

OTF Investment Summary Report
Approval of Community Investments and Ontario Fund
Prepared for the Board of Directors June 23, 2016



2016/2017 Cycle 1
OTF Granting Investments

OTF Investment Summary Report

2016/2017 Cycle 1

Introduction

This is a summary of the OTF recommendations for grants in the Seed stream for its first granting cycle in the 2016/17 fiscal year.

This Investment Summary Report includes:

Schedule 1: Summary Community Investments and Ontario Fund

Schedule 2: Community Investments and Ontario Fund Granting Overview

Schedule 3: Concluding remarks

Appendix A: List of Recommend Applications Community Investments for Board Approval

Appendix A1: List of Recommend Applications Ontario Fund for Board Approval

Appendix B: List of Declined Applications Community Investments for Board Approval

Appendix B1: List of Declined Applications Ontario Fund for Board Approval

Schedule 1: Summary Community Investments and Ontario Fund

1.1 Highlight: Continued high volunteer engagement with new Investment Strategy

Ninety-five percent (95%) of volunteers scored all files assigned to them this cycle. This represents a **6% increase from the previous cycle**, and the second consecutive cycle of increase, indicative of strong and increased volunteer engagement with the new investment strategy.

1.2 Cycle Summary: Seed Investment Cycle

This was a small granting cycle, with only Seed applications under consideration. We received **341 applications requesting \$19M** for investment. Of these applications, 90 are recommended for approval, representing **\$4.5M dollars of investment** in Seed projects in communities across Ontario.

Total demand for dollars funded saw a slight decrease, at **\$4.19 per dollar funded**, compared to \$4.63 and \$4.44 for the Seed stream in last two cycles. This reduction is due to a 36% decrease in demand compared to the previous cycle. This reduction in demand is entirely consistent with the cyclical nature of demand for OTF grants, as the first deadline of the fiscal year typically has 30-40% lower demand than the other deadlines. However, with the suspension of the Capital Stream, a greater share of the total budget was allocated to Seed projects in this round. The increased allocation to Seed has reduced the demand ratio.

Recommended investments from GRT meetings continue to come from all Action Areas in similar proportions to last fiscal year. The big exception is in Promising Young People, where recommended investments this cycle are 22% of total recommended investments. In the last fiscal year, Promising Young People accounted for 15% of Seed investments.

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We continue to invest all across Ontario, to many different community types, age groups, populations, and organization type. For example, **8% of** recommended investments this round will benefit the **Francophone community**, **21%** will benefit **rural and small communities**, and **22%** is recommended to organizations with **revenues less than \$100K per year**.

Finally, we continue to track indicators of internal and external knowledge of the new investment strategy.

- **74%** of all applications received were technically eligible for OTF funds, the same proportion as in the last cycle. However, when only looking at Seed applications in the last cycle, the technical decline rate has increased slightly from 21% to 26%.
- Granting staff assess alignment with the investment strategy correctly **84%** of the time. This is the same as the last Seed cycle. There was a slight decline in alignment of volunteer scoring. This is consistent with feedback heard through the learning agenda that volunteers feel they need additional support in scoring Seed applications.

The Evaluation team, Strategy Leads, and Communications department, through the Knowledge Management strategy and eLearning tools continue to work together to deliver outreach and training to volunteers and the public to ensure we improve our ratio of good applications and build knowledge about our investment strategy amongst our GRT members. With more insight gleaned from our data model, these outreach and training sessions can become more targeted and impactful.

1.2 Sign-Offs

Sign-Off from Chairs: Each GRT Chair and the Chair of the Ontario Fund Committee have signed off on the final list of grants recommended by the GRT or Ontario Fund.

Compliance with OTF Policy: The CEO has met with the Vice-President, Community Investments, and the Vice-President, Provincial Programs and Partnerships to review granting policy compliance. The CEO confirms that all recommended grants are within the granting policies of the Foundation.

