplete representation of the mission and adversely impact sustainability. This limited focus on strategic direction highlights a key fact that may not be understood by all Central Okanagan non-profit stakeholders: non-profit organizations are mission-driven, with success being defined and achieved differently than in the for-profit sector, and mission must, therefore, be their focus.

Regarding the board of directors, previous research and anonymous interview data, identified that their skills, understanding of governance, and role clarity were challenging issues for non-profit organizations, and the findings of this study are consistent with this. Identifying well-qualified board members presented significant variances across the sample, as well as between executive directors and board members. Furthermore, despite a general understanding of governance and working board tasks, there was a significant lack of strategic guidance, risk assessment, executive director performance review, and a lack of clear division of management and board roles. These factors are in opposition to sustainability, complicating and reducing the effectiveness of the governance role.

The gaps relating to organizational capacity are congruent with prior research. The findings raise serious questions with significant impacts on sustainability – with a lack of training, professional development, and performance reviews, how do individuals improve their skills and become motivated to be more efficient – and with limited program evaluation, how is required funding determined and costs monitored? Recruiting also presents various challenges across the sample, with many respondents being unclear on their organizations' staffing situation, in addition to wide-ranging responses about the ease of recruiting. This lack of clarity, paired with word of mouth recruiting strategies (which are known to be inefficient in comparison to other recruiting means) and limited staff and volunteer resources, seriously cripples the organizations' opportunities to attract the best people. However, in contrast to research by Meinhard (2014), organizations in the Central Okanagan report that they typically have effective internal relationships and communication, which is supportive of a positive work environment. Another

challenge is reporting impact, however, unlike some larger regions, organizations within the Central Okanagan are not utilizing new tools that are being developed nationally and globally, preferring to rely on their existing models of reporting – presenting a risk of being out-dated and ineffective in reporting as compared to non-profits in other regions. To overcome limitations in knowledge and gain access to expertise, outsourcing is used for a variety of professional services. More often than not these services are delivered at a cost to the non-profits, increasing their financial burden (it was not determined if these services are received at discounted rates).

5.2.4 RO3: Financial Environment

It is disconcerting to find that government and gaming grants are amongst the top funding sources for many respondents' organizations. To support grant funding, non-profits must focus on cultivating relationships with funders over donors, which is evident in the findings. However, despite funder demands remaining the same over the past 12 months, the time and expertise required to complete grant applications is significant. Consistent with prior research, this suggests a focus on short-term fiscal goals over long-term mission-driven goals. Collecting donations is another funding process that questions cost versus benefit – yet many of the respondents' organizations also rely on this as a top source of funding. Prior research found that across Canada, non-profit organizations generate 45% of their income from products and services (Statistics Canada, 2009), but this was not identified in these findings, highlighting a possible skill gap or overlooked opportunity for social enterprise and sustainable funding diversification. As expected and consistent with the sector nationally, wages are the most significant operating expense. The greatest challenge with this cost is that many respondents reported that the wages of both management and non-management staff are lower than the for-profit sector – impacting the organizations' ability to attract the best people.

Many non-profits are not permitted to carry debt and this likely explains why 64% of respondents' organizations have no debt. However, with no access to debt and limited access to funding, there is pressure to reduce expenses; the findings identified expected and standard cost saving measures by the local sector, with no reports of innovative ideas being used to address this common practice of cost cutting.

5.2.5 RO4: Public Image and Awareness

The non-profit landscape is changing, with increasing competition and demand for accountability. The general public wants to better understand the impact and financial efficiency of non-profit organizations, and those that do not perform as expected or provide the reporting as commanded will ultimately see reductions in funding from a variety of sources. Therefore, maintaining and growing public image and awareness is critical in achieving sustainability and success in the non-profit landscape. Respondents of this study reported confidently that their organizations actively seek to build support for the cause and that the community has a positive perception of the organization – however, 96% report that they have no guidance from a Community Advisory Committee. This lack of focus on the governance of public awareness and image is reflective of some of the previously identified board and organizational capacity concerns – this may also provide some insight as to why so many of the respondents are not aware of the rating and ranking organizations with whom they are listed.

The study also presented some concerning findings relating to the media that non-profits use or don't use to promote their organization and its cause. Many reported using an organization website and Facebook page, but not all. In today's internet-connected world, if an organization does not have both a website and Facebook page that is up to date, individuals will find it challenging to find, connect, learn about, and contribute to non-profits – again restricting an organization's ability to achieve sustainability. The success of promotions and online activity was also suggested to be challenging for some respondents – although this is somewhat expected due to the strain these organizations face with time and other resources. Not understanding or being able to successfully measure, track, and analyse promotions and online metrics is detrimental to the sector and its sustainability. It was also surprising that in the Central Okanagan over 50% of respondents use newspaper advertising, yet very few found it effective – why then, if it is considered ineffective, is the method still being used? Respondents also reported that media outlet relations were common, however, again respondents suggested that their organizations found limited success with these interactions.

5.2.6 RO5: Sustainability Alternatives and Practices

One of the most significant findings in this study is the high level of service duplication identified within the region. This duplication could be a major drain on resources within the

region and could have a negative impact which may require significant changes. Service duplication has previously been a rumoured problem in the Central Okanagan, and these findings clearly demonstrate how pervasive the duplication is between both for profit and non-profit organizations.

Despite these negative findings, the study also found promising shifts and attitudes toward sustainability practices and alternatives. Firstly, 95% of respondents have shared resources or have tried and are open to the idea, which bodes well for opportunities that facilitate resource sharing in the non-profit sector. The barriers to resource sharing include: organizational needs, confidentiality, expectations, limited resources, and competition, all of which need to be addressed and mitigated if the sector is to consider making a shift toward increased resource sharing. The other various sustainability practices identified by respondents, such as income diversification, improved strategic plans, greater stewardship, and improved marketing, are also alternatives that non-profits in the region are evidently willing to implement to address sustainability concerns. The study also found that half of the respondents identified a lack of long-term funding as a significant barrier to sustainability – a strong mentality that itself could act as a barrier to change and sustainable alternatives.

