



Structural and Operational Plan
and the
CRFC CCD Program:
Developing Canadian Local Content

for submission to the
Canadian Radio-television and Telecommunications Commission

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EXECUTIVE SUMMARY

This document sets out the structural and operational plan of the **Community Radio Fund of Canada (CRFC)** as requested by the **Canadian Radio-television and Telecommunications Commission (the Commission)** in the 2010 Campus and Community Radio Policy¹ (the Policy). It addresses the following structural items.

1. An administrative funding structure: The CRFC proposes a new mechanism that will allow for an adequate base of operations for moving forward and implementing this plan, and is detailed under "A New Administrative Funding Formula" in Section A.
2. A staffing plan, including the tasks and salaries of each staff member: A short-, medium-, and long-term plan is outlined under "Human Resources" in Section A.
3. A list of other administrative expenses: Current and projected expenses as well as current in-kind contributions, are detailed under "Operational Expenses" in Section A.
4. An appropriate governance structure that demonstrates independence from the stations and the associations: This is discussed primarily under "Governance Structure" in Section A. However, the CRFC also discusses its independence in its funding distribution policies and procedures under "Decision Process" in Section B.
5. How funding will be allocated, with specific criteria and its intended use: The CRFC will begin distributing funding through a new outcomes-based approach upon approval of this plan. This is presented in Section B.
6. A mechanism for collecting funds from commercial broadcasters: The CRFC's relationships and accounting mechanisms regarding the private broadcasting sector are described under "Industry Relations and Funding Management and Accountability" in Section A.
7. Station expenses that will be eligible for funding: Examples of both eligible and ineligible expenses are included under "Decision Process" in Section B.

Additionally, this plan outlines the various levels of accountability of the CRFC and its campus and community radio sector recipients.

1. Accountability of the CRFC to the Commission: This is detailed in Section C: CRFC Reporting.
2. How the CRFC ensures compliance and a reporting mechanism: This is built into the CRFC's funding management policies and procedures, detailed under "Managing Contributions" in Section B.
3. Measures to evaluate the success of funding: This will be done by implementing the outcomes-based approach, detailed in Section B.

¹ Broadcasting Regulatory Policy CRTC 2010-499, Campus and Community Radio Policy, 22 July 2010, www.crtc.gc.ca/eng/archive/2010/2010-499.htm.

INTRODUCTION

When the Commission published the new Campus and Community Radio Policy (the Policy) in July 2010, it included a new funding mechanism for the campus and community radio sector. This is a significant step in meeting the sector's needs.

As submitted by the CRFC and sector associations during the Policy review,
*"the minimum ideal [annual] revenue for the sector is \$52.4 million. This amount would help the sector reach a healthy minimum capacity with enough resources to maintain their existing services and begin to address their development needs. The associations have also stated that an ideal level of revenue for the sector in the long term is closer to \$64.2 million. For the purpose of this submission, we are going to focus on helping the sector achieve its short-term revenue goals. The difference between what the sector is receiving and what it needs is \$20.4 million."*²

The CRFC's priority is to meet half of this goal, or \$10.2 million, in three to five years. The Commission's new Policy takes concrete steps in the direction of establishing regular funding for the sector in the following ways.

- First, the CRFC will receive 0.5% of tangible benefits when there is a transfer of ownership or control of commercial radio undertakings. This funding came into effect as soon as the Policy was published.³
- Second, the CRFC will receive 15% of commercial radio licensees' basic annual contributions to Canadian Content Development (CCD).⁴ Before these contributions come into effect, the Commission must review and approve the CRFC's plan on the use of this new funding.⁵

As noted in the policy:

When a sector of the broadcasting system will be supported by an existing or newly constituted funding mechanism, the Commission must ensure that allocations are made in a fair and transparent manner. Annual reports are generally made public. The Commission therefore expects that accountability structures, clear performance measures and clear oversight provisions are put in place.

Accordingly, the Commission considers that the CRFC must put measures in place to ensure that all funds are accounted for and spent according to this policy. Accordingly, the CRFC must submit to the Commission for its approval, no later than 29 October 2010, a plan setting out the structure of the fund, and measures to ensure that:

- *the CRFC is accountable to the Commission;*
- *stations receiving funding are accountable to the CRFC; and*
- *stations receiving funding are accountable to the Commission.*⁶

² From the CRFC's written submission to the Commission for the Policy review, October 15, 2009, paragraph 23.

³ CRTC 2010-499, paragraphs 106-110.

⁴ This includes all commercial radio stations, including ethnic stations and spoken word stations, with revenues greater than \$1.25 million in the preceding broadcast year, as noted in CRTC 2010-499, paragraph 98.

⁵ CRTC 2010-499, paragraphs 93-99.

⁶ CRTC 2010-499, paragraphs 117-118.

The CRFC submits this plan for Commission approval. Its development has involved strategic planning meetings of the Board of Directors and staff, consultation with the campus and community radio sector, research, and drawing from the CRFC's first two years of operation.

The CRFC welcomes all feedback and comments. Further, it recommends that this plan be reviewed by the Commission within the next two to three years.

It should be noted that the Commission's *Radio Regulations* will be amended to reflect the change in how private radio broadcasters pay their basic annual contributions to CCD. This plan assumes that this will be completed by the end of the current broadcast year, or August 31, 2011.

SECTION A: STRUCTURE OF THE CRFC

About the CRFC

The CRFC's mandate is to provide support to the more than 150 campus and community radio stations in Canada and to foster a well-resourced, dynamic, and accessible sector. It is an organization that distributes funds for the development and sustainability of local community radio broadcasting. The goal of the CRFC is to provide this support under the following program priority areas.

