*Models of Youth Work

CREATED FOR **ARTREACH TORONTO** BY **ANDREA ZAMMIT** AND **ALANA LOWE** SPECIAL CONTRIBUTIONS BY: **GRASSROOTS YOUTH COLLABORATIVE**

GOAL Youth Workshop Series

The Grassroots Organizing and Leadership (GOAL) Youth Capacity Building Workshop Series was developed in 2007 by youth-led organizations, funders and other partners to provide access to learning opportunities that can enhance the work of young people, artists and youth-led groups. Through different strategies and in different spaces, young people are working to make change and to have an impact on communities across the city of Toronto. To take this passion and commitment and channel it into a project, individuals or organizations often require training, tools and supports that are not always available to emerging, youth-led groups.

This workshop series provides facilitators (many of whom are young people, or those that have been involved in grassroots organizing and project development) to share their insights and resources. Many groups have struggled to find financial templates that works for them, decode grant guidelines or define what structure works for them as an organization. Accordingly, past topics have included financial management for nonprofits, fundraising, grant-writing, and models of youth work. These free sessions provide an accessible and safe learning space for young people and groups to ask questions, receive support and demystify process.

The workshops are developed based on needs identified by young people in Toronto. Participants who attend 5 or more workshops in the series receive a certificate.

The GOAL Youth Workshop Series is implemented by ArtReach Toronto, in partnership with various organizations and youth groups including; Grassroots Youth Collaborative, Laidlaw Foundation, City of Toronto, Schools without Borders, For Youth Initiative and Toronto Community Foundation.

Special thanks go to the facilitators for sharing their knowledge and expertise, as well as the following partners that have provided funding for the workshops, resource guides and online toolkit:

Canadian Heritage

City of Toronto Cultural Services

Laidlaw Foundation

The Lawson Foundation

Toronto Community Foundation

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Andrea Zammit

Andrea is the Coordinator of the Grassroots Youth Collaborative (GYC), which is a collective of youth-led/driven organizations located across the Greater Toronto Area who have come together to network and support capacity-building with one another and to advocate for young people in low-income/racialized communities. Andrea recently left a position working for Yorktown Child and Family Services as a Youth Outreach Worker (funded by the Ministry of Children and Youth Services) in the priority neighbouhood of Weston Mount-Dennis, and has been working with youth in this community since 2002.

Andrea is also currently a co-manager of Rated Inc. one of Toronto's most well-known and successful youth-led arts (dance), entertainment and promotion companies. Andrea started supporting Rated Inc. when she was an outreach worker and was so impressed with their promotion that she joined the team. Since then Rated Inc. has managed groups that have won several titles and awards. Rated "X" for eXcitement won Much Music's Top Dance Crew (2008) and recently pitched and won a contest to travel to Jamaica to study reggae dance hall.

Andrea worked in many settings within this community including For Youth Initiative (FYI); a number of Toronto Community Housing projects and schools; and even conducting street outreach. In the past she has held a number of paid and un-paid positions with FYI including the role of Program Director/Manager. She completed her Bachelor of Social Work at Ryerson University in 2004 and then completed her Master's of Social Work at York University in 2005. Andrea completed her major research paper on using Hip Hop culture as a tool to educate and engage urban youth in schools and community organizations. Andrea is currently on the Board of Directors for the Somali Youth Association of Toronto (SOYAT), a youth-led organization in Rexdale. Andrea has the ability connect groups, young people and community members to resources to help them reach their full potential.

Alana Lowe

Alana's passion to address issues her peers are impacted by developed young. At 17, she entered the network as a youth peer facilitator with East Metro Youth Services' Violence Intervention Project and Leave Out ViolencE's youth programs. Shortly after, Alana also become a peer facilitator and coordinator of METRAC's Respect In Action (ReAct) program where she trained her peers to deliver interactive workshops, trainings, and speaking engagements on violence against women and youth.

Alana's work at the by youth, for youth organization, For Youth Initiative, was an especially life changing and emotionally impactful experience. During her time as a volunteer and youth program worker, Alana co-produced and co-directed a short documentary called The Forgotten City... in the city that explores the lack of youth services in the Keele & Eglinton community and the bad things that can happen when there's little or no access to them.

Alana Lowe coordinates the Emerge program, a young leaders training & mentorship program through Schools Without Borders. In 2008, as a participant in the program's international exchange component, Alana traveled to Kenya and witnessed the vital and inspirational work of young leaders there. Her trip helped her realize how invaluable and precious cross-cultural knowledge and learnings are and how relevant they are to her conceptions of self-worth. With her renewed confidence and love for self, Alana wants to ensure that other young people, who rarely receive opportunities to travel outside of their communities, yet to another continent, experience similar, powerful transformations that contribute to the betterment of themselves and their communities.

A Special thanks to Gillian Witt, Tides Canada.

Models of Youth Work

When young people are equipped with the skills and resources needed to create change in their communities on their own terms, amazing things can happen. These emerging leaders become powerful mentors and educators with a diverse range of skills and experiences. They lead powerful programs and initiatives that empower and improve the lives of their peers and members of their communities. They join grassroots networks of diverse youth-led projects and initiatives and work together toward collective goals to advocate, raise awareness and inspire transformative policy change. The outcome is a sustainable movement that grows, expands, re-generates and makes an impact on the lives of other young people.

