

ONN POLICY PRIORITIES 2020-2021

BURDEN REDUCTION IN PROVINCIAL FUNDING AGREEMENTS

Reducing red tape in transfer payment agreements so nonprofits can focus on outcomes

THE ISSUE

A high administrative burden costs government, nonprofits, and the communities we serve.

Funding agreements (called transfer payment agreements) with the Ontario government impose a significant administrative burden on nonprofits. There is a need to simplify and streamline application processes, agreements, budget templates, and reporting requirements - in a nutshell, to modernize the funding relationship to focus on service delivery outcomes.

POLICY STATEMENT

ONN advocates for reduced red tape in transfer payment agreements so that government and nonprofits can have a shared focus on accountability for outcomes. We advocate that new modes of funding (such as regional bid processes or direct funding) be rigorously evaluated to ensure that they contribute to cost-effective, sustainable programs that provide long-term benefits to participants and local communities while strengthening the nonprofit sector to continue to innovate. We advocate for governmental and non-governmental funders to provide open data, and to engage in administrative data sharing arrangements that provide valuable information on programs and services while respecting privacy. And in a context where, increasingly, nonprofits operate in a competitive marketplace with for-profit service providers, we advocate for nonprofits to retain any year-end surpluses that they generated through innovation and administrative efficiencies.

NEXT STEPS

Advocate for the Ontario Government to:

Create a joint government-nonprofit table on Transfer Payment Agreement (TPA) Consolidation and Red Tape Reduction with an emphasis on:

- mandating standard agreements with a common chart of accounts (i.e., a small number of standard budget lines and reasonable administrative cost ranges), a form of standardization that is a precondition for umbrella agreements across program streams;
- having agreements and funding in place at the beginning of the fiscal year for ongoing programs (along with adequate notice for any changes); and
- developing a standardized risk assessment process across ministries to determine which TPA holders should be eligible for a reduced reporting burden and budget flexibility.

Work with the Ontario nonprofit sector to:

- Provide input to the Ontario Government's red tape reduction efforts for nonprofits.
- Provide input to improve the functionality of the Transfer Payment Ontario (formerly Grants Ontario) portal through which an increasing proportion of funding agreements is managed;
- Explore the impact on nonprofits of funding models such as commissioning, direct funding, regional bid models, and accountable care networks.
- Explore administrative data sharing for improved service delivery, innovation, research and development, and advocacy through Powered By Data's [Administrative Data Policy Coalition](#).