1. Local Community News and Access: Local reflection in news, public affairs, and arts and culture; community access and outreach programming, including training and production.
 - Production of local news and community affairs programs
 - Training for community news production staff
 - Support for official language minority and third-language news programming
2. Community Music and Expression: Programming and projects that highlight and promote local music and emerging artists.
 - Support to stations for outreach, acquisition, and archiving of local music, particularly in under-represented genres
 - Assistance to record, digitize, and distribute recordings from local artists
3. Emerging Distribution Technologies: Planning and implementation of systems to support new program delivery technologies.
 - Training staff and volunteers in the practical use of new communications technology
 - Research of digital distribution techniques appropriate for community radio content
 - Support for station computer technology and connectivity
4. Sustainability and Capacity-Building: Skills and knowledge central to the ability of community radio stations to effectively serve their local communities
 - Assistance to stations in core competency areas including governance, management, programming, volunteer support, community relations, and development
 - Assistance to national community radio associations to provide key support services and resources to local stations
 - Support for stations in communities underserved by other media, including rural areas

The CRFC was founded in November 2007 as the result of a three-year partnership among Canada's largest community radio associations: the Alliance des radios communautaires du Canada (ARC du Canada), the Association des radiodiffuseurs communautaires du Québec (ARCQ), and the National Campus and Community Radio Association (NCRA/ANREC). While established by these radio associations, the CRFC is a distinct organization with its own membership, board of directors, and decision-making processes.

The CRFC is a federally incorporated not-for-profit organization. Its fiscal year runs from September 1 to August 31. It conducts an annual external audit and files annual reports each November with the Commission, funders, CRFC members, and other stakeholders.

Please see [Appendix 1](#) for the CRFC's by-laws.

Governance Structure

The structure of the CRFC allows for accountable and transparent decision-making while also incorporating input from all stakeholders.

Members

Membership is open to campus and community radio broadcasting stations in Canada that have a valid licence from the Commission under Public Notices CRTC 2000-12, 2000-13, or 2010-499, as well as to associations that represent at least 20 of these licenced stations.⁷ Stations and associations do not need to be members of the CRFC or any other community radio association to be eligible to apply for or receive funding.

Annual General Meeting

Every fall, the CRFC holds an Annual General Meeting (AGM) in Ottawa. Members are invited to participate in person or through a proxy. The CRFC uses proxy participation because its membership is national in scope and does not have the funding to support members' travel costs.

Forty-five days before each AGM, the CRFC announces the official date to the members. They are provided with the agenda, information about in-person and proxy participation, board election information and a ballot form, and any by-law amendments along with a voting form. The annual report and audit are presented at the AGM and then immediately distributed to members by email.

Other than the presentation of reports, the two major agenda items are board elections and by-law amendments. In each case, members can submit their ballots and voting forms before the AGM to CRFC staff or to their proxy, or they can cast their votes in person on the day of the meeting. There are no additional motions accepted from the members present in person at the AGM because those members participating through a proxy would not be aware of these motions. Other business may be considered as long as it does not require a membership vote.

Board of Directors

The role of the Board of Directors is to provide governance, conduct strategic planning, and develop and oversee the implementation of policy. The Board is made up of five to nine elected directors as well as three non-voting ex officio directors from the three founding campus and community radio associations,⁸ although it is the elected directors that are the primary decision-makers. All directors serve without remuneration.

The board elections are conducted at each AGM by the nominations committee and are described below under "Governance Functions." Elected directors serve for two years, and ex officio directors have no term limits. The CRFC uses a rotating-board system to ensure

⁷ CRFC By-laws, By-law No. 1, Article 11.01(a).

⁸ As noted on the previous page, the founders are ARC du Canada, ARCQ, and the NCRA/ANREC.

continuity. At the first meeting of each new board, elected directors are selected as officers for one-year terms as president, vice-president, secretary, and treasurer.

The CRFC aims to have a diverse board with a wide range of skills and experience. It looks for directors with expertise in at least one of the following areas: governance, funding organizations and/or programs, accounting, fundraising, communications, media, law, and broadcasting (community or otherwise) and its regulation. However, as noted in the CRFC by-laws,⁹ elected directors cannot be affiliated with any potential recipient, meaning they cannot be a director, officer, staff member, or active volunteer¹⁰ of any campus or community radio station or related association.¹¹

The Board meets every one to two months by teleconference and at least once annually in person. Regular agenda items include an executive director report, a financial report (including a balance sheet and budget-versus-actual report), and updates from committees as needed. Other items generally pertain to governance and oversight issues that require discussion at the Board level. Generally, the Board operates on a consensus basis. However, when the need arises and on more important issues, a vote is taken.

In addition to monthly meetings, the Board communicates through a private email list and uses a private website that contains documents such as Board and committee minutes, policies, letters, and proposals. This website is also used in conjunction with the email list to facilitate decision-making between Board meetings.

As part of its governance role, the CRFC Board assesses its functioning, committees, and composition as the need and opportunity arises. It oversees the development, implementation, and assessment of effective corporate governance principles and guidelines, including:

- Monitoring compliance with any rules, regulations, procedures, or guidelines put into effect by regulatory authorities having jurisdiction over the CRFC
- Orienting newly elected and appointed directors
- Monitoring and reviewing any succession plans for the positions of president, executive director, and other senior positions, and making recommendations to the Board on the selection of these positions
- Overseeing the CRFC's policies concerning business conduct, ethics, public disclosure of material information, social and environmental sustainability, and other matters

Campus and Community Radio Associations and the CRFC

In addition to the elected directors, the three community radio associations each appoint one representative as a non-voting ex officio director to the Board.¹² As leaders in the sector, these associations work with campus and community stations on a day-to-day basis

⁹ Ibid, By-law No. 1, Article 3.02(c).