Of the four emerging trends presented to the respondents, social enterprise was by far the most well-known and most commonly implemented in the region. This is not surprising with groups such as Okanagan Changemaker's and a strong entrepreneurial community in the Central Okanagan that promote and support well-run social enterprise ventures. Although fewer respondents are aware of collective impact, social impact bonds, and C3 organizations, the study did find that those who knew about the specific trends would consider implementation – another positive finding that presents opportunities for education and change within the Central Okanagan.

5.3   Decision Statement Conclusions

Few strengths have been identified in the findings to support and promote non-profit sustainability in the Central Okanagan and significant gap have been revealed. These gaps relate to external resource providers, organizational and board capacity, the financial environment, public image and awareness, and with sustainability practices, which stem from both real and perceived challenges. The current state of the sector will persist unless significant changes

toward sustainable non-profit practices are implemented – this research is an initial step towards these changes. The study has defined the Central Okanagan sector and identified the major hurdles that must be addressed in future phases of the Scotiabank Centre for Non-Profit Excellence research program.

5.4   Limitations

This study focused specifically on the Central Okanagan and social service non-profit organizations – this was controlled to ensure the findings are relevant to a significant portion of non-profits in the region. This limits the general application of the findings outside of the region and social service sector.

Within the Central Okanagan social service sector, this study still has its limitations. Due to limited responses, no attempt was made to control for the possibility of multiple respondents from the same organization. Therefore, while 69 responses were received, it is uncertain whether these 69 responses represent 69 individual organizations. However, 43 responses were from participants in executive director roles. Nevertheless, although likely, it cannot be presumed that each organization has only one executive director. Consequently, in the event that two or more individuals of the same organization participated in the study, the quantitative results will be slightly skewed by the repetitive data of that organization.

Furthermore, 94% of respondents reported that their organizations were located in Kelowna, making the conclusions made in this report more applicable to those located in Kelowna itself than to those in the Central Okanagan as a whole.

5.5   Conclusion

As a component of the Scotiabank Centre for Non-Profit Excellence research program, this study has provided a foundation for the Centre to move forward with further research to facilitate the development or coordination of resources that will promote sustainability in the Central Okanagan non-profit sector. The most current information and news relating to the future phases and results of this research program can be obtained from the Scotiabank Centre for Non-Profit Excellence lead faculty researchers at www.okanagan.bc.ca/NPC.

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APPENDIX A

Dimensions of CSO Sustainability

The CSO Sustainability Index measures the strength and overall viability of civil society sectors. The Index is not intended to gauge the sustainability of individual CSOs, but to fairly evaluate the overall level of development of the CSO sector as a whole. Seven different dimensions of the CSO sector are analyzed in the CSO Sustainability Index. A brief description of each dimension of sustainability follows:

1.   Legal Environment

For a CSO sector to be sustainable, the legal and regulatory environment should support the needs of CSOs. It should facilitate new entrants, help prevent governmental interference, and give CSOs the necessary legal basis to engage in appropriate fundraising activities and legitimate income-producing ventures. Factors shaping the legal environment include the ease of registration; legal rights and conditions regulating CSOs; and the degree to which laws and regulations regarding taxation, procurement, and other issues benefit or deter CSOs' effectiveness and viability. The extent to which government officials, CSO representatives, and private lawyers have the legal knowledge and experience to work within and improve the legal and regulatory environment for CSOs is also examined.

2.   Organizational Capacity

A sustainable CSO sector will contain a critical mass of CSOs that are transparently governed and publicly accountable, capably managed, and that exhibit essential organizational skills. The organizational capacity dimension of the Index addresses the sector's ability to engage in constituency building and strategic planning, as well as internal management and staffing practices within CSOs. Finally, this dimension looks at the technical resources CSOs have available for their work.

3.   Financial Viability

A critical mass of CSOs must be financially viable, and the economy must be robust enough to support CSO self-financing efforts and generate philanthropic donations from local sources. For many CSOs, financial viability may be equally dependent upon the availability of and their ability to compete for international donor support funds. Factors influencing the financial viability of the CSO sector include the state of the economy, the extent to which philanthropy and volunteerism are being nurtured in the local culture, as well as the extent to which government procurement and commercial revenue raising opportunities are being developed. The sophistication and prevalence of fundraising and strong financial management skills are also considered.

4.   Advocacy

The political and advocacy environment must support the formation of coalitions and networks, and offer CSOs the means to communicate their messages through the media to the broader public, articulate their demands to government officials, and monitor government actions to

ensure accountability. The advocacy dimension looks at CSOs' record in influencing public policy. The prevalence of advocacy in different sectors, at different levels of government, as well as with the private sector is analyzed. The extent to which coalitions of CSOs have been formed around issues is considered, as well as whether CSOs monitor party platforms and government performance.

5.   Service Provision

Sectoral sustainability will require a critical mass of CSOs that can efficiently provide services that consistently meet the needs, priorities, and expectations of their constituents. The service provision dimension examines the range of goods and services CSOs provide and how responsive these services are to community needs and priorities. The extent to which CSOs recover costs and receive recognition and support from the government for these services is also considered.

6.   Infrastructure

A strong sectoral infrastructure is necessary that can provide CSOs with broad access to local CSO support services. Intermediary support organizations (ISOs) providing these services must be able to inform, train, and advise other CSOs; and provide access to CSO networks and coalitions that share information and pursue issues of common interest. The prevalence and effectiveness of CSO partnerships with local business, government, and the media are also examined.

