



Tenant Funds Distribution Policy and Procedures

Item 5C

April 25, 2022

Board of Directors

Report: TCHC:2022-23

To: Board of Directors (the “Board”)

From: Building Investment, Finance and Audit Committee
 (“BIFAC”)

Date: April 8, 2022

PURPOSE:

This Report provides the Board with information on how tenants will request funds to support engagement and the processes developed to ensure funds are disbursed to tenants with appropriate controls and accountability measures in place.

RECOMMENDATIONS:

It is recommended the Board:

1. approve the Tenant Action Funds Distribution Policy, as set out in Attachment 1 to this Report;
2. receive the following documents for its information:
 - a. the Tenant Action Funds Procedures as set out in Attachment 2 to this Report;
 - b. the Confronting Anti-Black Racism Centre Community Funds Procedure as set out in Attachment 3 to this Report;
 - c. the Tenant Action Funds application guide as set out in Attachment 4 to this Report;

- d. the Confronting Anti-Black Racism Centre Funds application toolkit as set out in Attachment 5 to this Report;
 - e. the Tenant Action Funds Verification Checklist as set out in Attachment 6 to this Report;
 - f. the Confronting Anti-Black Racism Centre Community Funds verification checklist as set out in Attachment 7 to this Report; and
 - g. the Process maps for controls and oversight as set out in Attachment 8 and 9 to this Report; and
3. authorize the appropriate staff to take the necessary actions to give effect to the recommendations in this Report.

BIFAC

This report was received and approved by the BIFAC on April 8, 2022.

REASONS FOR RECOMMENDATIONS:

Tenant Action Funds are currently the only distribution channel available to TCHC to support community development and programming. In order to ensure that the distribution of Tenant Action Funds occurs in a manner that supports community development and provides appropriate operational and procedural controls, a Tenant Funds Distribution Policy and associated Procedures have been developed for the Board's consideration. With current pandemic restrictions lifting, there is a pressing need to support social recovery by re-establishing community development networks within TCHC communities. Further, the funds which were approved as a part of the Confronting Anti-Black Racism ("CABR") strategy budget, act as a mechanism to support the achievement of the CABR strategy outcomes.

Background

In early 2020, TCHC paused the Participatory Budgeting ("PB") program as a consequence of the impact that the COVID-19 pandemic had on the ability of TCHC to engage TCHC tenants through in-person consultation. Pausing the PB program afforded TCHC the opportunity to allow for a comprehensive review and develop a new accountability framework to enhance procedural controls applicable to the program. The review is in process and will be reported through the Tenant Services Committee ("TSC") and to the Board of Directors (the "Board").

Prior to 2020, a program governing the distribution of Tenant Action Funds operated separately from the PB program, focusing on addressing tenant-identified priorities through the Community Action Plans. The distribution of funds under the Tenant Actions Funds Program provides socio-economic opportunities for TCHC tenants and communities to build local leadership capacity when addressing everyday needs and priorities.

Although the distribution of Tenant Action Funds was available to TCHC communities in 2021, limited funds were disbursed. With the lifting of public health measures implemented as part of Ontario's COVID-19 response measures, tenants are more substantially engaging in restarting in-person programming to support community development initiatives, which were identified through the CABR tenant consultations as detrimental to the success of the strategy and its impact on communities. In order to address local tenant priorities and CABR strategy objectives, TCHC has built a policy that will govern the distribution of TCHC funding to tenants, with specific procedures to ensure control mechanisms, transparency, and value for money are in place to ensure financial accountability. The Tenant Funds Distribution Policy will cover the following programs:

- Tenant Action Funds; and
- CABR Centre Community Funds.

The Tenant Action Funds and the CABR Centre Community Funds allow TCHC tenants to actively participate in decision-making and champion activities, programs, and initiatives that advance their communities' upward growth and development.

While it should be noted that the Tenant Funds Distribution Policy is not Participatory Budgeting, it does provide a mechanism to allow tenants to access funds to support community development initiatives. The TAF and CABR Programs require adequate mechanisms and controls to ensure accountability, fairness and transparency.

Program Development

The Tenant Funds Distribution Policy applies to all TCHC tenants, tenant groups, and staff members. The distribution of funds governed by this policy are the cornerstone to providing tenants with the appropriate tools to enhance wellbeing within their communities. The policy governs those activities that can be funded under the two programs and how funds will be distributed to tenants.

TCHC developed a multidisciplinary team of leaders across multiple divisions, including Finance, Internal Audit, and Operations. This interdisciplinary team worked through the Policy and developed an accountability framework that provides comprehensive oversight, controls, auditing, and a centralized reconciliation function. The final draft was created and approved by all team members and was forwarded to Executive Leadership for review.

Program Delivery

The funds under this policy will be distributed through the following programs:

1. Tenant Action Funds

Tenant Action Funds were established in 2019 to replace the Tenant Council and Use of Space funds. The program has a total annual budget of \$250,000 and provides tenants and tenant groups with financial resources to fund projects and initiatives that respond to local tenant-identified priorities as part of the Tenant Engagement System. The funding limit per project is **\$1000**. Tenants and tenant groups can apply for funds once a month throughout the year. Examples of projects that these funds can support are:

- Community gardens;
- Yoga programming; and
- Breakfast programs.

