

**COVID-19
IMPACTS ON ACA FUNDING - PART 2**

Financial Support for Community Organizations in Times of Crisis: An Inadequate Response

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By affecting multiple sources of revenue and leading to unexpected new expenses, the COVID-19 pandemic has served to exacerbate the financial precarity of autonomous community action (ACA) organizations already struggling from chronic underfunding (see the report [Impacts on ACA funding – Part 1](#)).

The financial aid measures and programs put in place to support ACA organizations during the crisis primarily served to increase stress levels and the burden of administrative work. While many organizations did succeed in benefiting from these new opportunities, the complex, fragmented and often discretionary nature of the funds generally served to heighten inequalities between ACA sectors and territories while still leaving out many community groups.

Using data from a review of existing reports and studies, from a survey conducted by the Institut de recherche et d'informations socioéconomiques (IRIS) in the fall of 2020, and from focus groups with community organizations in the winter of 2021, this report analyzes the measures put in place by different funders to support community organizations during the pandemic.



A WHIRLWIND OF NEW FUNDING OPPORTUNITIES DURING THE CRISIS

Community organizations were able to access several **one-time public financial support programs** to help them weather the crisis, including:

- ➔ **General business support programs available to non-profit organizations (NPOs)**, such as the wage subsidies put in place by the federal government.
- ➔ Financial support and **emergency funds specifically dedicated to community organizations** and issued by the various levels of government: federal, provincial and territorial / municipal.

From the very beginning of the crisis, several **funds** were created **to address specific ACA activity sectors** by the federal and provincial governments, such as the federal government's emergency financial support for organizations that work on homelessness (through the Reaching Home program) or the emergency financial support for food banks in Quebec. Later on, following pressure from various umbrella organizations, some of the provincial ministries that provide core-mission funding developed **general emergency funds open to all of the organizations benefiting from their program**.

The federal government also created a parallel emergency fund, the **Emergency Community Support Fund (ECSF)**, which was administered by United Way/Centraide Canada, the Canadian Red Cross and Community Foundations of Canada.

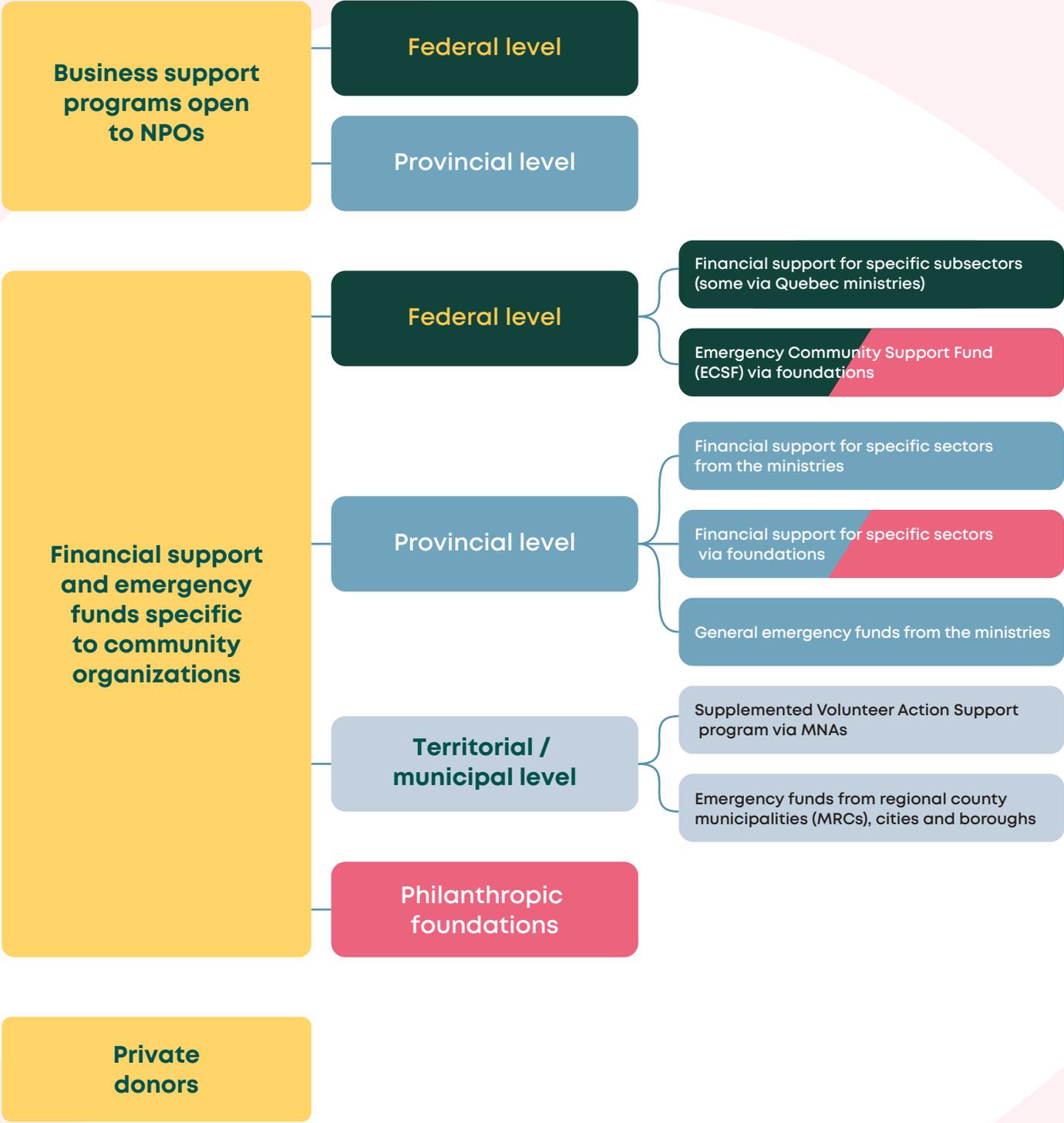
In addition to federal and provincial funds, several **regional county municipalities (MRCs), cities and boroughs** created local emergency funds.