7.   Public Image

For the sector to be sustainable, government, the business sector, and communities should have a positive public image of CSOs, including a broad understanding and appreciation of the role that CSOs play in society. Public awareness and credibility directly affect CSOs' ability to recruit members and volunteers, and encourage indigenous donors. The public image dimension looks at the extent and nature of the media's coverage of CSOs, the awareness and willingness of government officials to engage CSOs, as well as the public's knowledge and perception of the sector as a whole. CSOs' public relations and self-regulation efforts are also considered.

(USAID, 2012, p. 223-224)

APPENDIX B

The International Classification of Non-profit Organizations (ICNPO)

Non-profit institutions in the satellite account are classified by primary area of activity according to the International Classification of Non-profit Organizations (ICNPO). It is the classification system recommended in the UN Handbook on Non-profit Institutions in the System of National Accounts. The ICNPO system groups organizations into 12 major activity groups, including a catch-all 'not elsewhere classified' category.

Group 4: Social services

Child welfare, child services and day care. Services to children, adoption services, child development centers, foster care; includes infant care centers and nurseries.

Youth services and youth welfare. Services to youth; includes delinquency prevention services, teen pregnancy prevention, drop-out prevention, youth centers and clubs and job programs for youth; includes YMCA, YWCA, Boy Scouts, Girl Scouts and Big Brothers/Big Sisters.

Family services. Services to families; includes family life/parent education, single parent agencies and services and family violence shelters and services.

Services for the handicapped. Services for the handicapped; includes homes, other than nursing homes, transport facilities, recreation and other specialized services.

Services for the elderly. Organizations providing geriatric care; includes in-home services, homemaker services, transport facilities, recreation, meal programs and other services geared towards senior citizens (does not include residential nursing homes).

Self-help and other personal social services. Programs and services for self-help and personal development; includes support groups, personal counselling and credit counselling/money management services.

Disaster/emergency prevention and control. Organizations that work to prevent, predict, control and alleviate the effects of disasters, to educate or otherwise prepare individuals to cope with the effects of disasters, or to provide relief to disaster victims; includes volunteer fire departments, life boat services, etc.

Temporary shelters. Organizations providing temporary shelters to the homeless; includes traveller's aid and temporary housing.

Refugee assistance. Organizations providing food, clothing, shelter and services to refugees and immigrants. Income support and maintenance. Organizations providing cash assistance and other forms of direct services to persons unable to maintain a livelihood.

Material assistance. Organizations providing food, clothing, transport and other forms of assistance; includes food banks and clothing distribution centers."

Group 6: Development and housing
Community and neighbourhood organizations. Organizations working towards improving the quality of life within communities or neighbourhoods, e.g., squatters' associations, local development organizations, poor people's cooperatives.

Economic development. Programs and services to improve economic infrastructure and capacity; includes building of infrastructure like roads; and financial services such as credit and savings associations, entrepreneurial programs, technical and managerial consulting and rural development assistance.

Social development. Organizations working towards improving the institutional infrastructure and capacity to alleviate social problems and to improve general public well being.

Housing associations. Development, construction, management, leasing, financing and rehabilitation of housing. Housing assistance. Organizations providing housing search, legal services and related assistance.

Job training programs. Organizations providing and supporting apprenticeship programs, internships, on-the-job training and other training programs.

Vocational counselling and guidance. Vocational training and guidance, career counselling, testing and related services.

Vocational rehabilitation and sheltered workshops. Organizations that promote self-sufficiency and income generation through job training and employment".

(Statistics Canada, 2009, p. 47-50)

APPENDIX C

USAID Expert Panel Worksheet Questions

LEGAL ENVIRONMENT
- REGISTRATION. Is there a favorable law on CSO registration? In practice, are CSOs easily able to register and operate?
- OPERATION. Is the internal management, scope of permissible activities, financial reporting, and/or dissolution of CSOs well detailed in current legislation? Does clear legal terminology preclude unwanted state control over CSOs? Is the law implemented in accordance with its terms? Are CSOs protected from the possibility of the State dissolving a CSO for political/arbitrary reasons?
- ADMINISTRATIVE IMPEDIMENTS AND STATE HARASSMENT. Are CSOs and their representatives allowed to operate freely within the law? Are they free from harassment by the central government, local governments, and tax police? Can they freely address matters of public debate and express criticism?
- LOCAL LEGAL CAPACITY. Are there local lawyers who are trained in and familiar with CSO law? Is legal advice available to CSOs in the capital city and in secondary cities?
- TAXATION. Do CSOs receive any sort of tax exemption or deduction on income from grants, endowments, fees, or economic activity? Do individual or corporate donors receive tax deductions?
- EARNED INCOME. Does legislation exist that allows CSOs to earn income from the provision of goods and services? Are CSOs allowed legally to compete for government contracts/procurements at the local and central levels?

ORGANIZATIONAL CAPACITY
- CONSTITUENCY BUILDING. Do CSOs clearly identify and actively seek to build local constituencies for their initiatives? Are they successful in these endeavors?
- STRATEGIC PLANNING. Do CSOs have clearly defined missions to which they adhere? Do CSOs have clearly defined strategic plans and incorporate strategic planning techniques in their decision-making processes?
- INTERNAL MANAGEMENT STRUCTURE. Is there a clearly defined management structure within CSOs, including a recognized division of responsibilities between the Board of Directors and staff members? Does the Board actively engage in the governance of the CSO? Do the Boards of Directors operate in an open and transparent manner, allowing contributors and supporters to verify appropriate use of funds?
- CSO STAFFING. Are CSOs able to maintain permanent, paid staff? Do CSOs have adequate human resources practices for staff, including contracts, job descriptions, payroll and personnel policies? Are potential volunteers sufficiently recruited and engaged? Do CSOs utilize professional services such as accountants, IT managers or lawyers?
- TECHNICAL ADVANCEMENT. Do CSOs' resources generally allow for modernized basic office equipment (relatively new computers and software, cell phones, functional fax machines/scanners, Internet access, etc.)?