¹⁰ Ibid, By-law No. 1, Article 1.01(b), "hosting or producing a radio show, volunteering for at least three (3) public or in-house events in the previous twelve (12) months, or is a member of any board/staff/volunteer committee."

¹¹ However, all elected directors, as well as ex officio directors and employees, are reimbursed for costs associated with their work with the CRFC, such as travel, accommodations, and long distance calls; they are also paid a food-related per diem for in person board meetings at a rate of \$45 for a full day or broken down by meals as necessary: \$8 for breakfast, \$12 for lunch, and \$25 for dinner.

¹² For a definition of ex officio directors, please see Heidi Wiesenfelder, eHow, [What Is an Ex Officio Board Member](http://www.ehow.com/about_5114439_ex-officio-board-member.html), "An ex-officio Board member is one who becomes a member of a Board not through the regular election process but by virtue of another position that he or she holds," http://www.ehow.com/about_5114439_ex-officio-board-member.html.

and have an intimate grasp of their members' realities. It is integral to the work of the CRFC that the associations are represented to provide their perspective and knowledge concerning the financial needs of the stations and their capacities and constraints in fulfilling those needs. The associations also have a keen understanding of the current state of the sector and its place in the Canadian broadcasting industry. Their participation and insight help the CRFC to make effective and relevant decisions in line with the needs of the sector.

Additionally, the associations work with various government departments and other entities to increase funding for the sector through the CRFC. The Policy review was an excellent example of this, as the sector associations advocated for industry-related funding to be directed to the CRFC. Therefore, it is important that they have formal representation on the CRFC Board to ensure a common vision and approach to resource development, operations, and funding distribution.

As the associations are also eligible recipients of CRFC funding, it is built into the CRFC structure that the ex officio directors are not in a position to influence the decisions of the Board and that the CRFC remains a separate and arms-length organization. As a result, these directors:

- Are non-voting members of the Board
- Do not factor into any board quorum requirements
- Cannot hold any officer positions (president, vice-president, secretary, treasurer)
- Cannot chair any committee
- Do not participate in board in-camera discussions, unless invited
- Cannot sit on the program committee or any related sub-committee and so have no direct involvement in policies and decision-making related to the distribution of funding

Governance Functions

Executive Committee

The Executive Committee acts on behalf of the Board between meetings and deals with issues that do not require the involvement of the full Board. It is made up of the president, vice-president, secretary, treasurer, and executive director. The secretary keeps minutes of these meetings, which are then presented to the Board in the form of a verbal summary and, if requested, in full by email. This committee is directly responsible for the CRFC's human resources, including the review and evaluation of the executive director and other employees and contractees as required.

Financial Oversight and Management

The CRFC treasurer and executive director oversee and administer the finances of the organization. Together, they review the CRFC's accounting framework, financial and performance information, internal controls and risk tolerance, and compliance with financial legislation and regulations. They also ensure proper reporting to the Board, membership, auditor, and any other relevant internal or external stakeholders. The executive director reports to the treasurer on all related matters, who in turn reports directly to the Board.

Each year, the Board names the treasurer, executive director, and at least one other director as signing authorities for the organization. All signing authorities are restricted to actions directed by the CRFC's by-laws, policies, the *Canada Corporations Act*, and other directives recognized by the Board.

Role of the treasurer

The treasurer is responsible for reporting on the financial health and activities of the CRFC to the Board. He/she ensures that the budget is adhered to. To this end, the treasurer has regular contact with the executive director for the purpose of processing finances.

As one of the three signing authorities, the treasurer signs expense and payroll cheques as well as reviews and approves all accompanying documentation. He/she also reviews and approves all account reconciliations and statements.

The treasurer then presents a financial report, based on reconciled accounts, consisting of a summary picture of activities, a year-to-date budget-versus-actual report, and a balance sheet at each Board meeting. Written versions of these documents are presented one week prior to the meeting.

The treasurer is also responsible for presenting the annual financial report and audited financial statements to the membership at the AGM. The treasurer also works with the executive director to develop the annual budget for approval.

Role of the executive director

The executive director is responsible for the day-to-day operations of the CRFC. He/she is responsible for financial management while adhering to the Board-approved budget. He/she makes monthly reports to the treasurer consisting of at least an income statement, balance sheet, reconciliation report (including credit card), aging payables, and aging receivables.

The executive director is one of three signing authorities for the organization. He/she also works with the treasurer to develop the annual budget as well as ensuring the annual audit is performed within six months of the fiscal year-end.

Nominations Committee

Within six months following each annual board election, the CRFC Board appoints a nominations committee. It is comprised of at least two directors and one officer. At its first meeting each year, it determines which skill areas are in demand or will need to be filled as terms end for outgoing directors.

Ninety days before each fiscal year, this committee invites CRFC directors and members to submit nominations for the next board election. It distributes an information packet and nomination form. The committee includes the desired qualifications, skills, and commitment required of board members. Once nominated by a member, each candidate is asked to submit the signed form, a statement on why they are interested in running and what skills they bring, and other documents, such as a résumé, that outline their skills and experiences. Once received, the committee verifies each candidate's qualifications and eligibility. It can also identify additional candidates who have the requisite skills, knowledge, and experience as well as meeting the CRFC's needs in terms of proficiency in both official languages.

Sixty days before the AGM, the committee presents the list of candidates to the Board of Directors who qualify to stand for election. The Board then has two weeks to approve the committee's list. All eligible candidates are placed on the ballot. Forty-five days before the AGM, the committee provides the list of candidates and a ballot form to the members. All ballots received prior to the AGM are tallied along with those cast at the meeting.