This toolkit outlines five models of youth work: unincorporated groups (youth organizers); incorporated nonprofit organizations; charitable organizations; intermediary organizations; and social enterprise. Each model of youth work is defined; followed by steps on how to make it happen; the benefits and limitations; and where to find more information/resources on the particular model. While these models are common, please note that there are many others that fall outside of the above categories. This toolkit is a starting place for youth organizers interested specifically in not-for-profit work.

Youth Engagement Continuum

There are many different types of youth engagement models used to encourage young people to participate in various projects and programs across the country. Whether it's chilling out at a drop-in program at a local community centre or participating on a youth council at city hall, young people access resources and/or receive services from all types of organizations.

However, effective youth engagement models not only encourage youth participation in the development and design of a program or initiative, but also support young people to gain the skills and experience needed to coordinate and lead projects and programs on their own with/for their peers.

The youth engagement continuum chart below, illustrates and outlines the range of various types of youth engagement and the impact of their approaches.

Youth Engagement Continium

Intervention   *Development*   *Collective Empowerment*   *Systemic Change*

Youth Services Approach   *Youth Development*   *Civic Engagement*   *Youth Organizing*

Youth Services Approach

⬊ *Defines Young People as Clients*
⬊ *Provides services to address individual problems and issues faced by young people*
⬊ *Programming defined around treatment and prevention*

Youth Development

⬊ *Provides services and support, access to caring adults and safe spaces*
⬊ *Provides opportunities for the growth and development of young people*
⬊ *Meets young people where they are*
⬊ *Builds young people's skills*
⬊ *Provides youth-friendly support*
⬊ *Emphasizes positive self identity*
⬊ *Supports youth-adult partnerships*

Youth Leadership (also supports youth development)

⬊ *Builds in meaningful youth leadership opportunities within programming and organization*
⬊ *Helps young people deepen historical and cultural understanding of their experiences and community issues*
⬊ *Builds skills of young people to be decision makers and problem solvers*

- *Youth participate in community projects*
- *Civic Engagement (supports youth development & leadership)*
- *Engages young people in political education and awareness*
- *Builds skills and critical thinking around issues young people identify*
- *Begins to help young people build collective identity of youth as social change agents*
- *Engages young people in advocacy and negotiation*

Youth Organizing (supports youth development, leadership & civic engagement)

- *Builds a membership base*
- *Involves youth as part of core staff and governing body*
- *Engages in direct action* and political mobilizing*
- *Engages in alliances and coalitions*

Principles of Youth Engagement

Reinvest in Youth

- Reinvestment in the capacity of all youth, including the most highly alienated is seen as being vital to the process of youth organizing. This principle is based on two principles; first, that youth are leaders of today not just tomorrow; and second, that healthy communities and youth can not exist in isolation from one another.

Constituency Building and Collective Action

- Building a 'core' constituency of youth leaders supplemented by a membership base that can be mobilized towards addressing issues faced by youth and their communities.

Respect for Youth Culture

- Youth organizers meet young people where they are by respecting youth culture, life experiences and community relations. An example of such 'youth friendly' programming is the use of hip hop culture for organizing outreach strategies.

Politics as Inspiration for Young People

❯ Political education and movement history are known to be powerful tools for educating, mobilizing and inspiring young people.

Youth – Adult Partnership

❯ Youth organizers work with young people, not for them. Respecting youth leadership is a precursor to providing young people with the skills to navigate their lives and engage in collective action.

Unincorporated Groups

What is an unincorporated group?

❯ An unincorporated group is a collective of two or more people that come together to work towards a common cause or issue without the intention of making a profit. These people may volunteer or be paid for their work through grants or other revenue, but funding is sometimes limited for unincorporated groups. Unincorporated groups are not formally registered with the government and are not legally required to adhere to any of its general rules and guidelines. Unincorporated organizations are usually grassroots (community-led) and often operate outside of typical top-down structures.

Partnering with charities and incorporated groups

❯ To be eligible to apply for funding from foundations and government programs, unincorporated nonprofits may need to partner with a charity or incorporated nonprofit. Both groups must formally agree to work together to achieve a common goal with mutual benefits. They are also usually required to submit a collaborative agreement with their joint funding application. Depending on the type of agreement, the level of participation from the partnering organization(s) can vary from simply managing and dispersing funds to mentoring and working with the unincorporated group at every step of a project.

↘ It is important to have a clear collaborative agreement that defines the roles and responsibilities of each group before submitting funding applications. It is not a good idea to draft formal agreements after funding has been granted. Miscommunication and/or conflicting work styles can disrupt project coordination, affect project timelines and prevent organizers from meeting expected outcomes. If the unincorporated group is not able to carry out the goals and objectives of the project, this could affect chances at obtaining funding from the same foundation or government funder in the future.

Benefits

↘ Unincorporated organizations do not have to adhere to government rules and guidelines that regulate charities and incorporated nonprofits.

↘ Unincorporated organizations have more flexibility and can change their objectives and visions.

↘ Because unincorporated groups are often grassroots and community-led, they are able to effectively engage more residents and offer authentic solutions to real problems without restrictions (i.e. – Unlike charitable organizations, unincorporated groups are not limited in the amount of advocacy they are engaged in).

Limitations

↘ Unincorporated organizations cannot receive tax exemptions or issue charitable tax receipts.

↘ Unincorporated organizations are usually ineligible to apply for funding from most formal funding bodies (i.e. corporations, foundations, government programs) without collaboration agreements with charities or incorporated organizations.