Some **philanthropic foundations** also created their own emergency funds in response to the COVID-19 pandemic and contributed to the emergency funds of various United Ways and community foundations. While generally only available to organizations already supported by those foundations, some of these funds were also open to a wider range of community groups. They also had the advantage of being quicker to access than the public funds put in place by the different levels of government. Foundations also played an important role in the management of certain public funds – a process that wasn't without its issues (see further for more details).

Finally, **private donors** also supported the work of community groups during the crisis. However, many private donors were hit by the economic crisis that has accompanied the pandemic, reducing the overall level of support available to organizations operating in the same area.



ILLUSTRATING THE COMPLEX FUNDING OPPORTUNITIES FOR COMMUNITY ORGANIZATIONS DURING THE COVID-19 CRISIS



The provincial government also announced **recurring funds** in line with existing plans already underway or for priorities that had been influenced by the crisis and its consequences. This included support for groups in the Family sector (\$17 million instead of the \$10 million announced prior to the crisis), for groups in the Health and Social services sector (\$40 millions as planned) and to combat intimate partner violence (\$180 million over five years).

PUBLIC UNIVERSAL FINANCIAL SUPPORT PROGRAMS: AN APPRECIATED BUT UNDERUTILIZED TOOL

In general, the **wage subsidies and loans offered by the federal government** were much appreciated by organizations that succeeded in accessing them. However, because these programs weren't specifically tailored to community organizations, some of their eligibility criteria were difficult to understand. As such, they seem to have been **underutilized by community organizations**. According to data from the IRIS survey, at the end of 2020, half of the organizations (47%) had not received any of the subsidies intended to support the economy through the first wave.

Use of business support programs available to NPOs (April to November 2020)

50% of respondents reported receiving at least one federal subsidy

30% received the temporary wage subsidy covering 10% of salaries

24% received the Canada Emergency Business Account (\$40,000 loan)

17% received the Canada Emergency Wage Subsidy (CEWS) covering 75% of salaries

5% only of respondents reported benefiting from *Programme actions concertées pour le maintien en emploi* (PACME) created by the Quebec government

Among the community organizations that used these programs, **the flexibility** for how the funds they received could be used was particularly important. In contrast to other sources of additional support, these funds could be used to meet the real needs identified by the organizations themselves, such as new hiring.

A few also expressed their appreciation for the *Programme actions concertées pour le maintien en emploi* (PACME), created by the Quebec government, which covered the costs of activities related to training and the organization of work. Unfortunately, the program was quite difficult to access and the deadline for completing the activities (September 30, 2020) was unrealistic for many community organizations.