Program Committee

When awarding funding to the campus and community radio sector, it is the CRFC's goal to ensure that it is well-targeted and used efficiently while being flexible and responsive to the various needs of recipients. To help reach this goal, the CRFC has an active program committee and selection committees to assess applications and recommend recipients. (Please note that details and processes regarding the selection committees are included in Section B under "Decision Process.")

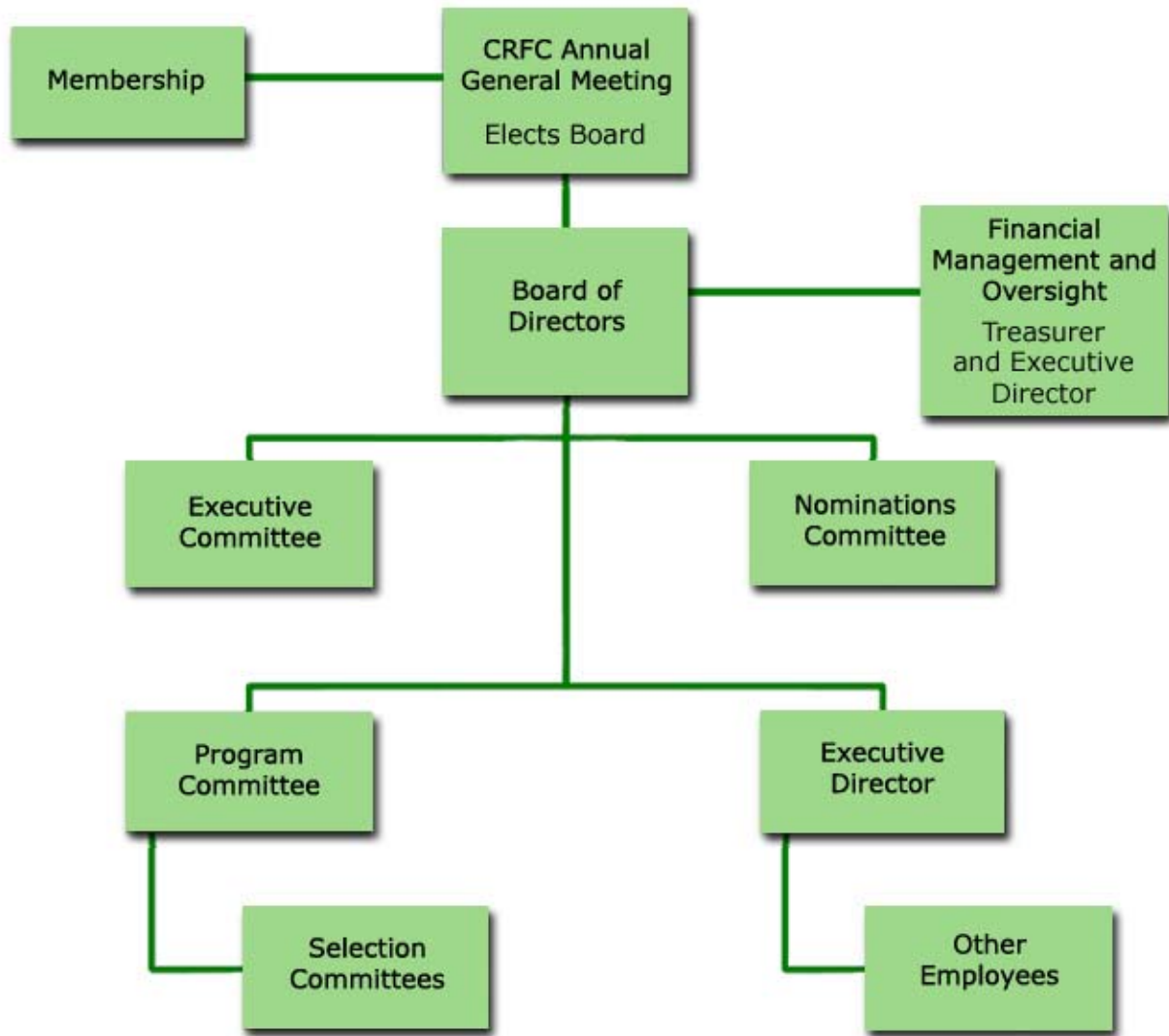
The role of the program committee is to oversee all aspects of the development and execution of programs and the distribution and evaluation of funding. It works closely with the CRFC staff to create, implement, and update all related documents, policies, and procedures. It also provides support to staff regarding the assessment of mid-term and final reports from CRFC recipients.

The CRFC Board assigns one of the elected directors to act as the chair of the program committee. The committee also has at least two other members, which may come from the CRFC's elected directors or from outside the CRFC. Committee membership is not open to the ex officio directors. When looking outside of the CRFC, the program committee looks for relevant experience and skills with other funding agencies. Any external committee member must show that he/she does not have any affiliation or any potential conflict of interest with any eligible applicant.

CRFC staff work closely with the program committee and implement its directives and tasks. They report directly to the committee or the chair as required with regard to the status of potential, current, and past recipients; however, they do not participate in any committee votes.

While CRFC staff recruit members for the selection committees and coordinate their activities (described in Section B), the program committee ensures that candidates are skilled, experienced, and have the necessary tools for assessing applications.

CRFC Structural Diagram



Human Resources

The following plan outlines CRFC human resources under two operational scenarios. Providing for different needs based on the overall funding to be managed and distributed, each scenario addresses the CRFC's two primary functions: (1) the strategic development of the fund to meet the needs of the campus and community radio sector, and (2) the development of programs and associated distribution of funds.

Short-term plan

Beginning September 1, 2011, the CRFC projects that it will receive approximately \$1.4 million in new CCD revenues. It must have a large enough operational budget to employ an executive director and a program officer in order to distribute this funding.