2. CABR Community Funds

CABR Community Funds are available to tenants and tenant groups to support projects and initiatives that respond to the Confronting Anti-Black Racism Strategy's Eight-Point Plan. The CABR Community Funds program has a 2022 budget of \$50,000. These funds provide foundational investments in projects that will address some of the

disparities that impact Black tenants as outlined in the CABR strategy. The funds will also contribute to furthering the objectives of the eight-point plan in the CABR strategy. The funding limit is \$5000 per project from an overall budget of \$50,000. Black tenants and tenant groups can apply for funds once per year. Examples of projects that these funds can support are:

- Mental health programs for children, families and youth;
- Tutoring for children and youth;
- African drumming workshops; and
- Coaching for graduation and planning for post-secondary.

Controls & Oversight

The following provides an overview of the system of controls that have been put in place for both the Tenant Action and CABR Community Funds. Each respective incentive is supported by a program team that reviews applications, ensures alignment with the program mandate, and issues approvals of disbursement when appropriate.

Tenant Action Funds

1. The Tenant Participation Coordinator ("TPC") will review the applications to ensure that:
 - a) the tenant applicant's personal information, project details and eight (8) signatures from tenants are included and that no more than two (2) signatures from the same household are listed;
 - b) the project demonstrates how the application addresses tenant priorities; and
 - c) The tenant applicant's signature is included on the last page (handwritten or e-signed).
2. When the TPC confirms that the application is complete, the TPC forwards the application to the Tenant Action Funds Table for its consideration (Please see Attachment 4 for details on application requirements and process);
3. Tenant Action Funds Table (the "TAF Table") receives the project application from the TPC;
4. On a monthly cycle, the TAF Table considers the project applications submitted against the TAF application Guidelines and, upon confirming

that the project is consistent with the TAF Guidelines, approves the project. In the event of that the TAF Table is required to decide between the approval of multiple applications, decisions will be based on an assessment of the manner in which the application identifies goals that are to be achieved through the implementation of the proposed project and the degree to which the application identifies objective benefits to the affected community, from the implementation of the project; (Please see Attachment 4 for details on application forms, requirements and process);

5. The TPC will check if the approved project items can be purchased from vendors on TCHC's existing list of approved vendors. In the event that such items are not available from existing TCHC approved vendors, TCHC may facilitate their purchase in accordance with its Procurement Policies and Procedures, as they may exist from time to time;
6. The Manager of Community Safety and Support ("Manager CSS") will approve the request for purchase based on their review of the approved application from the tenant, its adherence to the TAF application guidelines (each project budget limit, and compliance to meeting Community Action Plan objectives and in accordance with the Procurement Policy) before the TPC processes the purchase;
7. Once the items have been ordered Local Community Services Coordinator (CSC) will meet with the vendor and tenant applicant on-site and, upon confirming that the required goods and/or services have been provided in accordance with the approved project application, will approve the invoice for payment;
8. The Local CSC will appropriately document the delivery of any goods or services delivered in accordance with an approved project as identified through this attendance and will retain such documentation, including the original tenant application form, the approved TAF table signatures, the order form documentation and signed invoices. (Please see attachment 6 TAF Verification Checklist for more details) in systems established by TCHC to record service delivery related to the program;
9. The TPC will process the invoice for the Manager CSS to review (to ensure that the submitted invoice references goods and/or services that are consistent with the approved project, is provided by the approved vendor at the approved price and that the invoice reflects the CSC

confirmation that the required goods and/or services have been provided in accordance with the approved project application) approve (if appropriate) and consolidate with invoices related to other approved projects;

10. Consolidated Invoices are sent, by the Manager CSS, to the Manager, Tenant Engagement System ("Manager, TES") to review and to ensure that the consolidated packages are in accordance with the procedure.
11. Manager, TES reviews the consolidated TAF invoices to ensure that the submitted invoice references goods and/or services that are consistent with the approved project, is provided by the approved vendor at the approved price and that the invoice reflects the CSC's confirmation that the required goods and/or services have been provided in accordance with the approved project application and that the total value of the submitted invoices, from all projects, falls within the scope of the overall program budget. In the event that the Manager, TES confirms that the invoice reflects these requirements, the Manager TES approves the invoices and forwards them to Finance;
12. Finance will develop a monthly reconciliation report to confirm that the total value of the submitted invoices, from all projects, falls within the scope of the overall program budget;
13. Manager, TES uses the monthly Report when considering future consolidated invoice packages and to track total funds disbursed and processes new applications based on budget.