Finally, the Quebec government didn't offer any financial support to help community organizations provide COVID-19 bonuses related to the increased risks faced by their workers. Moreover, the meager attempts to improve hourly wages for the most precarious workers (Incentive Program to Retain Essential Workers – IPREW) doesn't seem to have helped in maintaining workers in their positions, particularly in a field where working conditions are far from the best. As a result, many community organizations were forced to use funds from other sources to raise salaries for their employees and try to keep their positions as attractive as possible during a period of crisis with a relative scarcity of labour.

FINANCIAL SUPPORT AND EMERGENCY FUNDS SPECIFIC TO COMMUNITY ORGANIZATIONS

When it comes to the financial support and emergency funds specifically available to them, community organizations reported **extremely varied experiences**. Many were satisfied with this funding overall, as it provided support for the rapid acquisition of protective equipment and a long-term technological shift. It also allowed many organizations to develop projects and build ties with new funders and donors.

Nonetheless, all of this emergency support was provided as **one-time** payments that don't address the chronic underfunding of organizations and put some of the projects developed during the crisis at risk. Further, these new funding opportunities also **added complexity** to the administration of these organizations, many of them were forced to completely re-evaluate their activities while simultaneously working to understand the ever-multiplying sources of support available and meet the eligibility criteria set by funders.

Limited Access

According to the survey completed by IRIS in late 2020, **39%** of respondents reported that they **didn't have access to any of the emergency funds** offered by the governments, whether due to the eligibility criteria or because the processes for accessing them were ill-adapted to their needs and realities.

Relatively low amounts: Only 52% of respondents reported having received emergency funds by the end of 2020, with an average of \$33,641 and a median of \$16,667 across all of the reported amounts. Thus, the amount received by any individual organization tended to be fairly low.

Distributions of organizations according to the total amount of emergency funds received between the beginning of the crisis and end of 2020



Funds that prioritized emergency support services to the detriment of a more global approach: Many of the funds exclusively applied to community groups that provide emergency services to specific populations in order to palliate a lack of public services. These were seen as an attempt by the government to subcontract out services according to its own priorities, without any consultation with affected communities. In targeting their efforts to direct emergency services, several funds entirely elided the importance of collective advocacy, the creation of mutual-aid networks and activities intended to raise awareness, mobilize citizens and engage in popular education.



For myself, I find that the government has a very narrow vision of what a community action is. For them, it seems to stop at giving services for basic personal needs, like food banks. It seems like they've taken this opportunity to completely disregard any collective advocacy work.*

Quebec-wide umbrella organization



Sectoral disparities: Clear disparities arose in terms of access to emergency funds between organizations from different sectors.

The general emergency funds put in place by the Quebec government, which were open to every community organization receiving core-mission funding, were very unequal and depended on the programs put in place (see the table on page 8), while some ministries didn't offer any support at all, as was the case for the Environment sector. According to the data from IRIS in late 2020, 100% of the community groups in the Family sector had access to emergency funds from their ministry (average amount of \$15,566). The same was true of only 46% of groups in the Health and Social services sector (average amount of \$18,222) and a mere 3% of those financed by the *Secrétariat à l'action communautaire autonome et aux initiatives sociales* (SACAIS) (average amount of \$4,997).

These differences between emergency funds can be explained through their different methods of access: some were automatically distributed to all of the groups being funded by the ministry (e.g., Family sector), while others involved qualifying criteria that limited access to certain organizations or types of expenses.

In addition to the general funds, which were open to all of the organizations recognized by a core-mission funding program, several other funds were set up to specifically target certain sectors, such as mental health (\$17.7 million, with \$5 million that was never distributed), Early Childhood sector (\$7.5 million), support and housing services for women who are victims of intimate partner violence (\$2.5 million), food banks (\$2 million), housing for individuals living with addiction (\$3 million) and efforts to reduce homelessness (\$3 million).

For the federal emergency funds, numerous questions were raised regarding the decision to distribute public funds via foundations. Even if they are equipped with the infrastructure needed to distribute the funds quickly, the choice to entrust them with this responsibility nonetheless raises questions around the impartiality of that distribution. According to the data collected by IRIS in late 2020, only 33% of community groups had secured support from the Emergency Community Support Fund (ECSF), for an average amount of \$16,357. Moreover, access to the ECSF varied between sectors. For example, 48% of groups in the Family sector received funding from the ECSF. This number was 38% for groups in the Education sector, 33% for groups in the Health and Social services sector and only 22% for groups funded by the SACAIS.