FINANCIAL VIABILITY
- LOCAL SUPPORT: Do CSOs raise a significant percentage of their funding from local sources? Are CSOs able to draw upon a core of volunteer and non-monetary support from their communities and constituencies? Are there local sources of philanthropy?
- DIVERSIFICATION: Do CSOs typically have multiple/diverse sources of funding? Do most CSOs have enough resources to remain viable for the short-term future?
- FINANCIAL MANAGEMENT SYSTEMS: Are there sound financial management systems in place? Do CSOs typically operate in a transparent manner, including independent financial audits and the publication of annual reports with financial statements?
- FUNDRAISING: Have many CSOs cultivated a loyal core of financial supporters? Do CSOs engage in any sort of membership outreach and philanthropy development programs?
- EARNED INCOME: Do revenues from services, products, or rent from assets supplement the income of CSOs? Do government and/or local business contract with CSOs for services? Do membership-based organizations collect dues?

ADVOCACY
- COOPERATION WITH LOCAL AND FEDERAL GOVERNMENT. Are there direct lines of communication between CSOs and policy makers? Do CSOs and government representatives work on any projects together?
- POLICY ADVOCACY INITIATIVES. Have CSOs formed issue-based coalitions and conducted broad-based advocacy campaigns? Have these campaigns been effective at the local level and/or national level at increasing awareness or support for various causes? (Please provide examples, if relevant.)
- LOBBYING EFFORTS. Are there mechanisms and relationships for CSOs to participate in the various levels of government decision-making processes? Are CSOs comfortable with the concept of lobbying? Have there been any lobbying successes at the local or national level that led to the enactment or amendment of legislation? (Please provide examples, if relevant.)
- LOCAL ADVOCACY FOR LEGAL REFORM. Is there awareness in the wider CSO community of how a favorable legal and regulatory framework can enhance CSO effectiveness and sustainability? Is there a local CSO advocacy effort to promote legal reforms that will benefit CSOs, local philanthropy, etc.?

SERVICE PROVISION
- RANGE OF GOODS AND SERVICES. Do CSOs provide services in a variety of fields, including basic social services (such as health, education, relief, housing, water, or energy) and other areas (such as economic development, environmental protection, or governance and empowerment)? Overall, is the sector's "product line" diversified?
- COMMUNITY RESPONSIVENESS. Do the goods and services that CSOs provide reflect the needs and priorities of their constituents and communities?
- CONSTITUENCIES AND CLIENTELE. Are those goods and services that go beyond basic social needs provided to a constituency broader than CSOs' own memberships? Are some products, such as publications, workshops or expert analysis, marketed to other CSOs, academia, churches, or government?
- COST RECOVERY. When CSOs provide goods and services, do they recover any of their costs by charging fees, etc.? Do they have knowledge of the market demand -- and the ability of distinct constituencies to pay -- for those products?

- GOVERNMENT RECOGNITION AND SUPPORT. Does the government, at the national and/or local level, recognize the value that CSOs can add in the provision and monitoring of basic social services? Do they provide grants or contracts to CSOs to enable them to provide such services?

INFRASTRUCTURE

- INTERMEDIARY SUPPORT ORGANIZATIONS (ISOS) AND CSO RESOURCE CENTERS. Are there ISOs, CSO resource centers, or other means for CSOs to access relevant information, technology, training, and technical assistance throughout the country? Do ISOs and CSO resource centers meet the needs of local CSOs? Do ISOs and resource centers earn some of their operating revenue from earned income (such as fees for service) and other locally generated sources? (Please describe the kinds of services provided by these organizations in your country report.)
- LOCAL GRANT MAKING ORGANIZATIONS. Do local community foundations and/or ISOs provide grants, from either locally raised funds or by re-granting international donor funds, to address locally identified needs and projects?
- CSO COALITIONS. Do CSOs share information with each other? Is there a network in place that facilitates such information sharing? Is there an organization or committee through which the sector promotes its interests?
- TRAINING. Are there capable local CSO management trainers? Is basic CSO management training available in the capital city and in secondary cities? Is more advanced specialized training available in areas such as strategic management, accounting, financial management, fundraising, volunteer management, and board development? Do trainings meet the needs of local CSOs? Are training materials available in local languages?
- INTERSECTORAL PARTNERSHIPS. Are there examples of CSOs working in partnership, either formally or informally, with local business, government, and the media to achieve common objectives? Is there awareness among the various sectors of the possibilities for and advantages of such partnerships?

PUBLIC IMAGE

- MEDIA COVERAGE. Do CSOs enjoy positive media coverage at the local and national levels? Is a distinction made between public service announcements and corporate advertising? Do the media provide positive analysis of the role CSOs play in civil society?
- PUBLIC PERCEPTION OF CSOS. Does the general public have a positive perception of CSOs? Does the public understand the concept of a CSO? Is the public supportive of CSO activity overall?
- GOVERNMENT/BUSINESS PERCEPTION OF CSOS. Do the business sector and local and central government officials have a positive perception of CSOs? Do they rely on CSOs as a community resource, or as a source of expertise and credible information?
- PUBLIC RELATIONS. Do CSOs publicize their activities or promote their public image? Have CSOs developed relationships with journalists to encourage positive coverage?
- SELF-REGULATION. Have CSOs adopted a code of ethics or tried to demonstrate transparency in their operations? Do leading CSOs publish annual reports?