Executive Director

The executive director is responsible for the leadership and management of the CRFC in pursuing its mission to support the development of the campus and community radio sector in Canada. He/she reports to and works in close partnership with the Board of Directors and is responsible for developing and managing the CRFC budget as well as staff and volunteers. The executive director oversees the day-to-day operations, including funding programs and distribution. He/she is also responsible for the strategic development of the CRFC, including relations with government, industry, and the campus and community radio sector, as well as fulfilling the CRFC's priority for resource development. This includes responsibility for:

- Leading the future development and implementation of this structural and operational plan
- Industry relations, including liaising with the Commission, private broadcasters, and other relevant stakeholders
- Engaging with government to increase awareness of the CRFC in order to obtain federal funding, either through existing programs, discretionary funding, or the creation of a new funding envelope or program specifically for the campus and community radio sector
- Presenting the CRFC to other prospective funders
- Overseeing the CRFC's ongoing organizational operations, human resources, programs, and services
- Providing leadership and support to the Board and its committees.

This is a full-time 40-hour/week position with a salary range of \$60,000 to \$70,000, based on experience.

Program Officer

The program officer is responsible for all aspects of the planning, assessment, and distribution of CRFC funding. Working with the CRFC program committee, he/she is responsible for:

- Coordinating calls for funding applications, including responding to questions
- Providing guidance and support to selection committees
- Coordinating the announcement of funding decisions and explanations to successful recipients and unsuccessful applicants, as well as information and interview requests from media
- Providing guidance and support to recipients

- Receiving and compiling information from recipient final reports for review and use by the executive director and program committee

This is a full-time 40-hour/week position with a salary range of \$40,000 to \$50,000, based on experience.

Medium-term plan

As the CRFC grows, so will its human resources. At such time as the CRFC's budget permits, it will employ an administrative assistant to help with clerical duties and administration.

Administrative Assistant

The assistant will provide ongoing administrative support to CRFC employees as required. He/she will carry out such tasks as:

- General accounting duties like bookkeeping and filing
- Basic membership services like communicating updates and application deadlines as well as coordinating communications for the AGM
- Maintaining and updating the CRFC website
- General communications like directing inquiries and distributing press releases and other similar materials

An administrative assistant will be hired with an hourly rate ranging from \$17-\$20 per hour, to be increased based on CRFC needs, operational resources, and experience.

Long-term plan

With increased revenues, the CRFC will experience a rise in applicants, recipients, and stakeholder relationships. Additional employees will be hired under the same descriptions outlined above. For example:

- An industry relations person would see the strategic leadership responsibilities shared by two people.
- A second program officer would see the funding management tasks split between two people.
- Additional administrative assistants would allow for increased specialized and focused support for the other employees.

Sources of Revenue

This plan focuses strictly on current and projected revenues from commercial broadcasters through annual CCD contributions and tangible benefits.

Current CCD Revenues

The following CCD revenues are derived from Commission decisions on new applications as well as contributions received from benefits package amendments.

Current CCD Revenues	Description	Total to date
Astral Media purchase of Standard Broadcasting ¹³	This agreement will end in the 2013-2014 broadcast year.	\$1.4 million, or \$200,000 annually over seven years
COGECO purchase of Corus stations ¹⁴	This agreement will end in the 2016-2017 broadcast year.	\$840,000, or \$120,000 annually over seven years
Rogers Broadcasting purchase of CHST-FM London ¹⁵	This agreement will end in the 2016-2017 broadcast year.	\$160,000, or \$22,857 annually over seven years
Rogers Broadcasting purchase of CHBN-FM Edmonton ¹⁶	This agreement will end in the 2016-2017 broadcast year.	\$110,000, or \$15,714 annually over seven years
CTV purchase of CFXJ-FM Toronto ¹⁷	This agreement will end in the 2016-2017 broadcast year.	\$137,871, or \$19,696 annually over seven years
Total	\$2,647,871, or \$378,267 annually over seven years	
Astral Media ¹⁸ (amendment)	The CRFC received this contribution in the 2009-2010 broadcast year.	One time contribution of \$300,000
SIRIUS Satellite Radio (amendment)	The CRFC will receive this contribution for the 2010-2011 fiscal year	One time contribution of \$200,000

¹³ Broadcasting Decision CRTC 2007-359, 28 December, 2007, <http://www.crtc.gc.ca/eng/archive/2007/db2007-359.htm>.

¹⁴ Broadcasting Decision CRTC 2010-942, 17 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-942.htm>.

¹⁵ Broadcasting Decision CRTC 2010-953, 22 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-953.htm>.

¹⁶ Broadcasting Decision CRTC 2010-972, 23 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-972.htm>.

¹⁷ Broadcasting Decision CRTC 2010-964, 23 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-964.htm>.

¹⁸ Broadcasting Decision CRTC 2009-794, 22 December, 2009, <http://www.crtc.gc.ca/eng/archive/2009/2009-794.htm>.

Projected Tangible Benefits

Should the following applications be approved by the Commission in the 2010-2011 year, the CRFC will begin receiving revenue from these tangible benefits related to transfers of ownership in private radio transactions.

Projected Tangible Benefits	Description	Total Projected Tangible Benefits
Bell Canada purchase of CHUM Radio Division ¹⁹	Based on radio benefits package proposed in application ²⁰	\$1.59 million, or \$227,143 annually over seven years
Haliburton Group purchase of CJCS-FM and CHGK-FM ²¹	Based on reported value of the transaction (\$3.4 million)	\$17,000, or \$2,429 annually over seven years
Haliburton Group purchase of CFSF-FM ²²	Based on reported value of the transaction (\$500,000)	\$2,500, or \$357 annually over seven years
Total		\$1.61 million, or \$229,929 annually over seven years

Basic Annual Contributions to CCD

Following the public process associated with this plan and any-related decisions and activities arising from it, the CRFC will begin receiving 15% of private broadcasters' basic annual CCD contributions (for stations earning more than \$1.25 million). This plan assumes that the Commission's *Radio Regulations* will be amended by August 31, 2011, and therefore, the CRFC will begin receiving annual contributions in the 2011-2012 broadcast year.

