SECURING FUNDING SOURCES

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Summary

This fact sheet provides information on how to secure funding sources for various planning initiatives, including Comprehensive Community Planning and Land Use Planning.

Keywords: funding, managing the process, reporting back

Why Is Funding Important?

Community planning sets a direction for the future of your community and aims to improve your community's well-being. A good community plan can help your community understand its current position and make decisions for future improvement. Good community planning can even attract new investment into your community by determining a clear vision for the future of the community[1]. Your community plan may include the use of land, resources, services and facilities.

Indigenous communities receive funding from the Government of Canada. This is outlined in nation to nation agreements between the First Nation and the Government of Canada[2]. Planning projects often require funding beyond what is provided by the Canadian government[3]. Projects include a community or land use plan, and the implementation and monitoring of planning projects.

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What Are the Different Types of Funding?

There are several available funding sources, all with their own approaches to funding. Regardless of source, all funding approaches share similarities and generally fall under two primary funding types: loans and grants.
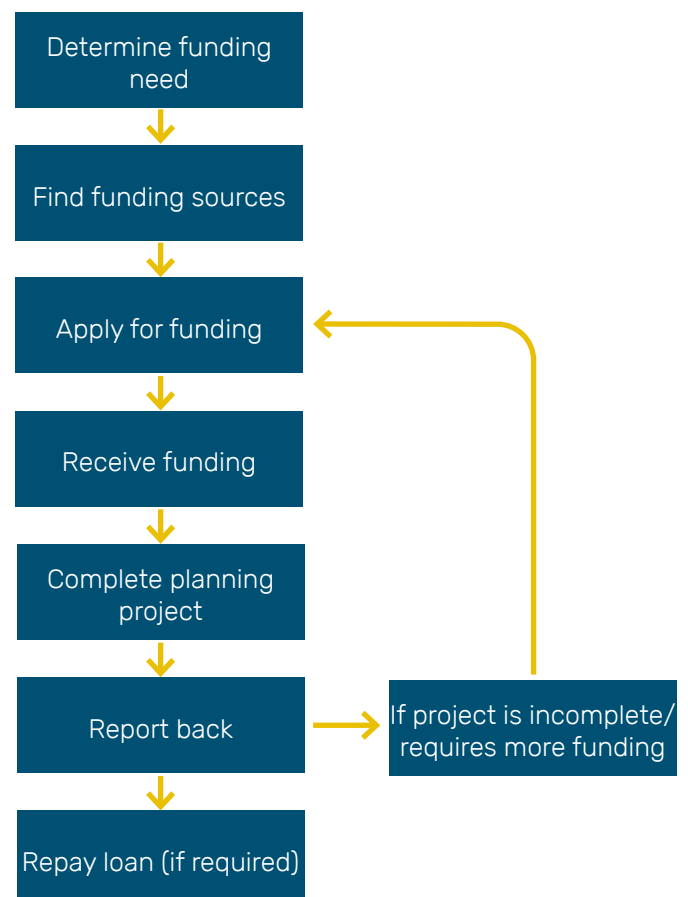

Figure 1 | The simplified funding process.

Determine funding need → Find funding sources → Apply for funding → Receive funding → Complete planning project → Report back → Repay loan (if required)

If project is incomplete/ requires more funding

Loans

A loan is a sum of money provided to an individual or group to be used for a specific need. Regulations surrounding the use of the money are at the discretion of the lender and are outlined in an agreement between lender and recipient. For example, the lender may impose restrictions on how much money can be used for specific purposes.

A loan is not freely given by the lender. Loans are expected to be repaid in full to the lender. The repayment often includes interest, a rate added onto the loan amount to generate a profit for the lender[4]. This means that the overall amount repaid will usually be higher than the actual loan amount. Sometimes loans can be forgiven if certain conditions are met.

Grants

Like loans, grants are sums of money provided to an individual or group for a specific need. Unlike loans, grants do not need to be repaid. Grants will have a strict set of requirements to receive the money, which often include how the money can be used. Organizations will often provide grants dedicated to a specific use, such as housing or infrastructure. Your community can find grants that will support your community's specific needs.

