



Defunding Policy			
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Reference Documents: Appeals Policy (All1)
Supported Partner Funding Agreement (Agree2)
Supported Partner Surplus (Reserve) Funds Policy (All3)
Supported Partner Deficit Funds Policy (All18)
Supported Partner Informal & Formal Visit & Review Meeting Policy (All20)
Emergent/Emergency Need Grant Policy (All6)

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 (SP) 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 the Community Impact & Allocations Committee (CIAC) in decision-making on reduction/denial of an allocation for years two and/or three of a funding agreement.

3. Policy

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 SP's mandate that results in the SP 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 SP'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 of the SP/program;

- g) demonstrated unsatisfactory performance as determined through the reports provided by the SP and/or through the CIAC review process;
- h) illegal or fraudulent activity on the part of the SP;
- 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).

4. Defunding Procedure

- 4.1. UWPH's Board reserves the right to immediately reduce or suspend funding to a SP when:
 - a. major issues are identified in annual review submissions;
 - b. there is evidence of wrongdoing (such as illegal or fraudulent activity);
 - c. there is a significant campaign shortfall; or,
 - d. there is a clear breach of a UWPH policy.
- 4.2. In cases of illegal or fraudulent activity on the part of a SP, allocations will be immediately discontinued as recommended by CIAC and approved by the UWPH Board.
- 4.3. On receipt of a report from a SP, media, or other report that raises concerns about any situation, CIAC will discuss the concerns and next steps at their next meeting.
- 4.4. At the CIAC meeting it will be determined if, and what, assistance from UWPH has already been given to the SP to rectify the situation.
- 4.5. Where it is determined that new or further assistance may rectify the situation a formal meeting will occur [per the Supported Partner Informal & Formal Visit & Review Meeting Policy (All20)], and/or coaching be provided by UWPH staff, to determine the seriousness of the situation.
- 4.6. UWPH and the SP will work together to develop a plan to resolve the situation, if feasible. On agreement to the plan, the SP may continue to receive their funding allocation payment(s). The continuation of funding will be determined solely by UWPH.
- 4.7. Prior to the allocation release date, the SP will provide a quarterly update (or frequency to be determined), to determine the progress being made.
- 4.8. Should no agreement to the plan be reached or no progress be made with agreement, a report from CIAC will be given to the UWPH Board recommending that allocations cease/be held until CIAC can determine if the problem can be solved.
- 4.9. Should the SP 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.
- 4.10. Should the SP 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.
- 4.11. Should the SP 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 SP be considered defunded and that financial support be withdrawn.
- 4.12. On Board approval that allocations cease, the SP will be informed via written notification 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.
- 4.13. Allocations that are withdrawn from a SP will be held by UWPH until the appeal process is completed, if relevant and if pursued by the SP. Once the appeal process is completed, remaining funds will be reallocated to the

Emergent/Emergency Need Grant Fund (per the Emergent/Emergency Need Grant Policy (All6).