Most of the emergency funds were closed or offered extremely limited access to umbrella organizations, despite their work being essential for supporting their members and providing space for coordination and collective action. Umbrella organizations also played an important role in getting the needs of their members heard by the ministries about managing the crisis, both in response to public health measures and regarding the emergency funds and associated reporting requirements. According to the IRIS survey data, **72% of umbrella organizations reported receiving no emergency funds**, while 80% of them reported having to take on additional expenses.





What's remarkable is the lack of any financial recognition for organizations that provide services to their members rather than the general population. There's a pressure there. If we want our groups to be better organized, we need our umbrella organizations to be better organized. With each of the programs put in place, we saw the same damn thing: "Do you provide any services?" Yes, I do, but they're for my members! We were basically excluded altogether! It's shocking because we saw the needs, but we were completely powerless!*

Quebec-wide umbrella organization



Eligibility criteria for expenses that don't correspond to the needs of groups: The eligibility criteria applied to expenses by the different funds were very restrictive, especially when most of the organizations needed to hire more staff or increase their salaries. For example, two of the general emergency funds put in place by the Quebec government (in Health and Social services and by the SACAIS) were solely dedicated to compensating for financial losses, thereby excluding any increased expenses for community groups or umbrella organizations. As a result, a significant portion of these funds – which were both available and needed within the community organizations – went undistributed (90% for the Health and Social services sector and 60% for the SACAIS).

Of the organizations working in **International Solidarity**, fourteen were receiving core-mission funding from the *Ministère des Relations internationales et de la Francophonie* (MRIF), in 2019-2020, for a total of \$724,000. A support program announced during the COVID-19 pandemic, on June 18, 2020, took the form of a call for projects to lessen the impacts of COVID-19 in 2020-2021, particularly in more vulnerable countries. This \$3.7 million program was open to all organizations in the sector (not only those benefiting from core-mission funding). In May 2021, the MRIF announced a new three-year funding program that had been improved and simplified, and which now includes a section dedicated to core-mission support.

In the **Culture and Communications** sector, 161 organizations (including 147 in community media) were receiving core-mission funding from the *Ministère de la Culture et des Communications* (MCC), in 2019-2020, for a total of \$9 million. On October 13, 2020, in the midst of COVID-19, \$3 million in emergency funds were announced for non-profit organizations experiencing financial difficulties due to the pandemic in this sector, whether those organizations were already being supported by one of the ministry's programs or not (maximum of \$50,000 per organization). Organizations that were not supported by the ministry were prioritized. The portion of the funds allocated to ACA organizations was not known at the time of drafting this report.



CHARACTERISTICS OF THE GENERAL EMERGENCY FUNDS PUT IN PLACE BY THE MINISTRIES THAT OFFER CORE-MISSION FUNDING PROGRAMS FOR COMMUNITY ORGANIZATIONS (AS OF SEPTEMBER 2021)

Funding Ministry	Total Fund Amount (% mission¹)	Characteristics of the Emergency Funds
Health and Social Services	\$20 M (4 %)	Announced on April 15, 2020: <ul style="list-style-type: none"> • For excess costs • For organizations that offer priority services (specifically for the most vulnerable populations)
	\$70 M (13 %)	Announced on August 13, 2020: <ul style="list-style-type: none"> • For loss of earnings in fundraising for the period between March 13 and September 30, 2020 • In March 2021, \$63 M (90% of the fund) had yet to be distributed and the funds were returned to the <i>Conseil du Trésor</i>.
Family	\$5 M (17 %)	Announced on April 24, 2020: <ul style="list-style-type: none"> • Fixed amount for all groups • Strict criteria for the use of funds in terms of types of expenses and eligibility period (limit of August 31, 2020)
Secrétariat à l'action communautaire autonome et aux initiatives sociales (SACAIS)	\$2 M (5 %)	Announced on September 21, 2020: <ul style="list-style-type: none"> • For loss of earnings in fundraising for the period between March 17 and September 17, 2020 • In February 2021, renewed with new criteria for the amounts that hadn't been distributed (\$1.7 million, or 85% of the fund) • In September 2021, \$1.2 million (60% of the initial fund) had yet to be distributed.
Recreation and Sport	\$10,6 M (60 %)	Announced on October 15, 2020: <ul style="list-style-type: none"> • Temporary and uniform increase in core-mission funding for all organizations for 2020-2021 (total amount for ACA groups has been estimated using available information)
Education	\$1,5 M (5 %)	Announced on March 24, 2021: <ul style="list-style-type: none"> • For organizations that submit a request related to additional costs or a loss of revenue
Environment	0	No emergency funds provided, despite regular requests
Housing	0	
Immigration	0	
Other	0	
Total announced	\$109 million (16%)	
Total distributed	\$45 million (7%)	