↘ Unincorporated groups are not always recognized with the same level of credibility as charities or incorporated organizations.

Youth Organizing –
5 Steps to

Young people come together for different purposes. One of them is to organize around issues that they see affecting them or their communities. Here are some practical steps that address how to get started.

What & Why? / Identifying the Gaps
- Brainstorm issues that have personal impact or impact your community.
- What's already being done? What needs to be done?

Find Out More
- Ask questions: Why does this problem exist?
- Review research from different perspectives.

Rally Support
- Great minds think alike. Find diverse people that are passionate and want to support.
- Also consider connecting with local community organizations & projects.

Organize Something
- Move beyond brainstorms and meetings and consider planning an event; a deputation at city hall; or a workshop to raise awareness.

Reflect & Evaluate
- Did you achieve what you set out to change? What was effective?
- What was a challenge? What would you change?

Resources

- **Grassroots Youth Collaborative** (General information, reports & resources)
  http://www.grassrootsyouth.ca/

- **Popular Education and Grassroots Organizing**
  HYPERLINK *"http://www.educatingforjustice.org/popular_education.htm"*
  http://www.educatingforjustice.org/popular_education.htm

Incorporated Nonprofit Organizations

What is an Incorporated Nonprofit/Not-for-profit organization?

⬊ Similar to an unincorporated nonprofit, an incorporated, nonprofit organization is a group of people who work towards a specific cause or issue without the intention of making a profit. However, an incorporated nonprofit is registered with either the provincial or federal government, or both and must follow government guidelines.

How do you incorporate as a nonprofit organization?

⬊ Groups in Canada can incorporate their organization provincially (i.e. through the province of Ontario) or federally with the Government of Canada. Both processes are very similar, but for provincial specific information, it is important to check out the processes outlined by your province.

Are you sure your organization is ready for incorporation? Are you prepared to:

Set up a Board of Directors

⬊ You need 3 people minimum who are dedicated and willing to volunteer (one person will have to be the Chair of the Board of Directors[the leader in charge who is responsible]. The board of new organizations are often "hands-on", which means that it can be a time consuming volunteer position.

⬊ The directors are personally liable for what happens (legally/financially) with the nonprofit organization.

⬊ Depending on the experience of the board members, you may want to have some resources (manuals or trainings) for board development.

Open a bank account

⬊ Pretty straight forward once you have the nonprofit incorporation papers – you will need to register the signatories of the bank account . Signatories are those who will have the authority to make decisions on how funding is spent. Usually it is the Executive Director and Chair of the Board that open the account and be signatories.

Setup financial management systems

You may want to include funds in your budgets for a bookkeeper and pay a chartered accountant to complete an audited financial statement each year. This statement is an organization's financial records that has been prepared and certified by a Certified Public Accountant (CPA). The CPA (the auditor) certifies that the financial statements meet the requirements of the Generally Accepted Accounting Principles (GAAP), a common set of accounting concepts.

Purchase Insurance

Directors and Officers Insurance (for Board Members), and General Liability Insurance (for participants/programs), which will cost in the thousands of dollars range .

Use release, consent forms, waivers

It is really important to have all of your bases covered to reduce risk to the of your organization, you can do this by creating forms to ensure your program participants understand things such as:

- ↘ *the organization may use the participants photo or video for promotions;*
- ↘ *that a program participant may get injured by participating in a sporting event;*
- ↘ *these forms may not fully protect the organization from legal action, the best way to protect your organization is to consult a lawyer. This may be costly, but some organizations are able to seek out board members who have legal backgrounds and you can sometimes access free lawyer services.*

Create and update policies and procedures – governance, human resources, etc…

As you start building an organization you need to have clear and transparent policies and procedures, around safety, equity, employment, finances, organizational structure, how decisions are made, etc. This can protect your organization from legal action and it may be required by funders to have some of these policies in effect before requesting funding. However, this can also reduce your ability to be "flexible" and "responsive" to changing circumstances, it is also extremely time consuming and can mean that you may have to run things in a more structured and less "flexible" way (see who else has done this and get model policies if you can).

Draft contracts, setup payroll, benefits and workers compensation (WSIB)
❯ Good to consult a bookkeeper or accountant when you are doing this.

Find funds to cover operating costs
❯ Operating funds are not easy to find, especially for grassroots groups.You may want to be at a point when you are comfortable with the grant writing process and have managed a few successful grants – with a good track record.

Hire administrative staff
❯ Make sure you have someone who knows how to do the administrative duties (and possibly someone else who is in charge of program implementation)

Create new visions, short term, medium term & long term, for the organization – that you share with other people in the organization.
❯ It helps to tie the decision making process into a participatory strategic planning process – look at how this fits into a shared vision for the organization, this is so that everyone involved feels a sense of ownership – and that you spend some time on talking about and thinking through the process.

Take on this responsibility?!?
❯ You and your organization are accountable to the government, funders, your partner organizations, your board, your staff, your volunteers and especially the community you intend to serve through your organization. Just make sure you are ready to take on the responsibility. Ask yourself – is it more beneficial to partner with an organization out there to do a short-term project with some good results or are you in this for the long haul (and then incorporate)?

To incorporate in Canada:

Research & gather information and forms.
❯ It's important to ask yourself if incorporation is right for you. While there are advantages, they are also limitations. Review application forms and create a timeline of when and how you will gather necessary information. Some groups hire lawyers (or use lawyers willing to volunteer their services) to support them through the process while others rely on online resources. Local charities can also be good sources of information and guidance.

