

# FINANCIAL CAPACITY AND RESOURCES

*Why is it difficult for charities and non-profit organizations to achieve financial sustainability?*

The demand for services is increasing, however, funding to support operations, human resources and service delivery is constrained. Charities and non-profit organizations have responded to sectoral financial precarity through innovations in revenue

## FOSTERING ORGANIZATIONAL HEALTH: FINANCIAL DIVERSIFICATION

- Social enterprise combines social dimensions and market-based tools to diversify revenue streams in order to enhance programs, support decent work for practitioners and deliver meaningful impact for communities
- Strategies to diversify revenue streams include multi-level membership program and social enterprise development
- Planned giving and securities transfer program development can tap into intergenerational transfers of wealth and unlock potential for long-term donor planning strategies

## THE GIFT THAT KEEPS ON GIVING: ENDOWMENT FUNDS

- An endowment fund intends to be a perpetual fund, with intent to generate yearly income on a restricted or unrestricted principal. There are several different types of endowment funds in Canada, however, typically, earnings from endowments are considered flexible and stable sources of income for operations and project delivery

## BUILDING SOCIAL AND FINANCIAL RETURNS: COMMUNITY BOND

- Community bonds are an impact investment tool that charities and non-profit organizations can use to raise capital from individual investors
- Community bonds can help charitable and non-profit organizations by providing both a social and financial return for a specific project

## INNOVATORS

- The Canadian CED Network (CCEDNet) provides a sustaining membership option that offers a membership fee and an unrestricted donation. The amount provided above the membership fee is considered a donation
- Canadian Policy Alternatives offers the ability to transfer securities and legacy gift options. Legacy gifts can be in the form of real estate, appreciated securities, retirement plans or trusts
- The Mount Community Centre is a successful example of utilizing community bonds to support charitable mission
- The Mount issued community bonds to develop social housing and building improvements for social enterprise development
- Bruce County Museum and Cultural Centre recently created an endowment fund through the Community Foundation Grey Bruce. The income from the endowment will fund ongoing operations and enhance programs at the Museum and Cultural Centre