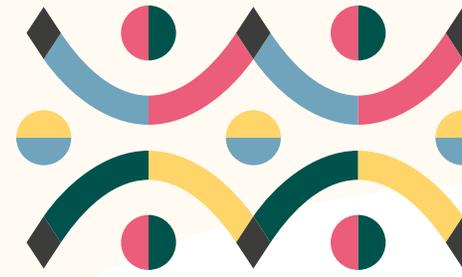
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¹ Percentage shows the relative value of the emergency funds against the total amount distributed in core-mission funding by the Quebec government annually. For example, organizations in the Family sector had access to emergency funds equal to 17% of the core-mission funding provided annually by that ministry.

Problems with Transparency

Allocations that seemed arbitrary: Some of the funding was distributed in a more informal fashion by non-governmental partners, such as municipalities, MNAs and foundations. This strategy was more flexible (especially regarding eligible expenses) and provided the opportunity to act more quickly in response to the needs identified on the ground. However, community **organizations also experienced the process as being more arbitrary** and oriented around pre-existing relationships or the existing priorities of funding bodies.

Further, the growing number of emergency funds and the vague processes used to allocate them resulted in **an atmosphere of competition between organizations and sectors**. Some community organizations found themselves excluded from most of the public funds available, even as the nature of their mission kept them from being funded by private donors.



Differing levels of engagement with community organizations: In general, community organizations' expertise wasn't always called upon in managing the emergency funds, which sometimes led to decisions that were disconnected from the needs in the field or a duplication of groups' work. On the other hand, there were areas where the engagement with umbrella organizations and their members in the distribution of funds went very well. Certain crisis units were able to manage all of the funds made available by different levels of government in a very flexible manner, based on the needs expressed directly by the community organizations. Thus, local experiences varied immensely.

Which organizations in Quebec are receiving subsidies and which aren't? Outside of Quebec, subsidies in sectors such as homelessness, intimate partner violence, etc., are being managed by umbrella organizations, which results in less discrimination. In Quebec, it's the provincial government deciding who will receive the money. Outside of Quebec, we see cases where a shelter for LGBTQ youth received funding. In Quebec, it tended to be much more "mainstream" organizations that got it, as well as groups of men working on sexual violence. Very few groups that work with racialized, Indigenous, disabled or LGBTQ communities received subsidies from Quebec, as compared to the rest of Canada.*

Canada-wide group



I wanted to continue the theme around the funders. Pre-COVID, pre-pandemic, there's usually this disconnect with what the funders want to offer, and as frontline responders, we know what the community needs because we work with them. But in some cases, even with the emergency funding, I found that it was still very prescriptive: "This is what your community needs to respond to COVID and I will fund you to do this," but the reality is "no, I need this." So, it's always a dance we all do. How do we do what we're doing and reframe or rearticulate it in a way that is palatable to those that are offering the funding? But I found it even more so during these pandemic times. And it's a huge challenge. There's a huge disconnect between, you know, the philanthropic mentality versus the reality of working as a frontline community organization.

Group in Montréal



Significant Administrative Burden

In addition to challenges accessing them, the emergency funds were also accompanied by a **significant administrative burden** for community organizations when **submitting their requests**, as well as in the **reporting requirements**.

Deadlines for requests: Organizations sometimes had less than a week to complete their requests for emergency financial support. As a result, the speed at which funds were to be issued ended up causing issues for organizations with less experience making requests or fewer resources to dedicate the time required. Some funds were even depleted entirely before groups had a chance to make their request. Tight deadlines also made it impossible for many organizations to follow their internal democratic processes, particularly when members of the boards of directors were hard to reach. Faced with processes that significantly increased their levels of stress and workloads, many community organizations chose to simply give up on their requests instead.