Set up a board of directors (at least 3 directors are needed).
❯ Charities and incorporated nonprofits are legally required to have a board of directors that govern the organization.

Obtain a name search report.

⬂ If you don't already have a name for your organization, you will have to create one. Once you have a name for your group, you must obtain a name search report through a registered search house, like NUANS (there's a $20.00 fee). NUANS compares your organizational name with that of incorporated nonprofit organizations.

Outline your organizational overview.

⬂ Before registering as a nonprofit organization, your overall mission, the group(s) you will serve and how your group is or will be funded must be clearly outlined. The application form will require this information along with the address of your head office and names and contact information of the board of directors.

Fill out and submit application.

⬂ Double check that you've provided all the necessary information on your application form and have attached all the requested documentation. You will also need to attach a cover letter with the name and address of the person who will be responsible for correspondence.

Develop and submit bylaws.

⬂ Bylaws are the ruling documents of an organization or, in this case, the organization's board of directors. Bylaws are critical, because they tell the board how to conduct its business. However, because bylaws are more or less set in stone, it is in the interest of the board to keep them as brief as possible. Bylaws should set forth the basic structure and abilities of the board. The bylaws include such things as the board or directors': are volunteers; any eligibility criteria (a youth-led organization may want their boards to have a certain number of young people represented on the board); the years of a term for each board member; how board members are selected; and the number of meetings a board member can miss without being dismissed. Other bylaws may include specific roles with a board (Chair, Secretary, Treasurer and what their responsibilities are); describe committees of the board (special events, fundraising, etc.); meeting frequency and structure; voting (decision-making-the number of directors needed to make it happen); a conflict of interest; policies relating to money; and amendments (the number of board members needed to change any of the bylaws).

Benefits

⬎ *Any debts that the agency has will be the responsibility of the organization, not the individuals.*

⬎ *The Board of Directors may be liable (look into Directors & Officers liability insurance).*

⬎ *When you "incorporate", your organization will become a "separate legal entity" and will continue to exist even if you are no longer part of the organization.*

⬎ *The agency will be able to own property, sign contracts, borrow money and hire staff. It's easier to set up a bank account and sign a lease or contract.*

⬎ *You will be able to access more funding sources (as most funders can only provide money to groups that are incorporated or have charitable status).*

⬎ *You can apply for a "charitable number" from Revenue Canada (but that is a difficult process). Incorporated organizations are eligible for many tax exemptions. Specific exemptions are usually different depending on where you live, but can usually be found online.*

Conflict of Interest (Board of Directors):

Any member of the board who has a financial, personal, or official interest in, or conflict (or appearance of a conflict) with any matter pending before the Board, of such nature that it prevents or may prevent that member from acting on the matter in an subjective manner, will offer to the Board to voluntarily excuse him/herself and will vacate his seat and refrain from discussion and voting on said item.

Board of Directors: need to be age 18 to legally participate on a Board of Directors in Canada.

Limitations

Government regulations: incorporated organizations are subject to some supervision by provincial and/or federal government and have to run the agency within set parameters.

Increases bureaucracy and paperwork: The organization is responsible for:

⬎ Establishing and following policies and by-laws.

↘ Creating a Board of Directors (unpaid volunteers that govern the organization) and electing the directors annually.

↘ Developing a membership and meeting with the members annually.

↘ Holding an Annual General Meeting (AGM) once per year, this is to ensure accountability (that money is being spent according to how the organization says its going to); succession (to announce any changes in board or staff); to gain input from the organization's membership/community; and to celebrate successes of the organization.

↘ Keeping proper financial records, minutes of all meetings, and hire an auditor to look at your finance.

↘ Filing annual tax returns with certain departments of the Government (If you don't report, the agency may face a penalty and could lose its status).

↘ Secure and maintain organizational insurance (for directors and officers, as well as general liability insurance). General Liability Insurance can cost anywhere from $2000 - $5000/year depending on the nature and range of your programming. Directors and Officers Insurance usually costs $1000+/year.

↘ Incorporation costs money.

Resources

FAQ on nonprofit incorporation
HYPERLINK *"http://www.corporationcentre.ca/docen/home/faq.asp?id=incnp"*
http://www.corporationcentre.ca/docen/home/faq.asp?id=incnp

Starting a nonprofit
HYPERLINK *"http://www.charityvillage.com/cv/guides/guide4.asp"*
http://www.charityvillage.com/cv/guides/guide4.asp

Industry Canada, Incorporating a not-for-profit corporation
HYPERLINK *"http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs03440.htm"*
http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs03440.htm

How to incorporate as a nonprofit organization
HYPERLINK *"http://www.rcvo.org/questions/docs_useful_info_/howto_IncorporateNonprofit.pdf"*
http://www.rcvo.org/questions/docs_useful_info_/howto_IncorporateNonprofit.pdf

The Nonprofit Management Manual is a guide to starting a nonprofit organization in Ontario. It is an excellent manual that takes you through all the steps, including things to think about when deciding if incorporating as a nonprofit is right for you. Overall, it is a single source toolkit for establishing, managing and governing nonprofit organizations in Ontario.
http://www.wensnet.org/pdf/Non_profit_mgmnt_.pdf

The Ministry of The Attorney General details what is required to become incorporated as a nonprofit organization in Ontario. Topics include the legal definition of a charity, examples of letters patent, applying for incorporation and benefits of being a charity.
See:HYPERLINK *"http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/charities.asp"*
http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/charities.asp

The Charity Village website has a Quick Guide on Starting a Nonprofit that incorporates articles and research from their library, on-line publications, books and web-links.
See:HYPERLINK *"http://www.charityvillage.com/cv/guides/guide4.asp#Resources"*
http://www.charityvillage.com/cv/guides/guide4.asp#Resources

The Free Management Library, hosted by the Management Assistance Program for Nonprofits in St. Paul, MN, provides information relating to Starting an Organization.
See:*http://www.managementhelp.org/strt_org/strt_org.htm*

Charities

What is a charity?