As noted in the Policy, if, in the present year, "*all commercial licensees were subject to section 15 of the Regulations and based on estimates of contributions to CCD by the commercial radio sector for 2009, which reflect the revenues of the previous broadcast year,*"²³ this would "*result in approximately \$775,000 in additional funds for the CRFC.*"²⁴

Therefore, our current and projected total revenues for the next three years are as follows:

Source	2010-2011	2011-2012	2012-2013	2013-2014
Existing CCD related agreements	\$578,267	\$378,267	\$378,267	\$378,267
Projected tangible benefits	\$229,929	\$229,929	\$229,929	\$229,929
Basic annual CCD contributions	\$0	\$789,725	\$797,622	\$805,598
Total	\$808,196	\$1,397,921	\$1,405,818	\$1,413,794

Projections of annual CCD contributions include a factor for inflationary increase of 1.9% for 2010-2011 (latest annual inflation rate according to Statistics Canada) and of 1% in subsequent years (lowest target rate of the Bank of Canada).

¹⁹ [Broadcasting Notice of Consultation CRTC 2010-926](http://www.crtc.gc.ca/eng/archive/2010/2010-926.htm), 09 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-926.htm>.

²⁰ Ibid, [Application 2010-1506-6](#), "DM#1472900 - 2010-1506-6 - AddInfo - benefits letter," 03 December 2010.

²¹ [Broadcasting Notice of Consultation CRTC 2010-935](http://www.crtc.gc.ca/eng/archive/2010/2010-935.htm#13), 13 December 2010, <http://www.crtc.gc.ca/eng/archive/2010/2010-935.htm#13>.

²² Ibid.

²³ [Broadcasting Regulatory Policy CRTC 2010-499](http://www.crtc.gc.ca/eng/archive/2010/2010-499.htm), 22 July 2010, paragraph 101, <http://www.crtc.gc.ca/eng/archive/2010/2010-499.htm>.

²⁴ Ibid, paragraph 102.

Other Revenue

While this plan focuses on the use of funding related to CCD contributions and tangible benefits, the CRFC must seek the balance of funding required for the sector.

As resources grow over the next two to three years, the CRFC will focus on creating and implementing an action plan that details potential sources, related tasks, and timelines of activities for each source. It is expected that this plan will focus on the following types of revenues in the short- and medium-term.

- Various federal government departments and programs
- Foundations
- Corporations
- Unions
- Individual Donations

Administrative Funding Structure

The CRFC aims to limit its operational expenses and maximize funding to the sector. However, in order to serve the sector's needs, work with the Commission and the broadcasting industry, and distribute and manage its funding contributions, the CRFC requires an efficient organizational structure. Therefore, a percentage of its revenues need to be allocated for operational costs. Even with a small base of funding to distribute, the CRFC still requires a functional organization to manage the various steps involved in administering funding programs and ensuring effective communications and accountability to its stakeholders.

Given the projected levels of revenue, the CRFC cannot do this within its current approved allocation formula. The CRFC recognizes that other organizations have lower percentages of revenue allocated to administration; however, their revenues are significantly higher. Once the CRFC has a guaranteed, stable operational amount, it will be able to lower the percentage of revenue for administration.

In order to operate, the CRFC needs an annual operational base of \$225,000 in the short-term to employ an executive director and program officer (as outlined under "Human Resources" in Section A), maintain an office, undertake strategic planning, and cover its basic operations.

As the CRFC grows, secures additional funding, and manages an increased number of programs, applications, and funding agreements, it will need additional employees, communications, and services. At that point, the CRFC will need at least \$300,000 to adequately fulfill these needs.

Please see the next section for a description of CRFC operational expenses and projected costs at each level.

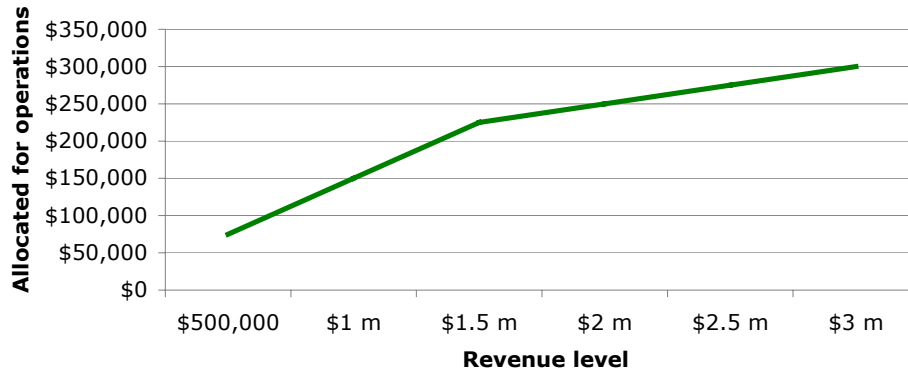
A New Administrative Funding Formula

The CRFC proposes the following formula to be used regarding its administrative allocation:

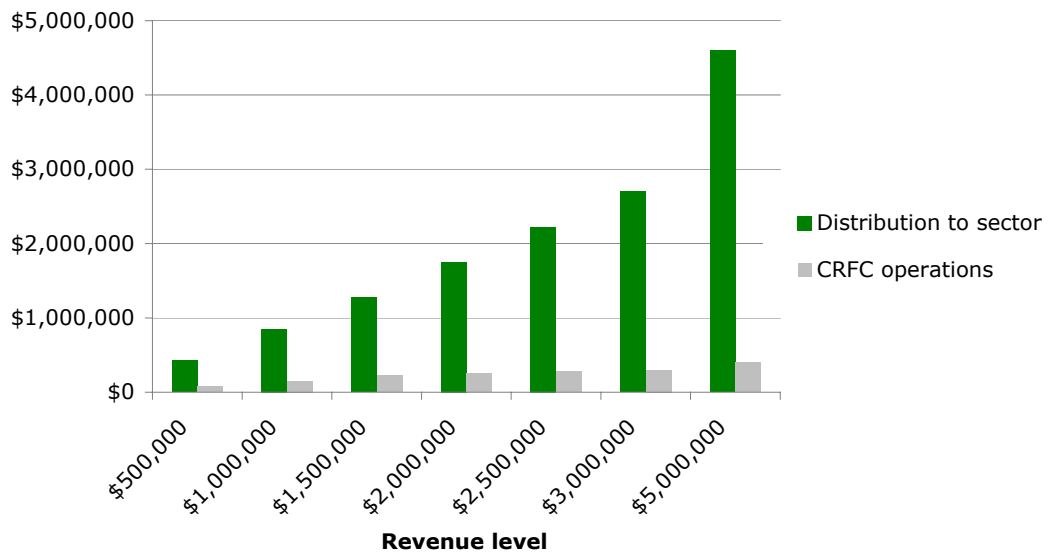
- 15% of CCD revenues up to and including \$1.5 million be allocated for operations
- 5% of revenues over \$1.5 million be allocated for operations

The staggered formula ensures sufficient operational funding for effective governance and programs even with minimal revenues. With \$1.5 million in CCD revenue, there would be enough resources to hire additional staff to support its management of funding distribution and development activities.

Likewise, it ensures that operations do not expand beyond the required levels as revenues increase – as they grow, the amount available for CRFC operations will begin to level off. As a result, while the CRFC would allocate 15% with revenue levels at \$1.5 million, it effectually decreases to 13% at \$2 million, 10% at \$3 million, and 8% at \$5 million.



Over time, this formula will have minimal impact on the amount of funding available to the campus and community radio sector.



This allocation formula will be reviewed, along with the rest of this plan, in two to three years. At that time, the CRFC aims to be receiving other sources of revenue that contribute to its operations, and so this formula could be adjusted.

Current CRFC Operational Funding

When the Commission certified the CRFC as an eligible recipient of CCD contributions in April 2008, the allocation for operations was established at 20 percent of revenues up to and including \$200,000 and five percent on amounts above \$200,000.

CRFC REVENUE	2008-2009		2009-2010		2010-2011	
	For Distribution	For Operations	For Distribution	For Operations	For Distribution	For Operations
Astral	160,000	40,000	²⁵ 160,000 285,000	40,000 15,000	160,000	²⁶ 40,000 40,000
Membership Fees		620		1280		1,640
Interest		2800		2356		2,400
TOTALS	160,000	44,527	445,000	58,800	160,000	84,040

Over the past two years, the CRFC has distributed approximately \$320,000 to fund more than 40 different projects and initiatives. This has involved:

- Launching calls for applications
- Forming selection committees for assessment
- Entering into contracts with each recipient
- Providing ongoing support over the course of each project
- Receiving and assessing final reports

At the same time, the CRFC also formalized many internal policies, processes, and procedures with respect to governance, financial management, and funding distribution. The CRFC has delivered a great deal with a small amount of operational funding. However, the deployment of human resources and the use of in-kind contributions is not sustainable, even in its current scenario with one employee.

The CRFC's activities will increase significantly as it begins receiving annual CCD revenues. Basic costs, not including human resources, amount to approximately \$90,000. Under the current formula, this would leave approximately \$24,000 to cover employees. Given that the CRFC has determined that it needs a full-time and bilingual executive director and program officer, this will not be sufficient to meet those needs.

As well, the CRFC must meet its mandate of supporting the sector. This involves conducting research, holding meetings, giving presentations, and communicating regularly with a variety of potential funders – from private broadcasters, to government officials and agencies, to corporations and foundations. Over the past few years, the CRFC has placed the bulk of its efforts toward establishing both itself and its funding distribution policies and practices. In moving forward, the CRFC will need to lay new groundwork in the area of resource development.

²⁵ The CRFC Board voted to defer this amount to future years until such time as the Commission approved any related proposal regarding this contribution.

²⁶ While the CRFC would normally retain 5% of this amount (as described in the paragraphs following the table), the CRFC filed a request for an exception on August 10, 2010 to reallocate a portion of this contribution for CRFC operations in order to fulfill its obligations pertaining to the 2010 Campus and Community Radio Policy. The Commission approved the reallocation of \$40,000 on August 27, 2010.

The first years of the CRFC's operations have clearly demonstrated the need for sufficient human and organizational resources to deliver basic programs and services. As a result, the CRFC must allocate more of its CCD revenues to operational expenses.

With the proposal of 15 percent on all revenues up to \$1.5 million and five percent on amounts above \$1.5 million, the CRFC would have a total operating budget of \$236,651 for the 2011-2012 fiscal year.

The following budget details the projected expenses and demonstrates the CRFC's short-term needs. The CRFC would be happy to bring this back to the Commission for review within the next two to three years.

