



OCSCA

Ontario Community  
Support Association

United in our commitment to care

## Barriers and Solutions for Full Cost Recovery

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OCSCA

*New Thinking About Funding Charities in Canada  
Conference, December 1, 2010*

# About OCSA



The Ontario Community Support Association represents the providers of government funded not for profit home care and community support services that assist seniors, people with disabilities and individuals who cannot function independently because of an illness, or other limitations due to aging, mental health or addiction. These agencies are supported by 25,000 staff and 100,000 volunteers delivering home and community support services.

# Contribution of Not-for-profit Sector

- Not-for-profit sector accounts for 6.8 percent of the gross domestic product. With the value of volunteer work included, that number rises to 8.5 percent of GDP.
- Equivalent of \$80 billion.

Employ 12 percent of our workforce,  
995,000 in Ontario alone  
Nearly 12 million Canadians volunteer their  
time in the not-for-profit sector.

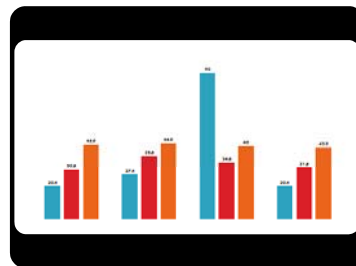
# Critical Challenges

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- **Limited understanding of the sector**
- **Limited Human and Volunteer Resources**
  - Leadership vacuum
  - Dwindling volunteers
- **Budget and funding restraints, “do more with less”**
- **Sustainability**

# Critical Challenges

- Competition for donations
- Complexity of granting, funding and reporting requirements
- Shorter term, yearly funding agreements
- Moral dilemmas of sacrificing service delivery for cost recovery



## Quality as a Process

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- Due to funding restraints, health sector NFPs continue to compromise quality and reduce clients expectations

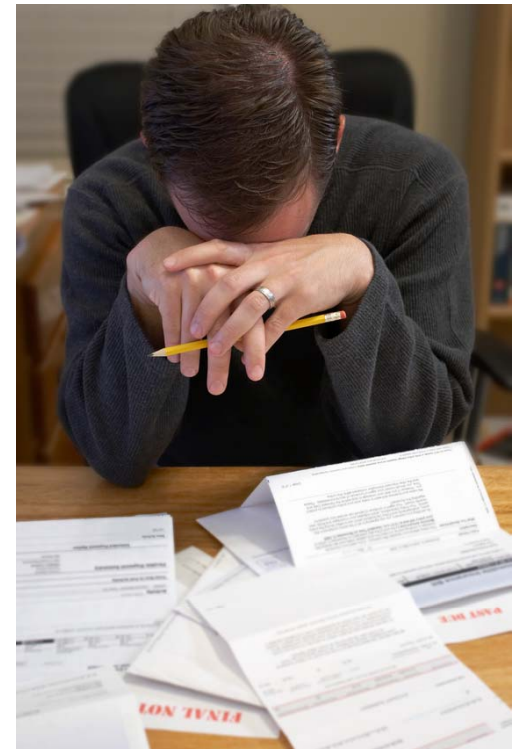
# Capacity and Sustainability

Results from  
the OCSA  
2010 salary  
and benefits  
survey

- Only **46%** of the staff in the sector are full-time employees.
- **65%** of volunteers in the community support sector are 60 years of age and older, with **29%** being 70-79 year of age and **11%** being 80 years and older.
- **71%** of the agencies surveyed reported they are very concerned about their ability to keep wages competitive, **33%** reported attrition as a problem and **23%** reported attrition is on the rise.

# Potential Barriers to Adaptation of Full Cost Recovery

- ❑ Lack of understanding of full cost recovery for both funders and NFP organizations.
- ❑ Acceptance of the status quo “this is the way it is”
- ❑ Marginalized, undervalued
- ❑ Lack vigor of strong business processes





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## Understanding the Benefits of FCR

# Why Understanding Full Cost Recovery is Important for Not-for-Profit Organizations

By implementing Full Cost Recovery, not-for-profit organizations develop a full understanding of the true cost of their work. Such an understanding is essential for effective financial management and strategic planning across any organization.

All organizations have overhead costs, associated with:

- ❑ Management and leadership
- ❑ Infrastructure and accommodation
- ❑ Finance, governance and controls, and
- ❑ Strategic development



Solutions: The Canadian implementation of FCR

# Education and Outreach

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## Pre-launch

- Education, education, education
- Start dialogues on FCR
- Build partnerships and joint communications on sector sustainability and FCR

## Phase I – Research and Adaptation of the Tool



Conduct focus group sessions to gather information about how the tool needs to be adapted to meet the needs of an Ontario/Canadian audience

- Adapt the tool for an Ontario/Canadian audience (involves adaptations to the workbook and the software)
- Test the tool

## Phase II – Distribution and Training



- Develop and deliver training sessions
- Provide participants who attend sessions with a copy of the tool
- Provide support for those using the tool

## Phase II - After November 2011



- Continue to distribute the tool and provide training on a cost-recovery basis to the broader not-for-profit sector.

For more information, contact:

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