According to the Canada Revenue Agency (CRA), a charity is an organization established and operated for charitable purposes and devotes its resources to charitable activities. That means all of its operations, programs, events and activities are non-for-profit (not used to make money) and all the income raised or received through donations are committed to the programs, events and activities. In order to be and re-main a charity, the organization has to consistently meet general requirements for nonprofit corporations setout by the federal government.

Incorporated nonprofit vs. charitable organization

While a registered charity is exempt from most taxes and can issue tax-deductable receipts, a nonprofit organization has tax-exempt status only. However, it is much easier (and cheaper) to incorporate as a nonprofit organization than it is to receive charitable status because there are less requirements to become incorporated as a nonprofit organization.

How do you get charitable status?

Receiving charitable status is a difficult process. And despite how much money and resources the organization puts into trying to get it, there are never any guarantees. The process can take anywhere from 6 to 18 months to be approved and there are many requirements organizations must fulfill in order to even be considered.

Before applying for charitable status, organizations must:

� Be headquartered in Canada

⬊ Be either incorporated or managed by a legal document called a trust or a constitution. This document has to explain the organization's purposes and structure. – what is this? We never had one at FYI Pass a "public benefit test." According to the CRA, to qualify under this test, an organization must show that: Its activities and purposes provide a tangible benefit to the public; those people who are eligible for benefits are either the public as a whole, or a significant section of it, in that they are not a restricted group or one where members share a private connection. For example, a social club or professional association with restricted membership would not be eligible for charitable status because they aren't open to the public; andthe charity's activities must be legal and must not go against public policy.

The organization's purposes must fall under one or more of the following categories outlined by the courts:

⬊ *the relief of poverty;*
⬊ *the advancement of education;*
⬊ *the advancement of religion, or certain other purposes that benefit the community in a way the courts have said are charitable.*

Is charitable status the best thing for your organization, project or collective?

Organizations considering filing an application for charitable status should ask themselves whether it will be easier to simply partner with an existing charity in Canada. There are over 80,000 registered charities in Canada. Chances are that one of them is doing the same or similar work.

Are you sure your organization is ready for charitable status?

Before going through this checklist, please review the checklist for groups considering incorporation on page ….. You must be incorporated or governed by a trust or constitution before you can apply for charitable status.
Is a creating new charity the best way forward? Really ask why you're seeking charitable status for you organization. Aside from issuing a tax receipt, how will charitable status directly benefit your organization? Does it outweigh the limitations?

Are there existing charities with the same purposes and activities as yours? Are you seeking charitable status for a particular fundraising project? If so, can you team up with a charity that will support the cause?

Do you know how a charity must operate? Charities must follow more strict government guidelines that incorporated nonprofits. There will be increased administrative duties.
Where will you get funding? Running a charity has huge operational costs. *Do you have funding to cover the increase? How long will that last? How will you secure funding for these costs?*

Applying for Charitable Status

Organizations applying for charitable status have to fill out an application form and file it with the Canada Revenue Agency. The CRA also provides a guide.

The application form and guide can be found on the CRA website
(HYPERLINK *"http://www.cra-arc.gc.ca/tx/chrts/formspubs/menu-eng.html"*
http://www.cra-arc.gc.ca/tx/chrts/formspubs/menu-eng.html).

Because the process can be very exhaustive, organizations often hire a lawyer
(or use lawyers willing to volunteer their services) to support them.

Benefits

There are many benefits organizations can receive once they obtain charitable status.

↘ *Registered charities are exempt from most taxes, and can issue tax deduction receipts.*

↘ *Registered charities can access diverse funding sources. Many government funding programs and foundations will only accept funding proposals from groups with charitable status.*

↘ *Groups with charitable status can be perceived as more creditable than unincorporated groups because they are government-regulated.*

↘ *Charities are eligible to receive gifts from other registered charities.*

Make sure you keep good records and follow all legal and ethical procedures relevant to Canada ("not knowing" is NOT a good excuse! What you don't know could kill your organization).

Limitations

Securing and maintaining charitable status is a resource intensive process. Managing charitable requirements call for both financial resources and expertise that can be difficult to maintain, especially as an organization in its early stages.

Charities (nonprofits with charitable status) must:

Complete an organizational audit. This statement is an organization's financial records that has been prepared and certified by a Certified Public Accountant (CPA). The CPA (the auditor) certifies that the financial statements meet the requirements of the Generally Accepted Accounting Principles (GAAP), a common set of accounting concepts. The annual audit costs anywhere from $2000 - $10000. Bookkeeping expenses for a year can cost anywhere from $1000 - $3000/year. You can learn it yourself, but the job requires specific skills and diligence. The tighter your financial systems are, the cheaper it is to have these services provided.

