Funding & Partnerships Guide

McConnell

CONTENTS

About this Guide

The purpose of this guide is to describe the Foundation's approach to funding and partnerships.

Many Foundation team members participate in due diligence and partnership development. This guide aims to ensure coherence and consistency in our due diligence, communications and work with partners. With greater consistency, we can reduce bias, enhance equity, and work together to advance our vision and goals.

Our work as a funder continues to evolve. We aim to learn from our partners and others as we take steps to improve our practices and offer clear and accessible communications about our processes.

We have created this external version of the guide in the spirit of transparency and accountability. We hope this document offers helpful insights about our thinking, our priorities and our funding process.

About the Foundation

VISION

We envision a future in which our economy and social systems promote the thriving of all people, and in which the natural environment is stewarded for generations to come. We see all sectors working together to address climate change, to help foster reconciliation, and unleash individual creativity and organizational resources to solve social challenges and strengthen communities.

MISSION

We strive for a resilient, inclusive and sustainable society that can successfully address its complex challenges.
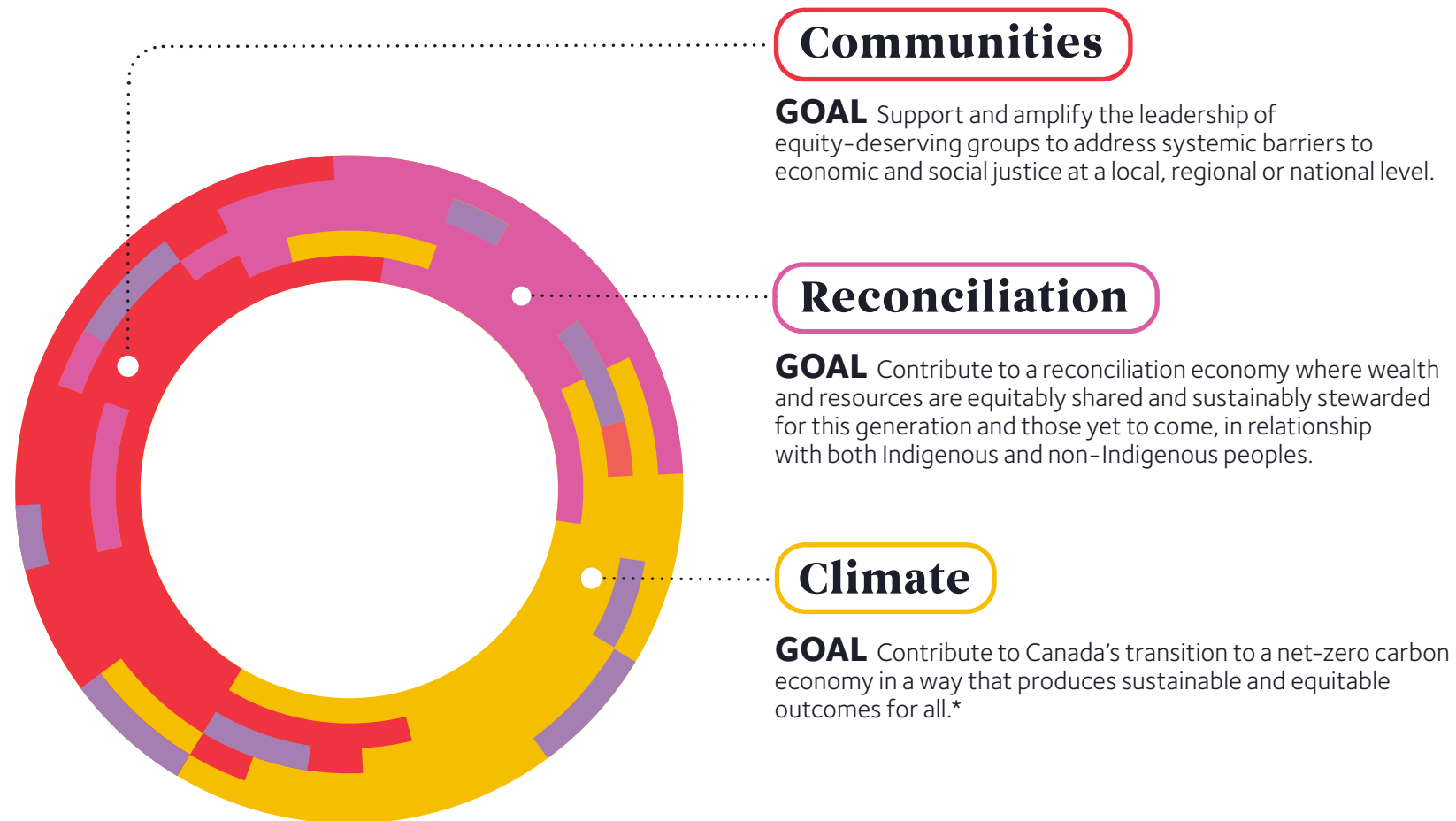
Impact Areas