Different organizations have different criteria for grants, although many require the recipient to report the money's use. Grantors often require completion reports that will match the budget outlined in a recipient's grant application.

Choosing the Right Funding Model

The Government of Canada and Indigenous Services Canada (ISC) use various funding approaches when providing funding to First Nations communities across Canada[5]. These approaches vary. One approach closely follows the grant model while the remaining approaches lean towards a loan model of funding. The Canadian government describes these loan-oriented strategies as "contribution" approaches.

Contribution approaches provide money to communities, to be repaid later. Unlike conventional loans, this repayment will not include interest. Through a contribution approach, your community is provided money to be used under specific time and use conditions. These conditions are outlined in an agreement between your community and ISC. Any unused funds at the agreement's deadline are returned to ISC. Although you do not need to pay interest on a contribution loan, your community may prefer grant funding.

The grant approach gives money to the receiving community with no expectation of repayment. This provides additional freedom to the community in using the funds. Your community will not need to repay these funds. However, grants must often be used within a specific time frame.

How Do You Secure Funding?

First Nations receive funding from the Government of Canada through various agreements, including the Indian Act and the Canada Common Funding Agreement for First Nations and Tribal Councils. This money is limited and planning projects, including Comprehensive Community Planning and Land Use Planning, often require an additional funding source.

Indigenous Services Canada (ISC) is the government agency which most often provides funding for such projects. Funding

allocations from ISC vary from year to year. In some years, ISC provides funding for creating land use plans. Other years they may focus on growing infrastructure. Depending on ISC's focus, funding can often be used to support your community's planning initiatives.

Tips on Writing a Funding Proposal

While some organizations will have a formal application form to complete, other organizations may require you to submit a written funding application that details what your community will be doing with the requested funds.

1 Prepare your proposal

- Understand what it is you're requesting funding for. Have a clear understanding of the project, including background information, objectives and goals.

- Gather necessary information for the proposal, including budget costs.

- Plan ahead so that you don't rush the process.

2 Writing the proposal

- Ensure that there is time to review and revise your proposal.

- Elements of a written proposal include: a cover letter, project summary, background information, project purpose, goals & objectives, opportunities, project process/timeline, budget, additional documentation.

3 Follow up

- Make contact with the organization and follow up on your proposal.

Table 1 | Tips on Writing a Funding Proposal
Adapted from (Department of Public Safety and Emergency Preparedness, "Moving Toward a Stronger Future: An Aboriginal Resource Guide for Community Development," Department of Public Safety and Emergency Preparedness, Accessed November 7, 2018, https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/mvng-twrd-strngr-ftr/mvng-twrd-strngr-ftr-en.pdf)

To secure funding, your community will first apply to a specific loan or grant program depending on your needs. The application process will vary between organizations. Some organizations will have a formal application form. Other organizations request open-ended funding applications. These funding applications are often in the form of a funding proposal. In both cases, you will need to know several details relating to your funding request, including the amount of funding required, and the projected timeline of the project.

Applications with specific forms will generally provide a list of required supporting documents that can help you determine what information is required when submitting the application. This list can help focus your application and help you determine what the priorities of your community are. For example, ISC's Lands and Economic Development Service Program Application requests various types of information[6]. The application requests that the programs seeking funding be listed with their objectives, planning activities associated, and a proposed budget[7].

When determining a budget, the community needs to know what all the associated costs are going to be. The cost of completing a CCP can vary. CCP costs depend on: the priorities of the CCP, the scope of work to be completed, the level of community engagement, the level of analysis, the capacity to conduct the research, the number of actions and deliverables and the level of monitoring desired[8].

Without this information, it can often be difficult to understand what is required in a funding proposal. Typically,

funding proposals incorporate the following sections: cover letter, title page, table of contents, project overview, background, project rationale, project goals & objectives, program description, budget, partnerships, project evaluation, follow-up, and appendices[9,10].

Where Can You Find Funding?

Funding is often limited. Organizations limit the amount of money allocation, scope the money can be used for, or the timeframe in which the money can be used. Your community should begin their planning process by identifying various sources for secure, long-term funding[11]. Without this step, you may find it hard to fund a planning project through to its completion. A Comprehensive Community Plan, for example, may take several years to complete, extending beyond your initial funding. You may need to seek out multiple funding sources to see a CCP through to its implementation and monitoring phases. Knowing about additional funding sources early on can make it easier to pursue additional funds when needed[12].