(USAID, 2012, p. 230-233)

APPENDIX D

Sample Size Calculation for Means

Underlying question:
Sustainability in the non-profit sector is having the ability to adequately address the needs of the community in a manner that efficiently mitigates internal and external challenges or barriers.
Is sustainability a priority for your organization, as defined above?

Response Scale: 5-point scale
- ○ Strongly Disagree (1)
- ○ Disagree (2)
- ○ Neither Agree nor Disagree (3)
- ○ Agree (4)
- ○ Strongly Agree (5)

Finite Population

N (Population size)	3,000
δ (Population standard deviation (or estimate))	0.83
z score of the required confidence level	1.96
E (Allowable error (precision)) (4%)	0.20
Required sample size	**65**

APPENDIX E

Parametric Test: Pearson's Correlation for Internal Relationship Index

Based on Question 41- When assessing the internal relationships of the organization, how would you rate the following:
- Team dynamics
- Workplace culture
- Conflict management
- Respect
- Internal communications

Rated based on the following scale:
- Very Ineffective (1)
- Ineffective (2)
- Variable (3)
- Effective (4)
- Very Effective (5)

		Workplace Culture	Conflict Management	Respect	Internal Communications
Team Dynamics	Pearson Correlation	.728**	.738**	.725**	.610**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	66	64	66	66
Workplace Culture	Pearson Correlation		.663**	.729**	.429**
	Sig. (2-tailed)		.000	.000	.000
	N		63	65	65
Conflict Management	Pearson Correlation			.645**	.482**
	Sig. (2-tailed)			.000	.000
	N			64	64
Respect	Pearson Correlation				.428**
	Sig. (2-tailed)				.000
	N				66

**. Correlation is significant at the 0.01 level (2-tailed).

APPENDIX F

Open-Ended Responses Q19 – Barriers to Sustainability for Social Service Organizations

In your opinion what is the organization's greatest challenge in becoming more sustainable?

Resources: 1 - People (volunteers), 2 - Finance (always need donors).
Engaging the community.
Resource development - this would include volunteer procurement and retention, land procurement, consistent long running unique fundraising events, community engagement and knowledge of our organization.
Finding foundations that fund food security issues – they are out there but it is tedious to search for them.
Housing costs.
Growing membership, board development.
Funding that meets the demands of the collective agreement.
Sustainable, long term funding agreements, and the restrictive nature of new grants/contracts.
Funding - keeping our current funds while needing to attain more in order to facilitate the changes needed.
Education and seminars through electronic format because recipients may not have the necessary technology.
The time and energy that it takes to research and locate alternative funding sources.
It's all about the money. People will typically only give a years funding...but it is hard to operate like this as you never know from year to year if your funding will be renewed.
Time/money for planning.
Securing funds for Operations.
Identifying sustainable income sources.
Lack of support within interior health/medical system; reduction in funding (we are donor funded); shift to national model - where emphasis has shifted to "national" priorities/needs (and expenses) rather than local.
Lack of options for core funding.
Creating a pipeline of new volunteers.
Developing additional resources and partnerships that increase our ability to serve our community, ensuring that we are providing programs and services that are relevant and innovative.
Funding.
Recruiting the most appropriate volunteers that will not only continue on with our service but to also manage the service.
Establishing enough funding to secure one paid position year-round
Ongoing uncertainty in program funding.
Volunteers.
Diversity of funding - multiple levels of government, different agencies within government, private sector funding opportunities.
Maintaining capacity to deliver services both as a community service and to successfully obtain contracts with government Ministries and agencies.
Ensuring we have adequate funds to be able to provide quality relevant services and paying sufficient wages that we can attract & retain quality people.

No ongoing funding commitments from our funders. We have to apply each year and have no certainty that funding will be received.
Increasing board membership with qualified active volunteers, updating the strategic plan and executing it, fine tuning the org structure to provide more support for the Executive Director.
Ongoing operational financial support.
Internal influences – focus. External influences - government contracts change.
Fundraising.
Keeping volunteers.
Regular monthly donors, grant applications that fit who we are with funding that can be used for operating expenses.
Obtaining adequate funding.
We are a small board of very busy people and have the expertise but not the time to develop and implement an effective fund development strategy. The competition for funds is very tough. Governments have systematically for many years off loaded its responsibilities to the community to ensure supports and services are adequately, available for the most vulnerable in our society. Organizations are having to depend more and more on a generous community of people. Generally, the organizations with the financial resources to dedicate resources to bring in the dollars are more successful. It does not necessarily mean they are more worthy than other organizations that spend their resources on serving the needs of their stakeholders. The saying that it takes money to make money makes sense in this area.
We need more volunteers to go out in the community to assist the people in need.
Getting enough volunteers to help provide services and to maintain their interest.
Lack of funding - developing fee for service levels acceptable to the public.
In our situation program expansion and increasing student enrolment could lead to facility wear & tear and lack of sufficient program space. Some programs are maxed to threshold. Cash flow is one of our biggest issues as more than 50% of our students receive funding dollars to participate in our programs. The biggest advantage of course is if we lose one or two students due to insufficient funding, it does not result in program closure.
Manpower, hands on board involvement, time, risk.
Money... Budget constraints prevent expanding programs to meet a need.
Continuing to attract and engage volunteers and donors in meaningful ways to support the mission.
Government contracts that do not cover the expenses of the services delineated within them that we are to provide - and no political will to place the needs of vulnerable children and families as an imperative.
Financial sustainability is critical.
Sustainable, prolonged and reliable funding source. Grant writing takes a huge amount of effort that takes away from program delivery.
Resistance to change from staff. Managing the daily requirements while balancing need to plan and take steps to build future of the organization.
As a fledgling organization the competition locally from 300+ NPO's for funding, resources, best people, ect.
Marketing and promotion, diversifying funding.
Rising costs and limited resources.
People are giving less to international charities and more to local charity organizations. Governments in Canada and the US are providing less funding through grants than before and are more difficult to get funding for international projects.
Lack of time.
Funding is diluting between many needy organizations.