The McConnell Foundation targets a 5% disbursement annually.
The bulk of our philanthropic allocations are focused on advancing our three focus areas:

FOCUS AREAS

Communities

GOAL Support and amplify the leadership of equity-deserving groups to address systemic barriers to economic and social justice at a local, regional or national level.

Reconciliation

GOAL Contribute to a reconciliation economy where wealth and resources are equitably shared and sustainably stewarded for this generation and those yet to come, in relationship with both Indigenous and non-Indigenous peoples.

Climate

GOAL Contribute to Canada's transition to a net-zero carbon economy in a way that produces sustainable and equitable outcomes for all.*

OTHER FUNDING

Montreal Funding

Founded in Montreal in 1937, the Foundation is deeply committed to its home city. In addition to projects aligned with our focus areas, which may include Montreal-based projects, we also devote approximately $2M annually to Greater Montreal-based organizations.
Find out more **here**

Capacity Strengthening

We also offer funding to build the capacity of organizations who play a key sector-wide role (for example: those who provide services to other organizations working in our three focus areas; or those who are working on change or growth of sectors that are related to our mission.) For now, these are proactive in nature.
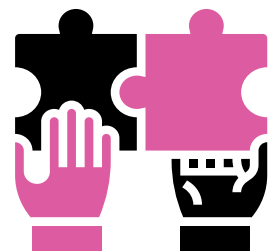
Types of Funding Partnerships

Responsive Funding

The bulk of McConnell's charitable disbursement is done through responsive funding: applications submitted under our three focus areas and the Montreal strategy.
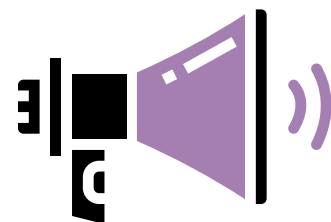
Proactive Partnership Development

On occasion, calls for proposals, or co-development of proposals with specific partners takes place.

Funder collaboratives

Joining with other funders to pool resources in support of a certain issue. This increases the impact beyond what a single funder can achieve alone.

Opportunity funds

Discretionary donations that fall outside our regular guidelines and cannot be applied for. Small grants for unique and time-sensitive needs or opportunities.
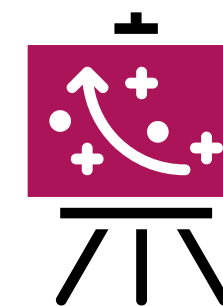
Program Development

Small funding to develop early-stage activities closely aligned with one of our focus areas. Potential partner might apply through a Focus Area, or may be invited to submit a proposal.

VARIABLE: APPROXIMATELY $100,000 – $500,000 PER YEAR OVER MULTIPLE (2-5) YEARS

<$50,000 FOR 1 YEAR

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What is it like to be a McConnell partner?

If approved for McConnell funding, a partner will:

1. **Shortly after the board meeting,** receive an email notification from our CEO, which includes a request to set up financial transfers

2. **Within 1–2 weeks,** receive a formal letter outlining the full details of the funding agreement

3. **Within 4–6 weeks,** receive the first installment of funds

Typically, partners submit a short progress report annually, which triggers the next installment of their funding. We want to be responsive to partners' needs, and we aim to be flexible if they wish to change the timing of reporting, payments, or even the amount of that installment. We also welcome updates and conversations at any point between annual reports.

While funding is the main way that we support organizations, we also seek other means to add value to their work. We are always open to conversations about challenges or new opportunities in their projects. We are open to helping connect partners with other organizations or funders, and to share learning and networking opportunities as useful. Similarly, our Communications team is often happy to relay events, reports and news from our partners.