Secure and maintain organizational insurance (for both directors and officers and general liability insurance). General Liability Insurance can cost anywhere from $2000 - $5000/year depending on the nature and range of your programming. Directors and Officers Insurance usually costs $1000+/year.

Maintain a board of directors (at least three, not including the Executive Director)
File annual charity information returns Even though charities don't have to file income tax returns they have to file an information return, one of the most important responsibilities that a charity has.

Remain committed to your registered charitable objectives You are not flexible to shift organizational objectives as they come up. The organization must stay committed to supporting the issues they outlined in their organizational mission/vision.

Commit to a set of policies that govern the actions of your organization
Have committed and effective staff It is necessary to have staff that can maintain organizational systems throughout your operations, to have a system that is easy to understand and interact with.

Limited advocacy capacity. Groups with charitable tax status can only use 10% of their budget for advocacy.

Words of Advice

Before considering charitable status...

⮑ *Make sure you can't do equal (or better) work as a partnered program under the umbrella of another registered charity who already supports your work.*

⬂ *Make sure you either are formally educated on nonprofits and the laws surrounding them or have a strong mentor who has some real experience and/or education in nonprofit management, fund raising, programming, board development, etc.*

⬂ *Make sure you are able to afford administrative costs (or even want to incur these costs): insurance, audits, lawyers, accountants, book keepers, admin people, fund raising staff/ events.*

⬂ *Make sure you keep good records and follow all legal and ethical procedures relevant to Canada ("not knowing" is NOT a good excuse! What you don't know could kill your organization).*

- Mike Prosserman UNITY Charity

Resources

⬂ **Canadian Revenue Agency:**
HYPERLINK *"http://www.cra-arc.gc.ca/charities/"http://www.cra-arc.gc.ca/charities/*
or 1 (800) 267-2384

⬂ **CRA Form & Guide:**
http://www.cra-arc.gc.ca/tx/chrts/formspubs/menu-eng.html Register today? HYPERLINK *"http://www.cra-arc.gc.ca/E/pbg/tf/t2050/README.html"http://www.cra-arc.gc.ca/E/pbg/tf/t2050/RE-ADME.html*

⬂ **How the demographic of Youth relates to CRA practices?**
HYPERLINK *"http://www.cra-arc.gc.ca/tax/charities/policy/cps/cps-015-e.html"*
http://www.cra-arc.gc.ca/tax/charities/policy/cps/cps-015-e.html

⬂ **Is your mandate acceptable according to the CRA?**
HYPERLINK *"http://www.cra-arc.gc.ca/tax/charities/policy/ces/ces-003-e.html" http://www.cra-arc.gc.ca/tax/charities/policy/ces/ces-003-e.html*

⬂ **Alternative Resources:**
HYPERLINK *"http://www.charityguide.ca/"http://www.charityguide.ca/* or HYPERLINK *"http://www.envision.ca/templates/resources.asp?ID=81"http://www.envision.ca/templates/resources.asp?ID=81*

⬂ **Organizational Management**
http://www.charityvillage.com/cv/research/rorganization.asp

Volunteer Lawyers Service offers legal assistance at no charge to nonprofit and charitable organizations. See their fact sheets on Becoming Incorporated and Applications to Become a Recognized Charity at:
HYPERLINK *"http://www.volunteerlawyers.org/library.cfm?fa=summarize&appView=Topic&id=2097"*
http://www.volunteerlawyers.org/library.cfm?fa=summarize&appView=Topic&id=2097

Intermediary Organizations

What is an Intermediary Organization?

Intermediary organizations support youth-led groups that are usually grassroots (community-led) and take "direct-action" through programming and mobilization. Intermediaries (a.k.a. infrastructure groups) work with youth-led groups to build their knowledge and skills to improve effectiveness through research, documentation, network building, curriculum development, and management assistance activities. A funder can play the role of an intermediary, however some youth-led groups are uncomfortable with a funder providing management support.

Functions of an Intermediary Organization:

↘ **Convening and Networking:**
Creating forums for peer networking and professional exchange among youth workers, policy makers, funders and community members.

↘ **Knowledge Development and Spreading the Word:**
Helps to shape a vision and structure; develop training curricula, tools and models for organizing; develops materials for resource booklets, research projects; increases access to resources including funding, technical assistance and professional development.

↘ **Setting the Standards:**
Works with youth organizations and organizers to identify best practices, staff trainings and the impact it will have on the youth they work with.

↘ **Training:**
Find and create training programs that build capacity and transferable skills of youth workers/organizers.

↘ **Management Assistance:**
Take care of administration like payroll, accounting, legal assistance; provide information on funding and re-granting funds for capacity enhancement; provide organizational development support on topics including board development, financial and facility/resource management; and information technology.

↘ **Advocacy and Representation:**
Represent the contributions from the field to government, private funders, and community stakeholders on issues including funding, policy formation and legislation.

⇘ **Accountability:**
Help to develop assessment guides and monitor processes - systems that evaluate, i.e. program report forms, participate in program documentation; providing evaluation oversight and management.

Benefits

"…the middle place where the role is to provide support to organizations to build capacity…Intermediaries play a brokering or connecting role in linking the work of organizations, networking between different funders and organizations. An intermediary needs to know the funders, agencies, institutional players, because it's hard to break into this sector…the role of an intermediary is to open doors."