CABR Community Funds

1. Tenant Training Facilitators (TTF) will review the applications to ensure that:
 - a) the tenant applicant's personal information, project details and eight (8) signatures from tenants are included and that no more than two (2) signatures from the same household are listed;
 - b) the project demonstrates how the application addresses tenant priorities; and
 - c) The tenant applicant's signature is included on the last page (hand written or e-signed).
2. When the TTF confirms that the application is complete, the TTF forwards the application to the CABR Centre Community Funds Table;

3. The CABR Centre Community Funds Table receives the project application submitted by a TTF;
4. The CABR Centre Community Funds Table considers the project application against the CABR Centre Community Funds application toolkit (Attachment 5) and, upon confirming that the project is consistent with the CABR Centre Community Funds application toolkit, the projects' ability to address priorities in the eight point plan, approves the project. In the event of that the CABR Centre Community Funds Table is required to decide between the approval of multiple applications, decisions will be based on an assessment of the manner in which the application identifies the manner in which it will address priorities in the eight point plan and the degree to which the application identifies objective benefits to the affected community, from the implementation of the project;
5. TCHC Clerk in the CABR Centre will check if the approved project items can be purchased from vendors on the approved vendor list. In the event that such items are not available from existing TCHC approved vendors, TCHC may facilitate their purchase in accordance with its Procurement Policies and Procedures, as they may exist from time to time;
6. Manager, Centre, will approve the request for purchase based on reviewing the approved application from the tenant, adhering to the CABR Centre Community Fund application guidelines (each project budget limit, and compliance to meeting Eight Point Plan objectives and in accordance with the Procurement Policy) before the Clerk processes the purchase;
7. Once the items have been ordered, the Tenant Training Facilitator (TTF) will meet with the vendor and tenant applicant on-site and, upon confirming that the required goods and/or services have been provided in accordance with the approved project application, will approve the invoice for payment;
8. The TTF will appropriately document the delivery of any goods or services delivered in accordance with an approved project as identified through this attendance and will retain such documentation, including the original tenant application form, the approved the CABR Centre Community Funds Table signatures, the order form documentation and signed invoices. (Please see Attachment 7 for the CABR Centre

- Community Funds verification checklist), in systems established by TCHC to record service delivery related to the program;
9. Following approval by the TTF, the Clerk will process the invoice for the Manager, Centre to review to ensure that the submitted invoice references goods and/or services that are consistent with the approved project, is provided by the approved vendor at the approved price and that the invoice reflects the TTF's confirmation that the required goods and/or services have been provided in accordance with the approved project application, approve (if appropriate) and consolidate with invoices related to other approved projects;
 10. Consolidated invoices are sent, by the Manager, Centre, to the Director, Centre to review and to ensure that the consolidated packages are in accordance with the procedure.
 11. Director, Centre reviews the consolidated CABR Community fund invoices to ensure that the submitted invoice references goods and/or services that are consistent with the approved project, is provided by the approved vendor at the approved price and that the invoice reflects the TTF's confirmation that the required goods and/or services have been provided in accordance with the approved project application and that the total value of the submitted invoices, from all projects, falls within the scope of the overall program budget. In the event that the Director, Centre confirms that the invoice reflects these requirements, the Director, Centre approves the invoices and forwards them to Finance;
 12. Finance will develop a monthly reconciliation report to confirm that the total value of the submitted invoices, from all projects, falls within the scope of the overall program budget;
 13. Director, CABR uses the monthly Report when considering future consolidated invoice packages and to track total funds disbursed a based on budget.

The attachment materials (Attachment 8) highlight the approval processes flows and their controls established to ensure the responsible and transparent disbursement of funds.

NEXT STEPS:

Upon BIFAC and Board approval, staff will implement the Tenant Funds Distribution Policy in accordance with the Procedures attached to this Report. This will include a comprehensive communication strategy and training materials to implement the processes, controls and delivery model as stated in this Report. While staff believe that the oversight and control processes established in this policy provide rigorous and responsible oversight, the program delivery plan is adaptive to further enhancements resulting from the outcomes of the PB review in 2023.

IMPLICATIONS AND RISKS:

Failure to implement these programs may result to the following:

- Financial loss to TCHC arising from a lack of appropriate operational and procedural controls to ensure transparency and value for money are in place to ensure financial accountability in connection with the expenditure of public funds;
- Reputational risk to TCHC, impacting the tenant engagement system, where tenants rely on achieving the objectives of the Community Action Plans, and the CABR strategy; and
- Further isolation of individuals who rely on their participation in these programs as part of their social networking and wellbeing.

SIGNATURE:

“Nadia Gouveia”

Nadia Gouveia
Chief Operating Officer (Acting)

ATTACHMENTS:

1. Tenant Funds Transfer Policy
2. Tenant Action Funds Procedures
3. Confronting Anti-Black Racism Centre Community Funds Procedure
4. Tenant Action Funds Application Guide
5. Confronting Anti-Black Racism Centre Funds Application Toolkit
6. Tenant Action Funds Verification Checklist

7. Confronting Anti-Black Racism Centre Community Funds Verification Checklist
8. Tenant Action Funds Process Flow
9. Confronting Anti-Black Racism Centre Community Funds Process Flow

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