Our Responsibilities and Accountabilities as a Funder

Trust, mutual accountability and collaboration are at the core of all of our partnerships. We care about the experience that individuals and organizations have with every member of our team, and we aim to act with transparency and respect. We aspire to live up to the following:

FLEXIBILITY

Inviting partners to adapt their work based on what they learn. This can result in flexibility on timelines, scope, or activities undertaken to achieve the intended impact.

ACCESSIBILITY

Committing to continual improvement of our processes to provide equitable access to funding opportunities and staff time.

SELF-REFLECTION

Adapting in response to feedback and reflection, acknowledging our missteps, and sharing our lessons-learned.

RESPONSIVENESS

Ensuring communications and administrative processes respect partners and potential partners' needs, and aiming for as much transparency as possible about timeframes and decision-making processes.

LEARNING AND EVALUATING IMPACT

Gathering feedback and data, and conducting evaluations to assess the impact of our strategies. Providing budget for partners to evaluate and learn from their work.

USING DATA AND EVIDENCE

Grounding our funding strategies in research about issues, opportunities, and where philanthropy can have the best impact. Valuing multiple forms of knowledge and perspectives.

Types of Agreements

McConnell uses several types of agreements to disburse funds. In most cases, the partner is a **charitable donee**. If the partner is not a charitable donee, we may fund them via a **charitable fiduciary**, or enter into an agreement directly with them as a **non-qualified donee** (NQD).

1 **Grants to Charitable Donees**

Charitable donees are organizations recognized by the Canada Revenue Agency (CRA) as charities or one of these **donee types**, and who have a CRA registration number.

2 **Grants through a Charitable Fiduciary**

A charitable fiduciary is a qualified donee used by an NQD to receive funds. The CRA has guidelines for establishing a fiduciary/intermediary **here**.

3 **Direct Agreements with NQDs**

NQDs are organizations that do not have charitable status. These include not-for-profit organizations, collectives, grassroots organizations, mutual-aid groups, societies and clubs, non-incorporated groups of individuals, social movements, social enterprises, businesses and B Corps*.

We can directly partner with a NQD in one of two ways: 1) Through a letter of agreement, issued if the donee's work furthers the Foundation's charitable purposes (known as a "qualifying disbursement"), or 2) if the NQD carries out the Foundation's charitable activities as an intermediary ("own activities"). **CRA guidelines**.

*Social Enterprises, businesses and B Corps are listed here because they qualify as NQDs, but note they are rarely funded by McConnell

Equity, Diversity, Inclusion and Accessibility (EDIA)

The Foundation is actively working to embed EDIA into our frameworks, policies, operations and programming.

We are doing this systematically and at all levels with external support.

That work is bolstered by mandatory staff training, our participation in Philanthropic Foundations of Canada's JEDI accelerator.

Commitment to EDIA is a process and there is no end point. Across the Foundation, we are working on changes large and small. Here are some examples of actions relevant to our due diligence and partnerships:

→ All three of our focus areas have strategic priorities to support work led by equity deserving communities

→ Ensuring equitable access to information for all potential applicants, regardless of preexisting connections with McConnell, and prioritizing relationship-building with communities we hope to support but are not yet connected to

→ Acknowledging resource disparities in the sector, lightening our application process, aiming to respond to proposals and issue payments as quickly as possible, and supporting operating, administrative, and capacity strengthening costs

→ Understanding that organizations led by and serving equity deserving communities may not be registered charities, so supporting non-qualified donees and encouraging other funders to do the same

→ Integrating EDIA into our recruitment strategies, understanding a more diverse team can better serve equity seeking communities

Prioritizing Reconciliation

Reconciliation is a core priority of the McConnell Foundation, and affects all aspects of our work. We understand that our value as a partner goes beyond a transactional funding relationship and commit to sharing our voice, networks and resources to benefit Indigenous peoples.

All staff pursue mandatory training and are expected to continually learn and unlearn Indigenous topics and history.

To see the commitments we have made formally, see our **2022 Year in Review**.

FUNDING RECONCILIATION

Within our Reconciliation focus area

Funding is provided almost exclusively to projects that are led-by and serving Indigenous communities.