Establishing funding sources that can be reliable and are not subject to the whims of changes in distribution methods and leadership changes. Getting funding that grows with the demands for services placed on the organization.
Diversified funding.
Ensuring that donors know exactly what we do so they are able to make a decision on donating to our mission, based on facts, accountability and transparency.
Finding ongoing sources of funding to cover administration and operational costs is a big challenge, as is limited space in which to provide services.
A lack of sources of multi-year funding that we could apply for.
Government cutbacks and lack of social welfare focus. High cost of office space in Kelowna. Cost and time associated with fundraising, which is vital to sustainability.
Meeting an increasing population that needs our services, reaching that population through the wide range of methods possible while competing in a very competitive market for funds.
Active board and staff funding.
Assess to core/operational funding. Competition in our areas of expertise against large provincial and national NFP's with deep pockets.
Financial security.
Commitment by board members, finding individuals that have time and interest and willing to be a working board member. Ongoing challenges to raise funds to continue to support children in crisis through sponsorships. Volunteers.

Open-Ended Responses Q58 – Comments on Resource Providers

Do you have any further comments relating to external providers and the resources they offer?

The Vantage Point trainer was good but not good for size of organization.
As a newcomer to Kelowna, I have struggled to find resources.
There is so much information out there about the sector, much of which is available on line. CSSEA (Community Social Services Employers Association) provides us with HR/LR support. Boys & Girls Clubs of Canada provides us with organizational support.
Looking forward to working with Open for Change for our first fundraiser.
Many do not have a focus that applies to smaller NFP.
They provide good connections for us to source volunteers. Vantage Point provides good resource material to read, although I have not managed to do any of their courses yet.
Most of these apply to much larger non-profit organizations.
Most of the training is geared to larger NFP organizations and doesn't cater to the smaller ones. Some of recommendations/ideas require funding or a lot of paper work which smaller organizations don't have money/time for.
Difficult to find an audit firm with reduced rates.
There is a range of resources available both through membership and online, through specific webinars.
Good to have and use, but sometimes the focus is not directed back the charity.
Free or reasonably priced trainings through United Way and Kelowna Community Resources are extremely helpful.

Open-Ended Responses Q88 – Opinions on Greatest Challenges

In your opinion what are the greatest challenges that impede sustainability for Central Okanagan social service non-profit organizations?

Resources/Time - amount of transparency and administration of NP is draining and not able to focus on mission. e.g. filling out forms for gaming licence. Although summer student is better after 1st time.
Lack of access to or awareness of local learning programs to build institutional knowledge and effectiveness.
So many great charities to choose from - difficult to convince donors to pick your organization, lack of knowledge on effective fundraising initiatives, too many fundraising events.
Collaboration. I would love to meet others that are doing things with food. We could collaborate and do more.
Accessing qualified and engaged board members, organizational development and human resource policy.
Adequate funding.
1- To a degree we are a caring community however when it comes to long term giving and sustaining organizations there is a lack of understanding which in turn affects funding. 2 - Having many contracts that are from year to year as opposed to long tem. 3- Provincial Government "claw back"
Lack of multi-year funding opportunities. Most funders will only look at one or two year contracts. It is so much more difficult to plan effectively with short-term contracts.
True community collaboration and planning, grant process creates competition, expertise in planning, and staff for implementation.
Too many organizations seeking funding from same group of funding resources.
Community engagement in fundraising events, high cost of professional services and insurance, sources of sustainable funding.
Too many non-profit organizations make everyone question the value of NPO's, no stable funding sources, have to apply each year from orgs like the United Way, Foundations, and never know what level of support we might/might not receive.
Unstable economy.
Qualified volunteers, turnover.
Lack of cooperation and partnerships between organizations, insular thinking, protection of organizational interests before the community interest, scarcity approach vs. abundance approach.
Lack of financial support for non-profits that are not yet registered charities.
Amount of administration required.
Securing a steady source of funding, getting enough people resources for fundraising, securing qualified board members.
Overhead Costs - if we could collectively find a place to have office space for all of the small NFP organizations in the Okanagan to share this would greatly reduce pressures on costs. (There is a building in Vancouver right in the downtown core that donates a floor of its office building to a collection of Non Profits as a tax write off. This system works well because the organizations are benefiting by no rent costs, as well as ability to collaborate more easily just by being in the same working space ad having lots of contact with each other). This is something that would be very beneficial to all the small non-profits here in Kelowna!
Right now it's funding. There have been a lot of changes at a government level, which has created a lot of uncertainty, especially with smaller non-profits.
To have volunteers.
Obtaining and retaining well qualified staff. Keeping a critical mass of expertise and financial resources to engage in enterprise.