What came out of our discussions with regional associations and groups in the field, was a huge communicational divide around the effect that these funding announcements had. Public opinion seemed to say “Oh, we’ve given tons of money to these community organizations” when, in fact, that isn’t really the case at all. It was so difficult to fill out the application for the emergency funds that several community groups just gave up on the whole process.*

Quebec-wide umbrella organization



Reporting requirements: The reporting requirements for these funds were very demanding, poorly adapted to the realities of community organizations and often disproportionate to the amount of funding actually received. Some funders even developed new indicators related to the crisis without considering how they would fit with the existing statistics compiled by community organizations, all of this while the organizations were simultaneously undergoing a total reorganization to adapt to a major crisis.



Requests for emergency funding, we’d get the form on Thursday and they’d want it back on Friday. And the endless reports it took. These were reports on \$5,000 of funding: “How many different people have you reached that you wouldn’t have prior to the pandemic?” All kinds of things that we had never had to include in any of our reports before.*

Group in the Laurentides



Delays in obtaining funds: It’s important to note that a significant amount of the emergency funds announced at the start of the pandemic still hadn’t been received by the community organizations months after they were announced, creating serious cash flow problems.



Demanding Relationships with Funders

Despite the fact that many community groups felt positively about the support they received from funders, many others report feeling **over-solicited**. The directors and coordinators of many community organizations had to manage a large number of requests, meetings and messages, finding themselves in almost constant contact with partners from their local Table de concertation, crisis unit, public institutions, core-mission or per-project funders, foundations, elected officials, etc.

The complexity of allocation processes and extensive reporting requirements were experienced by many organizations as a **lack of confidence** from funders and a **failure to recognize** their organization's experience and work in the field.



I just have to look to United Way/Centraide, which has been funding us for 20 years. Last year and the year before, I had to fill out three pages. This year, I get the request for funding and I had 21 pages to fill out for March 15! You have to justify everything, every single cent used during COVID, and explain every intervention. I don't blame them, I know their funding activities aren't easy either, but 21 pages is long as hell!*

Group in Estrie



Lack of Consistency and Coordination

The complexity of funding opportunities during this period is tightly linked with a lack of coordination among funding sources. Having realized the depth of the crisis and its impacts on various populations, the financial support system could have taken a completely different route – quicker, more efficient and more equitable – if funders had coordinated their efforts and created **a single process, accessible to all groups and using existing accountability processes**.

In this way, **the emergency funds put in place by ministries could have been linked to their core-mission funding programs**, reducing the administrative burden on organizations and allowing for a more equitable distribution of funds. Indeed, this is the process that was put in place by the *Ministère de l'Éducation et de l'Enseignement supérieur* for organizations working in the Recreation and Sports sector. Clearly, it is a perfectly workable strategy.



They made us work with COVID emergency funds. Why didn't they just provide new funds using the same methods they already have in place, which are equitable, that umbrella organizations recognize, to provide funding for our missions and let us decide where it was needed? Listen, I believe in accountability but, as long as we're within the regulations, why have us do even more work to say that we bought this or that number of soups and sandwiches, when it's funding for our core mission that we needed?*

Group in Montréal



FINANCIAL SUPPORT DURING CRISES: OBJECTIVES AND MECHANISMS TO RETHINK

In conclusion, **only half of the community organizations were able to access the different public funding opportunities related to the crisis**, whether in the form of subsidies or emergency funds. Certain ACA sectors were completely left aside.

Given all of the issues identified above, the emergency financial support system for community organizations seems to have operated rather inefficiently as a whole, particularly due to the **complexity of an ever-growing number of funds**, their **poor fit with groups' actual needs and realities**, and the **administrative burden** created by application and reporting requirements.

Further, the financial support and emergency funds seem to have been primarily designed to match the priorities of the funders, or even to palliate deficiencies in public services. As such, the emergency funding processes that were put in place represent a **threat to the autonomy** of ACA organizations and their ability to organize their own actions in response to the crisis.