Outside of the Reconciliation focus area

When considering proposals from non-Indigenous applicants for work that will serve or impact Indigenous communities, we ensure the following parameters are met:

→ The organization has a strong track record of collaboration with Indigenous partners

→ The work is endorsed by Indigenous partners in the field. Where appropriate and possible, Indigenous partners share in the work and the funding

→ The proposed work is complementary to and not duplicative of work being led by an Indigenous organization

Assessment Criteria

The Foundation receives far more proposals than it has financial resources to support.
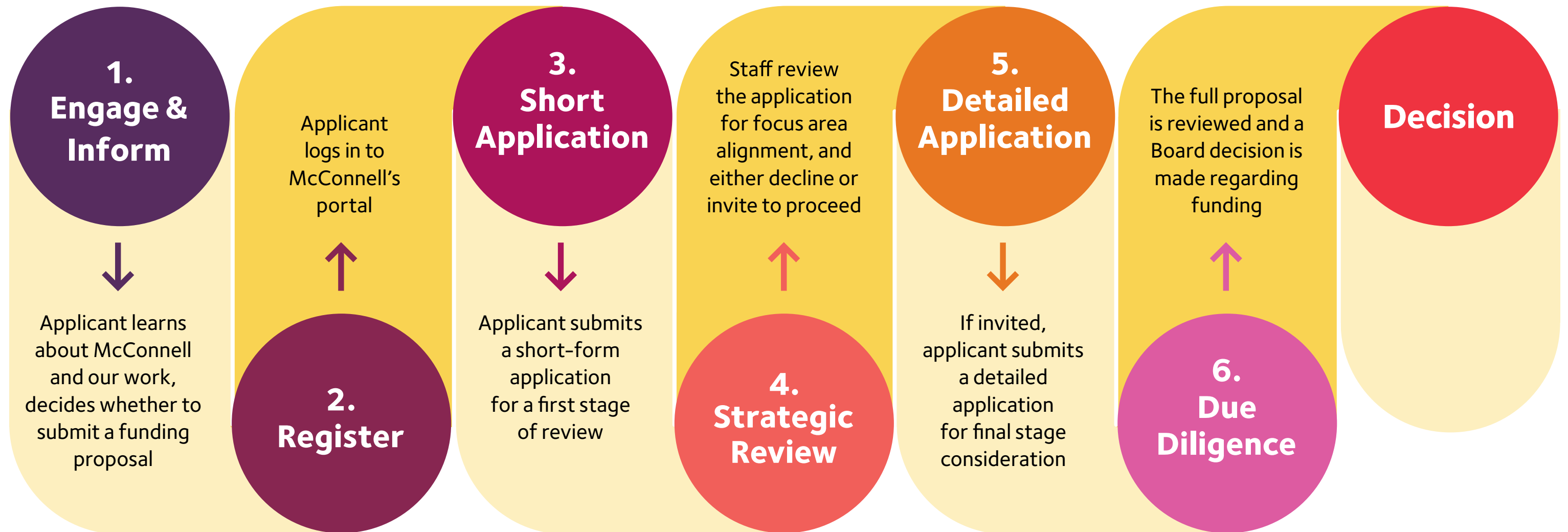
We rely on our assessment criteria to help us make decisions about which projects we support, as well as the level of support we offer.

Alongside core considerations such as strong governance, leadership and financial management, the two primary factors we consider in our assessment process are strategic alignment between the proposed initiative and the relevant focus area(s), and how the proposed project and organization(s) leading the work are positioned to succeed in the work.

	ALIGNED	**NOT ALIGNED**
WELL–POSITIONED	**1** — Likely supported, with amount to be determined based on analysis of likelihood of success and envisioned impact	**2** — Potentially supported, at small levels only (e.g., Opportunity funding, **see p.6**)
NOT WELL–POSITIONED	**3** — Potentially supported, depending on analysis of potential for success and assessment of maturity of project	**4** — Not supported

Assessment Process

This is the process that an application will follow from the point where a partner decides to submit, to the final decision by our Board of Directors

1. Engage & Inform

↓

Applicant learns about McConnell and our work, decides whether to submit a funding proposal

Applicant logs in to McConnell's portal

↑

2. Register

3. Short Application

↓

Applicant submits a short-form application for a first stage of review

4. Strategic Review

Staff review the application for focus area alignment, and either decline or invite to proceed

↑

5. Detailed Application

↓

If invited, applicant submits a detailed application for final stage consideration

6. Due Diligence

The full proposal is reviewed and a Board decision is made regarding funding

↑

Decision

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Funding Renewal

The McConnell Foundation does not automatically renew funding, and many of our partnerships come to an end after one round of funding.