Too many small organizations that need infrastructure to survive but don't have the resources to make them thrive. Lack of vision for sharing service or amalgamation of back end services. Underfunding of services - NPO's continually do more with less. Passion to meet need or address a problem sometimes trumps making sound business decisions. Lack of discipline by funders to force collaboration.
Volunteer management and burnout and sustainability of funding.
Raising the funds needed to operate efficiently.
Education, as to the importance of ongoing operational financial support.
Effectiveness – Financials.
Gaming Grants, United Way Funding, and other grants.
Sustaining volunteers or over using present volunteers.
Costly ED time being used to find and apply for funding, grants that cannot be used for operations, costly audits, and provincial or federal standards that must be met or updated.
Securing consistent donors and funding.
There are so many such organizations and the donor base is spread thinly.
Non-profit organizations are always going to need more funds to do their work, and also need more volunteers that share the passion of the organization and are committed to help.
Funds, economy is unsteady and COL increasing, decrease in giving, lack of committed volunteers, lack of concern for those less fortunate.
General expectations that we should offer free services or that the 'government' should fund all NPO's.
I believe there is a lot of redundancy and unnecessary competition for the same funding dollars year after year. Small and mid size non-profits struggle to gain credibility against the bigger more supported charities. The town is constantly flooded with donation requests and fundraising events. Donors with the means to give larger amounts of money do not want to be relied on anymore. They want to support groups that are self-sufficient. Self-sufficiency is a challenge for most non-profits - our advantage is most of our clientele come with funding dollars and mainly because youth programs receive government and foundation support.
Limited multi-year funding opportunities, too much emphasis on Program or Pilot Program initiatives and limited access to Operational funding, larger Not for Profits increasing programs that are out of scope of their mission in order to access funding, large Not for Profits have larger budgets for advertising and draw most attention and therefore donor dollar and board members.
Lack of community involvement, budget constraints (uncertainty of revenue/funding continuity).
1) Attracting and retaining qualified staff and volunteers to provide effective fiduciary management and forward thinking governance, 2) Too many organizations providing similar or duplicated services - ineffectively providing services and competition for resources. It is not so much a lack of funding or donors.
Sufficient contract dollars allocated to cover the services noted in the contract.
Having capacity and resources to take sustainability off the corner of the desk.
Too many NPO's all looking for the same key things: qualified people, resources, funding.
Not working together, competition for resources, lack of training for both Leaders within NGO's and BoD.
Lack of funds from organizations and government. Lack of interest for African based development and education work. Competing with people's busy lives.
Competition with new charities that provide services that already exist, lack of time and expertise of ED, confidentiality of clients, clients are not a source of wealth, perception that NPs are asking too much (in this case, lack of understanding of what we do, how little we are paid, and the expectation that we should do things for free because we like our jobs, and lack of understanding of community expectation of high degree of service but no govt. funding).
The ability to retain trained and skilled staff.
The search for reliable sources of funding.

Increasing competition for donor funding. Greater risk of decreased government grants. Still a lack of understanding by the general public on the need for some social services.
The continual and ongoing capital campaigns that seemingly never end, such as the hospital and the university.
Too many non-profits meeting duplicated needs and fighting for the same pots of limited funding, need for greater creative collaboration and sharing of resources/expenses/space.
Conservative thinking that holds people responsible for their poverty and experience of abuse. High rents for non-profits take up funding that could go to providing service. Time, energy, training and of doing the vital fundraising to meet the demand for service.
Access to funds. Access to volunteers. Offering programs that are built for our size and location when the models given to us nationally are often more suited to larger cities.
Secure funding, engaged board members, perceived turf issues, competition for the financial resources, high numbers of home ownership by folks who do not live here year round and engage with community or neighbourhood, affordable rental space for offices.
Large national NFP with $ competing with local NFP. Challenge of attaining sustainable and stable core funding.
Informing the public what we do and how to access. The assumption that seniors have access to computers and that referral to a website will direct them.
Funding.

Open-Ended Responses Q89 – Opinions on Sustainability Action

In your opinion what action should be taken to improve the sustainability for Central Okanagan social service non-profit organizations?

Okanagan is good at working together as a community e.g. female ED's get together.
More learning opportunities.
In our case, more engagement and assistance from all levels of government but specifically from local government.
It would great to meet others – a half day conference where we could "speed date" one another and find out if there is potential for collaboration.
Let volunteer organizations know about resources, tools and supports available - help them access them.
Community awareness, developing corporate/ business partnerships.
Public awareness - across the board.
Central Okanagan Foundation has just this year opened up to funding operating costs in addition to program funding, which is a huge leap forward for sustainability. Others should be doing the same.
Community planning.
Corporate partnerships in sharing resources and knowledge/expertise at no or low cost to Not-for-Profits.
More collaboration between organizations and sharing/pooling resources and fundraising events.
Long term funding options. Combined fund raising events.
Meaningful collaborations.
Creating a more co-operative and collaborative landscape, where organizations, at the leadership and front line staff level are committee to making our communities better places to live, speaking up about what we're doing, and how we're doing it together, understanding more about what organizations need to be sustainable, and how a collective approach can help.
More attention paid to small non-profit's, open meetings for anyone in the community with a non-profit to discuss ideas with one another.