⇘ They create learning environments where groups learn in a practical way, by actually doing, with the security of having a mentor to guide the process.

⇘ Intermediaries are helpful in providing policy advice because often they are familiar with a range of programs and services and can recommend how duplication can be reduced, emerging needs met and suggest where groups can align.

⇘ Providing a space for adult allyship, to train, mentor and support youth-organizers. This is of critical importance because without adult credibility, advocating for putting young people into decision-making roles within organizations may be a struggle to overcome because society devalues youth.

⇘ The Intermediary role is vital to ensure the youth organization/organizers are not set up to fail. The intermediary role is intimate. There needs to be communication between all three groups (funder, intermediary, and the actual grant recipient), but between the funder and the group being funded there still needs to be a separation [for objectivity]. The intermediary can fill that gap and communicate between the two.

⇘ Promotes more efficient use of time and money, intermediaries help programs to be more efficient in their own use of funds by creating a space for resource and asset sharing and other mechanisms to reduce program expenses.

⇘ Intermediary organizations are helpful in providing policy advice about how programs can effectively work together for the benefit of children, youth and families. For that reason intermediary organizations will almost always have an active hand in local policy and systems reform, which will lead to more effective services and better results.

⇘ Properly organized and operated intermediaries can strengthen and enhance the ability of programs and agencies to achieve their desired outcomes.

Limitations

Two Types of Challenges

1. Programmatic Challenges:
Arise from tensions between the goals and actual practices intermediaries use to achieve them and the way in which they monitor outcome achievement

A) Orientation Toward Assistance
- ⬄ The amount of importance given to the knowledge and priorities of the intermediary itself or of the organizations with which it works.
- ⬄ A more grounded respect for field expertise and a capacity-building approach vs. a more externally driven, didactic approach.

B) Accountability
- ⬄ The extent to which an intermediary is answerable to the interests and agenda of organizations in the field, to its own funders, or to other stakeholders.

C) Roles and Responsibilities
- ⬄ Considering whether an intermediary can be involved both in grant-making and capacity building.
- ⬄ Avoiding competition with partners for funding.

D) Defining and Demonstrating Outcomes
- ⬄ Identify intermediary outcomes—the net value they add to youth organizations— and developing ways to demonstrate these effects.

2. Organizational Challenges:
Include problems in the structure, staffing, funding, and leadership of intermediaries that are likely to compromise their functioning and sustainability.

A) Funding
- ⬄ Obtaining a dependable source of ongoing funding instead of just "one-time"/project funding.
- ⬄ Securing core operating support.
- ⬄ Covering overhead costs.

B) Staffing

Finding staff who have a mix of knowledge, skills, and personal attributes to deliver programs and support the capacity of youth-led groups.

C) Leadership

Recruiting and supporting effective leadership and in case leaders move on, steering intermediaries through leadership transitions is an important process.

Resources:

⬎ **Laidlaw Foundation:**
   HYPERLINK *"http://www.laidlawfdn.org/"*
   http://www.laidlawfdn.org/

⬎ **Schools Without Borders:**
   HYPERLINK *"http://www.schoolswithoutborders.com/movement.html"*
   http://www.schoolswithoutborders.com/movement.html

⬎ **Grassroots Youth Collaborative:**
   HYPERLINK *"http://www.grassrootsyouth.ca"*
   www.grassrootsyouth.ca

⬎ **For Youth Initiative:**
   HYPERLINK *"http://foryouth.ca/"* *http://foryouth.ca/*

⬎ **ArtReach Toronto:**
   HYPERLINK *"http://www.artreachtoronto.ca"*
   www.artreachtoronto.ca

Social Enterprise

↘ What is a Social Enterprise?

Broad Definition of Social Enterprise:
A business that produces and/or sells goods and services with dual purpose of making money (income/profit), which can then be contributed to social and/or environmental aims.

Definition of Social Enterprise (as it relates to nonprofit groups):
Nonprofits that are producing and/or selling goods and services, for profit, on a regular, continuous basis with social and/or environmental goals (e.g. Eva's Pheonix operates a print shop business, which doubles as an employment training program for youth with an in-house paid internship).

Social Entrepreneur:
"Any person, in any sector, who makes money (profit/income) to pursue social objectives.

Social entrepreneurs are different from traditional entrepreneurs in two ways:
↘ Their strategies for making money are tied directly to their social mission.
↘ They are driven by a "double bottom line" (making money and making social change).

More and more nonprofits are exploring income-generating enterprises as a way to:

Enhance their programs and services. Social enterprise is another approach to advancing an organization's mission. A social enterprise can meet the needs of programs participants and they can gain access to a new set of skills. (E.g. charging a fee for attending a Basketball Camp that offers a coaching certificate. While the organization may already be providing access to free basketball programs, many youth need jobs and may be willing to pay for training that could lead to employment).

Easier to achieve their missions because they can rely on social funding and profits. More nonprofit organizations are creating money making businesses that provide a social benefit in areas where the market has not responded (e.g. employment and training to those who face significant barriers to getting into the workforce. One example is an organization that works with young people who are reintegrating into the community from having been incarcerated. The organization would now give these participants an opportunity to work as a courier, thus generating profit for the organization and the young person, who is benefiting from being employed, as well as gaining experience and transferable skills).

