Allocations may be denied to Supported Partners if there is a failure to meet the terms and conditions for which funding was granted.

1. **Principles**
   United Way of Perth Huron (UWPH) supports the Citizen Review process through the Community Impact & Allocations Committee (CIAC). After reviewing progress reports, there may be times when CIAC determines that a Supported Partner has not met various conditions of their grant and the Supported Partner is denied further funding, or will receive reduced funding for the remainder of the grant period.

   UWPH will provide the Supported Partner with the rationale for the defunding decision. Under certain circumstances the decision may be appealed, see Policy# All1 - Appeal process.

2. **Purpose of Policy**
   To outline the situations for which an allocation funding may be denied, or reduced.

   To outline the procedure to be followed by CIAC in decision-making on reduction/denial of an allocation for years 2 and/or 3 of a funding agreement.

   Situations that may lead to reduction/denial of allocated funds include, but are not limited to:
   a) Goals of the allocation are no longer being met
   b) Change of a Supported Partner’s mandate that results in the Supported Partner no longer being in the not for profit sector
   c) Change of a Supported Partner’s mandate that results in the Supported Partner no longer aligning with UWPH requirements or funding criteria
   d) Change in the program or service being supported that no longer aligns with UWPH values or mission, or that no longer fits the impact area for which the allocation was granted
   e) Duties of the allocation agreement are no longer being fulfilled by the Supported Partner
   f) Loss of funding from other sources including, but not limited to, failure to meet the Supported Partner’s own fundraising goals leading to financial insolvency or inadequate capacity to deliver services
   g) Issues of risk to the reputation of UWPH
   h) Demonstrated unsatisfactory performance as determined through the reports provided by the Supported Partner and / or through the Citizen Review Process.
   i) Illegal or fraudulent activity on the part of the Supported Partner
   j) Significant shortfall in UWPH fundraising
3. **Defunding Procedure**

3.1. On receipt of a report from a Supported Partner, media, or other report that raises concerns about any situation will be addressed at the next CIAC meeting.

3.2. At the CIAC meeting it will be determined if, and what, assistance from UWPH has already been given to the Supported Partner to rectify the situation.

3.3. Where it is determined that new or further assistance may rectify the situation a Citizen Review will occur, and/or coaching be provided by staff, to determine the seriousness of the situation. UWPH and the Supported Partner will work together to develop a plan to solve the situation. The continuation of the allocation will be determined by United Way.

3.4. On agreement to the plan, the Supported Partner will continue to receive their allocation on a quarterly basis. Prior to the allocation release date Supported Partners will provide a quarterly update (or frequency to be determined), to determine the progress being made.

3.5. Should no agreement to the plan be reached, or no progress be made with agreement, with the approval of the UWPH Board, allocations will cease until CIAC can determine if the problem can be solved.

3.6. Should the Supported Partner be able to demonstrate to CIAC that they are in compliance again, the UWPH Board will be informed and allocations will be resumed with a requirement for quarterly reports be submitted until the end of the funding cycle.

3.7. Should the Supported Partner be making progress but not able to demonstrate to CIAC that they are in compliance again, allocations may continue or be reduced as recommended to the UWPH Board by CIAC.

3.8. Should the Supported Partner not demonstrate to CIAC that the problem has, or will be, solved a report from CIAC will be given to the UWPH Board recommending that no further allocations be forwarded to the Supported Partner, and the Supported Partner be considered as defunded (financial support be withdrawn).

3.9. On Board approval that allocations cease, the Supported Partner will be informed that the defunding process has determined they are no longer eligible for funding, and will be given an outline of the steps that were taken before the decision was made.

3.10. In cases where support is withdrawn, the Supported Partner will be informed of the appeal process.

3.11. In cases of illegal or fraudulent activity on the part of a Supported Partner, allocations will be immediately discontinued as approved by UWPH Board vote.

3.12. Allocations that are withdrawn from a Supported Partner will be held by UWPH until any appeal process is completed. Once appeal process is completed, funds will then become contingency funds.