See previous answer (Q88). Seek an office building where one floor can we allocated to Non Profits to share working space and have rent donated/written off as in the Vancouver model.
We need to adapt to a changing environment. We need to diversify funding sources and be bold with our approaches, may mean changing existing funding models. Some organizations may fail, and in the end that's okay.
Look at what services are being duplicated and stream line that.
To have properly trained board of directors and making it mandatory to the orientation, having some sort of Audit body to audit any abuse or mismanagement of funds.
Training and public awareness of value of services.
Collective Impact approach to addressing our community's big issues will force reform of the sector.
Committed funding and support for efficient program delivery.
1. Education of the public on how much non profits contribute to our community, 2. A community space that non profits could use to set up their basic services, for example something like an office rental business with offices, reception, meeting spaces, working spaces (large areas) etc. This would free up operating cost dollars to go toward programming.
Consolidation. Sharing of space and resources.
Sustainability is a very complex question...Depends on the organization products/services, size of the organization, Board, ED, and sustainability of volunteers, sustainability of funding and type (gaming, United Way, grants, donations, corporate, membership...).
Encourage funders to provide more operational monies rather than special projects. Encourage businesses and employers to match employee volunteer hours with donations to that agency. Keep administrative costs as low as possible for funding agencies so more $ available for the non-profits.
Obtain more corporate sponsorships and partnerships between similar organizations.
We need to encourage young people to get involved and volunteer. Try to get large corporations to get involved.
Increase the awareness of the need for funding, and engage volunteers and donors in the organization. Where possible work in collaboration with an organization who has similar goals. Re-evaluate programmes to see if they still meet the needs and adjust accordingly. Longer term funding so programmes don't have to reapply all the time. As a Christian based organization we follow God's guidance as to which direction we need to go, what changes we should make and how to continue to meet the needs of our clients.
A single strong coalition and one voice advocacy to local government would help.
I believe there should be more partnerships developed with social enterprise components implemented to provide new income streams. Shared office spaces, facilities and combined fundraisers would add more strength to the common cause while reducing expense. More non-profits should consider more of a business model with less dependency on donations and grants.
Not sure, a HUB Model perhaps More Corporate Long term Partnerships.
Don't know.
In the non-profit world, we place a lot of importance and significance on the role of the non-profit board but there seems to be a lot of evidence that non-profit boards are not functioning at expected levels of performance. Why when there is so much educational information available are we so disappointed with board members contributions to governance? So do boards and their respective individual members not perform well because they are ill informed, ignorant or confused about their roles and responsibilities? Boards whether for-profit or non-profit are responsible for what their organizations do right and do wrong. You would think there would be a strong interest in knowing what the responsibilities are and motivation to do a good job. The law demands boards meet the duties of care, loyalty and obedience. If the problem is not the orientation level, is there a problem at the recruitment level? We often look to the board members as evidence of legitimacy for our organizations. We recruit lawyers, accountants, high profile people – affluence and influence as trustees. Yes they likely also identify with and support the mission and values of our organizations.

Continued emphasis on increased regulation may place too much emphasis on fiduciary functions. So do we recruit boards with the view that they are there to prevent disaster and meet compliance rather than develop the vision and transformative programs that will achieve the mission? How much time on our board agendas do we allocate to oversight and prudent review compared with forward thinking discussion? We can't compromise on the fiduciary responsibilities but boards need to focus on the organization's mission.
Sigh. I don't know. I wish I did.
I have given up thinking about it. Actually thinking of moving it out of the CO.
More support and funding from local and national governments.
Longer term grants (not procurement every year), educated board, funding for accreditation, assistance to ED for fund development, educating the community about the value of Board membership.
Education of general public. Training for NPs on receiving and retaining funding. Advocating and informing local, provincial, and federal government representatives on the need for, and economic benefits of social programs.
A think tank might be helpful.
Organizations should look at getting creative with shared space and partnerships.
Access to low rent office space - out of downtown "red zone". Support/training regarding fundraising, support/training regarding public awareness of issues.
We recognise the things on the previous list and keep working on them.
Gathering several non-profits in one location might help in reducing efforts to access them.

Open-Ended Responses Q90 – Additional Sustainability Comments

Please share any additional information that pertains to real or perceived challenges that impede social service non-profit organizations from achieving sustainability in the Central Okanagan.

I think some people in our community see poverty as a character flaw. I wish they could understand it better and have greater compassion--this remains a challenge every day.
…[Review fundraising campaigns to ensure they are meeting best use of generating funds from the community, such as marketing and admin budgets. Make sure enough community partners benefit without tying up all the donors.]
Unethical behaviour by a very small number of non-profits hurts the entire sector.
Liability.
There's enough work to go around - and we're all a piece of the puzzle. No one organization has all the answers, and by sharing expertise, and a collective voice, we can all be more sustainable. I see this work by Okanagan College to be vital in helping or sector co-ordinate these efforts.
Unpaid time for executive director to manage the non-profit while working, not enough time to devote directly to the needs of the organization.
Providing training for board and non-board volunteers to manage non-profits more readily and more affordable would be beneficial.
Would like to see an increase in the number of volunteer fairs and community/volunteer participation. Would like to see media provide increased opportunities to publicize community events. Would like to see corporate and other donations and grants support operational costs in addition to specific products, services of projects.
Times are hard and our economy is not good right now. Also, more people are struggling to keep their head above water. Each year we have more people in need.
Too little funds for too many organizations. Inappropriate use of funding. The need to have to continually apply for grants/funding -perhaps a fixed term of a couple of years.

I feel the Kelowna non-profit sector should be more cohesive and less competitive. I find that while the biggest charities attract the biggest funders, they also tend to be less approachable and somewhat elitist. (at least this has been my experience).

Challenges in accessing government agreements. School District seems to have agreements with only one main agency which is not a not for profit.

I am happy to provide more opinion or views in another format, other than the survey.

Operational funding is pathetic and grants need to support this better. Wages are extremely low for highly qualified professionals, focus on one time grant funding is difficult, lack of understanding by government staff about our operational funding (we actually have to PAY for the desk we use) and the lack of pension benefits.

The perception that non-profits should not spend money on administration/management. If more non-profits were able to pay leadership a closer wage to what they would make in the for-profit sector those agencies could successfully attract higher levels of leadership who would take the organization to greater heights of success and sustainability over the long term.

Difficulty in getting qualified Board members, need support around that. Board Voice is a hopeful resource ,Volunteers are not always the solution. Much of our work has to be done by experts (therapeutic counselling, victim services) and these need to be well paid, in line with wages in the government and for-profit sector. It is costly to recruit and train volunteers and their time is naturally limited. Turnover is also high as we often get students who move on when they've finished university. I also struggle with the value that society places on our work when they think it should be done with low or no compensation.

Limited willingness to collaborate. Fear/ego. Duplicated services puts a strain on the finite amount of funds available in a community.