



Defunding Policy			
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1. Principles

UWPH values its relationships with organizations that it funds (Supported Partners) to provide needed programs/services in Perth and Huron County. However, there are situations that may occur which could result in a reduction or denial of funding.

UWPH will provide the Supported Partner with the rationale for the defunding decision. Under certain circumstances, the decision may be appealed (see Appeals Policy – All1).

2. Purpose of Policy

To outline the situations for which an allocation of 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 two and/or three of a funding agreement.

Situations that may lead to reduction/denial of allocated funds include, but are not limited to:

- a) conditions of the UWPH Supported Partner Funding Agreement (Agree2) no longer being fulfilled;
- b) failure to meet the terms and goals of the program/service for which funding was provided;
- c) a change of a Supported Partner’s mandate that results in the Supported Partner no longer being eligible for UWPH funding;
- d) a 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 provided;
- e) 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;
- f) issues which risk the reputation of UWPH as a funder;
- g) demonstrated unsatisfactory performance as determined through the reports provided by the Supported Partner and/or through the CIAC review process;
- h) illegal or fraudulent activity on the part of the Supported Partner;
- i) a significant shortfall in UWPH fundraising
- j) an inadequate explanation of an organization’s reserve funds (see Supported Partner Surplus (Reserve) Funds Policy – All3); or,
- k) inadequate explanation of an organization’s deficit (see Supported Partner Deficit Funds Policy – All18).

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 UWPH staff, to determine the seriousness of the situation.
- 3.4. UWPH and the Supported Partner will work together to develop a plan to resolve the situation, if feasible. On agreement to the plan, the Supported Partner may continue to receive their funding allocation payment(s). The continuation of funding will be determined solely by UWPH.
- 3.5. Prior to the allocation release date, the Supported Partner will provide a quarterly update (or frequency to be determined), to determine the progress being made.
- 3.6. 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.
- 3.7. 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 year or cycle.
- 3.8. 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.
- 3.9. 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 the Supported Partner be considered defunded and that financial support be withdrawn.
- 3.10. 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.
- 3.11. 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.