This said, **we are open to renewing funding in instances where:**

$\rightarrow$ Alignment with a focus area is still strong and relevant

$\rightarrow$ The organization remains well positioned to lead the work

And one or more of the following is true:

$\rightarrow$ There is a clear case that renewal builds on McConnell's previous support

$\rightarrow$ Renewal is key to avoid progress slipping backward in the impact area

$\rightarrow$ A clear opportunity for deep impact exists

In these instances, we can consider another partnership. These decisions happen on a case-by-case basis, and ultimately the decision for follow-up funding is considered with the same scrutiny as a "new" proposal.

Ineligible Projects

Aside from the "Montreal Strategy" which has its own criteria, we do not consider requests:

→ that are part of a general fundraising campaign

→ to reduce deficits

→ for university or hospital endowments

→ for annual operating funds or other recurring costs, unless directly

→ linked to one of our focus areas and the success of the proposed project
*see note on Administration and Overhead on **Budget Guidance page***

→ involving partisan political activities

→ involving strictly religious purposes or activities

→ for purely academic or basic research

→ for organizations or projects based outside of Canada

→ for international development initiatives

→ for projects advancing nature-based solutions such as: reforestation and tree planting, nature conservation or biodiversity preservation

→ for organizational emergency needs

→ from for-profit organizations (except in rare & specific situations)

→ for private schools

Generally, we do not consider requests in which the primary activity is* :

→ the production of a film, video, or publication

→ a conference, workshop, or seminar

→ training, scholarships, or subsidies

*although any of the above can be part of a larger scale project or program

Guidelines for funding Community Engagement projects led by or involving universities and colleges

University and college presidents and reconciliation leads, Whitehorse Yukon 2019.
Photo by Alistair Maitland

It is not uncommon for universities and colleges to partner with community organizations on climate, reconciliation or community projects.

Across our Focus Areas, our preference is to support community-led organizations directly.

In a small number of specific circumstances, funding an academic partner working in a "community engaged" manner may be appropriate.

If you're working on a project like this and want to determine if it might be eligible for funding, we recommend you speak to one of our program team members.

Partnering with for-profit organizations

A canoe launch ceremony hosted by Wahkowhtowin Inc., a partner of McConnell.
Photo by Kari Luhtasaari

McConnell funding is intended to advance the public good, supporting charitable purposes exclusively. For the most part, this means partnering with charitable organizations and non–profit non–qualified donees.

We do, however, recognize the important role of the private sector in contributing to a just and sustainable economy. We receive funding requests from social enterprises from time to time, and there are rare occasions when grant-like funding may be appropriate.

Where all of the following criteria are true, we will consider directing funding to a for-profit organization:

1. The work is aligned with one or more of McConnell's Focus Areas and furthers McConnell's charitable purpose.

2. There is no non-profit doing the work already.

3. The proposal undergoes and stands up to the same level of due diligence as proposals from non-profits.

4. The project does not confer private benefits to the business, except as a minor and incidental by-product.

Additionally: funding may not be directed toward core salaries.

Budget Guidance

PREPARING YOUR BUDGET

In the Stage 1 application, you are asked to share:

→ The total amount for the project

→ The amount you are requesting from McConnell

→ The number of years for which you are requesting funding

If invited to Stage 2, you will be asked to complete a detailed budget following our template.

It is fine if the budget estimate changes between Stage 1 and Stage 2.

PLEASE CONSIDER THE FOLLOWING:

Organizational Strengthening: In order for their projects to succeed, organizations need resources to strengthen their capacity and leadership, and to navigate change. McConnell welcomes requests to include this work as a portion of the overall project budget. Examples might include funds to support leadership and staff professional development, efforts to advance EDIA and reconciliation, or project-specific training. Include this as a separate budget line.

Inflation: Please ensure to account for inflation within the budget lines of costs that are likely to grow over the course of the project (for example, staff salaries).

Administration and Overhead: McConnell supports the costs of an organization's operations and administration that can be attributed to the project in question. We do not have a fixed "maximum" for these costs, but they should be reasonable and in proportion to the overall request to McConnell. Include administration and overhead as a separate budget line.

McConnell is almost never the sole funder on a project. It is uncommon for us to fund the majority of a project's budget.

CONTACT US

Find out more at
mcconnellfoundation.ca

Write to us at
mcconnellfoundation.ca/about/contact-us

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