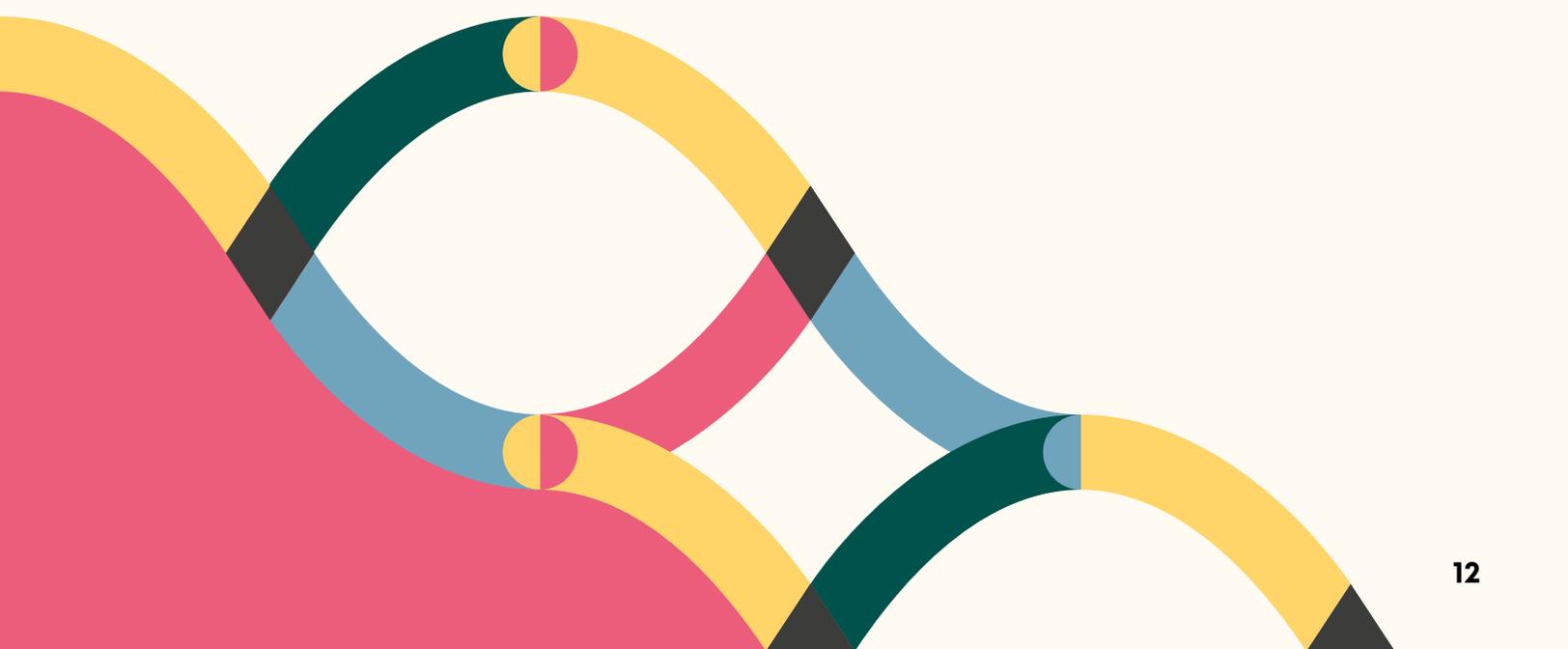


They could easily have known that we would be facing a surge in requests and that we would certainly need more funds to meet those needs. But we have to continuously justify our existence, over and over. Right off the bat, if they would only recognize the expertise of community groups, it would help.*

Group in Laval



It would seem that the entire operation of the emergency financial support system should be redesigned, ideally before the next crisis, in order to guarantee its accessibility and respect for the autonomy of autonomous community organizations, as they are ideally situated to identify the needs of their communities and take the appropriate actions in the field.



DATA SOURCES

The Observatoire de l'ACA is a large-scale **action research project** that seeks to document the impacts of the COVID-19 crisis on Quebec's autonomous community action (ACA) organizations.

The data used in this report are drawn from **analyses** conducted in summer 2021 from:

Qualitative component

15 focus groups conducted from November 3, 2020 to February 24, 2021 (97 participants)

Quantitative component

Online survey carried out by IRIS from October 23 to December 14, 2020 (740 organizational respondents)

Documentary component

Consultation of reports and analyses produced by governmental sources, the ACA movement and the research community during the COVID-19 pandemic, up until July 2021

Translator's note: Citations that are followed by an asterisk were translated into English from French. The original citations can be found in the [French version of this report](#).

To learn more:



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