Generate new profits that help them to create new ways of making money (instead of only applying for grants, which may be restrict you from doing certain activities). By generating revenue outside of grants, you are able to have money that is unrestricted and spent on how it can best be used, of course with the

best interest of the community/population you are serving. More recently in Canada there has been pressure for non-profits and charities to diversify or raise their own money & resources, due to the governments ever changing role in providing programs, services.

The Different Types of Nonprofit Enterprises (three broad categories):

⬊ **Employment development enterprises:** provides training and/or employment to program participants. These enterprises may not end up making enough income to be self-sufficient (meaning they generate some revenue and still also apply for grants).

⬊ **Mission-based businesses:** these enterprises work with the goal of making money from the sale of products or services that are directly related to the organization's goals or programs (e.g. Fee-for-service programs, charges a small fee to program participants to cover operating costs, such as a basketball tournament).

⬊ **Ancillary (additional/extra) or asset-based businesses:** business activities that are additional to the organization's goals or purpose. These enterprises are more likely to be based on the organization's programs/services rather than focusing on making money.

Benefits

⬊ **Development of organizational capacity:**
　-Staff and board gained new skills and new ways of thinking/operating.
　-Attracts new Board Members, staff, volunteers and diversify skill set and experience of
　 board and staff.
　-Changes in operational and/or financial procedures and efficiency/effectiveness of the organization.

⬊ **Increased visibility and awareness and enhances reputation of the organization:**
　The enterprise is a great public relations tool and will offer new ways for the organization
　to reach participants.

⬊ **Increased ability to attract and build relationships donors and investors**

How do you set up a social enterprise?

⬊ **Explore your organizations' goals and objectives;**
　Coming up with ideas;
　Conducting research to see if adding new goals to your organization is a good idea
　(talking to community, staff, volunteers and funders to get feedback);

Are there employment opportunities for the participants in the industry in which they are trained?

Considering if there is a market to buy whatever you are selling (Feasibility Study);

- ↘ Business planning/capacity building/legal considerations;
- ↘ Start-up;
- ↘ Evaluation; and
- ↘ Growth/reinvestment/adaptation/evolution.

Limitations

Non-profits that decide to take on a social enterprise now has to meet a 'double bottom line', which means they have to reach two goals: making money and social change. Sometime the non-profit finds it hard to meet both goals, which has resulted in customers and clients feeling frustration and failure, this also draws attention and resources away from the organization's core work.

Nonprofits are always looking for new ways to keep their initiatives funded and feel pressured to be creative and develop something new to make money while also having to worry about if and when their funding will run out or get cut. Trying to fulfill a social purpose and make money takes time and expertise. Nonprofits may be overextending themselves.

Having one's social goals linked directly to one's financial success can force nonprofits to face decisions that can affect the organization's structure and goals, and even challenge their very nature. When organizations are expected to meet for-profit goals while operating under nonprofit rules, the so-called double bottom line can easily become an impossible double bind. Nonprofit Goals Tend to Multiply and Overwhelm the Business Bottom Line – to make profits!

Social Enterprise (Nonprofits) is a relatively new field in Canada. Leaders from the field predict that laws that govern Social Enterprise in Canada will likely change in the next 3-5 years, which means that social enterprises will have to change to make sure possible new guidelines will be followed to ensure accountability.

Words of Advice

Ask these questions, when starting up a social enterprise:

- ↘ *Is it a viable business model and do you have a solid business/marketing plan?*
- ↘ *Are there employment opportunities for the participants in the industry in which they are trained?*
- ↘ *What time frame do you need to report on for SROI (social return on investment)?*
- ↘ *Can the business become financially self-sufficient and if so, how long after start-up?*

Resources:

⮯ **"Writing A Collaborative Agreement Tip Sheet."**
Ontario Trillium Foundation.

⮯ **How to Write Non-Profit Bylaws**
Suite101.com
http://non-profit-governance.suite101.com/article.cfm/how_to_write_bylaws_for_nonprofits

⮯ **Canada Revenue Agency**

⮯ **Charities and Giving Section**
http://cra-arc.gc.ca/chrts-gvng/menu-eng.html

⮯ **What is a Charitable Corportaion? Ministry of the Attorney General**
< http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/charities.asp#charitable_corp>

⮯ **What is the difference between a registered charity and a nonprofit organization? Accessed March 5, 2010.** *http://www.charityvillage.com/cv/faq/faq_npo_02.html>*

⮯ **"The importance of filing a charity information return."**
January 25, 2010. Accessed March 5, 2010. *< http://www.charityvillage.com/cv/research/rlegalpod54.html>*

⮯ **1. Wynn, J. R. The Role of Local Intermediary Organizations in the Youth Development Field. (2000).** *http://www.chapinhall.org/sites/default/files/Intermediary-disc-paper.pdf*

⮯ **2. Laidlaw Foundation: Foundations and Pipelines: Building Social Infrastructure to Foster Youth Organizing.** *http://www.laidlawfdn.org*

⮯ **Local intermediary organizations: Connecting the Dots for Children, Youth and families.**
http://www.aypf.org/publications/intermediaries.pdf

↘ **"The Canadian Social Enterprise Guide", Enterprising Non-Profits**
http://www.enterprisingnonprofits.ca

↘ **Seedco Policy Centre, "The Limits of Social Enterprise: A Field Study (June 2007) & Case Analysis".** *http://www.seedco.org/documents/publications/social_enterprise.pdf*

↘ **Toronto Enterprise Fund**