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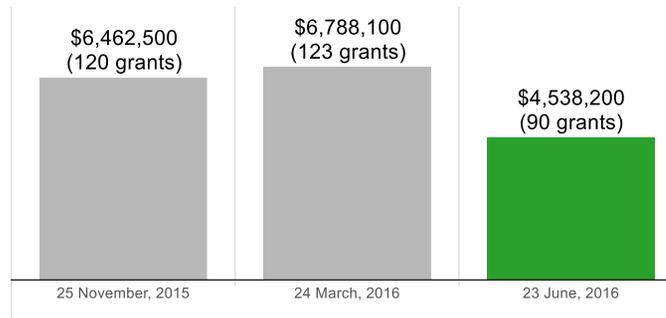
Schedule 2: Community Investments and Ontario Fund Granting Overview

2.1 Demand Overview and Action Area Overview

Investments across Action Areas were more evenly distributed this cycle than the last 2 Seed cycles. Last Fiscal Year, Connected People was the Action Area with the greatest share of Seed investments (32%) and Active People was the Action Area with the lowest share (5%). This cycle, recommended investments to these Action Areas are 24% and 8%, respectively. Of note, Promising Young People, which comprised 15% of Seed funding across the last 2 cycles, increased to 22% this cycle. This increase was a result, not of increased demand, but of higher quality applications, as reflected by a 42% approval rate for Promising Young People applications. This represents a doubling of previous cycles' success rates, and is indicative of improved knowledge of the Investment Strategy.

Both demand (due to the regular cyclical pattern of demand for OTF funds) and budget allocations (due to increasing from 2 to 4 Seed deadlines) were lower this cycle than in the last two. The result is a lower total recommended investment of \$4.5M, and a slight decrease in the amount requested per invested to \$4.19.

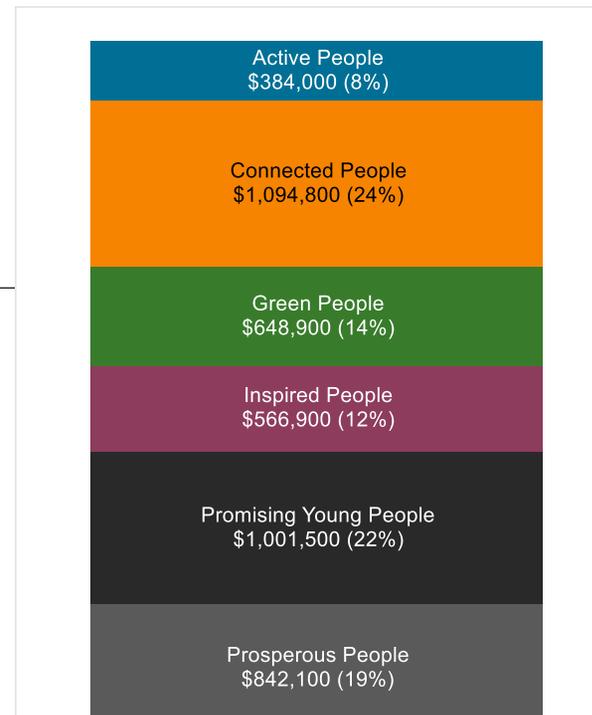
\$ Amount Approved/Recommended Approval



\$ Requested vs \$ Approved/Recommended Approval



\$ Granted Action Area



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3.0 Concluding Remarks

This OTF Investment Summary Report outlines key highlights from the first quarter of 2016-2017 fiscal year of granting, encompassing \$4.5M of recommended investments. In the second year of our new investment strategy, we continue to see evidence of rising levels of volunteer engagement, and external learning of OTF's outcome-based investment strategy. We also continue to experience sustained levels of high demand, underlining need for OTF funding, to support the testing of new ideas and creation of new evidence in projects across Ontario communities.

As only Seed stream decisions are being made this granting cycle, the quantity of applications and recommended investments are lower than the previous two deadlines. With this smaller sample, many analyses presented in previous investment reports do not yield meaningful comparisons and insights that can confidently be differentiated from statistical noise, contributing to a smaller investment report this cycle.

Being able to report on the expected outcomes of OTF's investments has been truly a collaborative effort between Granting, Information Management, and the Strategy Leads. The ability to analyze our investments and be able to understand patterns, opportunities and challenges as they relate to our strategy places OTF in a significant position of leadership in the sector. We could not do this type of analysis without having designed the granting processes, methodology, measurement approach and data model with intent and leading edge best practices.