Large governmental organizations, including ISC, are well equipped to provide funding for comprehensive community planning and other planning initiatives. Non-governmental organizations also provide funding that communities can use for planning initiatives. These funding sources can also provide funding for smaller specific planning tasks[13]. For example, smaller funding amounts can be directed to a specific community engagement event as part of the comprehensive community planning phase. Alternatively, an infrastructure project that has been identified through the planning process can apply for project-specific funding.

Final Thoughts

Acquiring funding for planning is a crucial first step in the planning process. Without adequate funding, communities will find it hard to complete their Comprehensive Community Plan. Organizations often provide limited funding that will not cover the entire cost of completing the plan. It is important to seek out options for additional funding later in the planning process.

Figure 2 | *Provincially funded housing initiative.*
Source (Province of British Columbia. "Affordable rental homes under construction in Courtenay." Digital image. Flickr. May 2018, Accessed Feb 2019. https://www.flickr.com/photos/bcgovphotos/27410510707. Used with permission. https://creativecommons.org/licenses/by-nc-nd/2.0/legalcode.)

Further Reading

CCP Handbook: Comprehensive Community Planning for First Nations in BC by Indigenous and Northern Affairs Canada

This handbook outlines the CCP process in British Columbia and has been a tool for Indigenous Community Planning across Canada.

Moving Toward a Stronger Future: An Aboriginal Resource Guide for Community Development by Public Safety Canada

This guide provides resources for Community Development in Indigenous Communities, including tools and guides to use in practice.

Endnotes

1　Canadian Institute of Planners, "Our CIP: Strategic Plan," Canadian Institute of Planners, February 2017, Accessed November 7, 2018, Retrieved from https://www.cip-icu.ca/getattachment/Who-We-Are/About-Us/OURCIP_StrategicPlan_FINAL.pdf.aspx, p.10

2　Government of Canada, Funding for Indigenous peoples, Accessed November 7, 2018, Retrieved from https://www.aadnc-aandc.gc.ca/eng/1461939269939/1461939554935

3　Indigenous and Northern Affairs Canada (INACa), "CCP Handbook: Comprehensive Community Planning for First Nations in British Columbia, Third Edition," Indigenous and Northern Affairs Canada, 2016, Accessed November 7, 2018, Retrieved from http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-BC/STAGING/texte-text/ ccphb2013_1378922610124_eng.pdf, p. 47

4　Merriam Webster, Definition: Loan, Accessed November 7, 2018, Retrieved from https://www.merriam-webster.com/dictionary/loan

5　Government of Canada, Funding Approaches, Accessed November 7, 2018, Retrieved from https://www.aadnc-aandc.gc.ca/eng/1322746046651/1322746652148#sec2

6　Indigenous and Northern Affairs Canada (INACb), "Lands and Economic Development Services Program (LEDSP) Planned Activities and Report Application," Indigenous and Northern Affairs Canada, 2016, Accessed November 7, 2018, Retrieved from https://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ-AI/STAGING/texte-text/dci2016-17_471935_1449252038802_eng.pdf

7　INACa, 2016, p.19

8　Cook, Jeff, "Gaining Momentum: Sharing 96 Best Practices of First Nations Comprehensive Community Planning," Beringia Community Planning, Inc., September 2009, Accessed November 7, 2018. Retrieved from http://www.newrelationshiptrust.ca/wp-content/uploads/2017/04/comprehensive-community-planning-long-version.pdf, p. 23

9　INACa, 2016, p.72

10　Department of Public Safety and Emergency Preparedness, "Moving Toward a Stronger Future: An Aboriginal Resource Guide for Community Development," Department of Public Safety and Emergency Preparedness, Accessed November 7, 2018, Retrieved from https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/mvng-twrd-strngr-ftr/mvng-twrd-strngr-ftr-en.pdf p.87

11　INACa, 2016, p.10

12　INACa, 2016, p.19

13　INACa, 2016, p.54