Operational Expenses

	Current	Short-Term	Long-Term
Salaries and Benefits			
Wages & Salaries			
Current year reflects one full time executive director, short-term reflects an executive director and program officer, long-term adds an administrative assistant	52,890	120,000	160,000
EI Expense			
Mandatory employment related costs, increases with new employees	1,281	3,000	5,000
CPP Expense			
Mandatory employment related costs, increases with new employees	2,445	5,000	7,500
Employee Benefits			
Related to health/dental benefit plan expenses, increases with new employees	1,500	4,600	7,000
Professional Development			
Related to educational and training opportunities, such as language learning, attending governance or accounting seminars, etc., increases with new employees	0	2,000	5,000
Total Salaries and Benefits	58,616	134,600	184,500
Professional Fees			
Professional & Legal Services			
Legal and accounting costs, with current year reflecting accountant services donated by ARC du Canada.	<i>in kind</i>	3,000	3,000
Directors' Insurance			
Directors' and Officers' Liability Insurance with Aon Reed Stenhouse, with rates based on revenues	1,500	2,000	3,000
Audit			
Annual audit, currently performed by Ottawa's Marcil Lavallée, increased based on greater number of hours to conduct audit	5,085	7,000	7,000
Consultants			
To conduct research, perform specialized tasks/projects, etc. Current year reflects research needed to complete this plan.	6,305	0	10,000
Total Professional Fees	12,890	12,000	23,000

Meeting Expenses			
Annual General Meeting			
Location costs in Ottawa, meeting chair honouraria, and reception	1,032	3,000	3,000
Meetings and Travel			
General Board and staff travel and in-person Board meetings, with this year's meeting being held specifically for finalizing this plan, increase due to additional board members and staff as well as an annual industry consultation with commercial broadcasters and a greater need to meet with potential funders outside of Ottawa with increased board participation	5,093	15,000	20,000
Selection Committees			
Honoraria for selection committees and related meeting expenses, increase due to higher number of selection committees and/or members	2,000	3,000	5,000
Community Radio Conferences			
Attendance at conferences and meetings of the three campus and community radio associations as part of the CRFC's ongoing consultation with the sector and communications with the Commission, increase related to attending entire event rather than select days as well as increased board participation	3,500	4,000	7,000
Total Meeting Expenses	11,625	25,000	35,000
Communications			
Website			
Annual hosting charges and domain renewals, increase due to implementing an online application process as well as minor redesigns.	150	3,000	3,000
Telephone			
Monthly charges, conference calls, and long distance reimbursements, increase due to adding additional lines for more staff people as well as an increase in the number of board directors	1,680	2,500	2,500
Fax			
Currently donated by ARC du Canada	<i>in kind</i>	500	500
Internet			
Currently donated by ARC du Canada	<i>in kind</i>	1,000	1,000
Advertising and Promotions			
Advertising job postings, developing promotional brochures, posters, etc. and other related expenses, increase due to generating more materials as list of recipients and potential funders grows	0	1,000	2,000
Translations			
All written documents and, where possible, public meetings and proceedings, increase due to greater outreach necessary to secure additional funds	9,500	15,000	15,000
Total Communications	11,330	23,000	24,000

Office Expenses			
Rent	<i>in-kind</i>	24,000	24,000
Currently donated by ARC du Canada			
Utilities	<i>in-kind</i>	2,000	2,000
Currently donated by ARC du Canada			
Location Insurance	<i>in-kind</i>	3,000	3,000
Currently donated by ARC du Canada			
Business Fees & Licenses	30	100	100
Annual fees, such as to Corporations Canada			
Interest & Bank Charges	173	200	200
Monthly and yearly fees for Caisse Populaire's Business Freedom Solutions/AccèsD and Membership			
Printing & Photocopying	333	2,000	2,000
Business cards, brochures, and application guides and forms, increase due to greater outreach necessary and generating more materials as list of potential funders grows			
Courier & Postage	150	1,000	1,000
Stamps and other mailing costs, increase due to greater outreach necessary and generating more materials as list of potential funders grows			
Office Supplies	561	3,000	3,000
Basic supplies for staff and Board, increase due to needing to purchase all office furniture and initial supplies that have been donated by ARC du Canada until now			
Memberships	100	100	100
Membership with Volunteer Canada, as one of the benefits of this membership is discounted Board liability insurance			
Computers and Maintenance	150	5,000	5,000
Computers, software, and office & equipment maintenance, depreciation, increase due to needing to purchase new computers as well as software that has been donated by NCRA until now			
Total Office Expenses	1,347	40,400	40,400
Total Operating Expenses	95,308	235,000	306,900

Other Approaches to Operational Funding

To determine best practices and industry standards regarding operational funding, the CRFC looked at other funds in Canada and other countries, as well as similar Canadian non-profit organizations and charities. These findings are in line with what the CRFC has proposed above.

Canadian Funds Supporting Media and Talent

The Foundation Assisting Canadian Talent on Recordings (FACTOR) has a long history of receiving funding through mandatory and voluntary CCD contributions. According to its 2009-2010 annual report, *"Fostering Emerging Artists and Musical Diversity,"*²⁷ FACTOR's administration expenses amount to approximately 10 to 12 percent of its total revenues:

	2009-2010	2008-2009	2007-2008
Total Revenues	20,053,285	18,134,999	13,520,382
Administration Expenses	2,003,967	1,801,047	1,503,324
Percentage of Administration Expenses	9.99%	9.93%	11.11%

However, when FACTOR first started distributing public money in 1986, it used approximately 31 percent of its \$2.4 million in revenue for administration.²⁸

MUSICACTION currently fluctuates between nine and 12 percent for operational expenses, depending on the amount of revenue received in any given year.²⁹

Generally speaking, as revenues have increased for these two funds, the administrative allocation has decreased. As the CRFC grows, it would follow in these footsteps.

International Community Radio Funding Entities

Following its March 31, 2009 report "International Approaches to Funding Community & Campus Radio,"³⁰ CONNECTUS Consulting reviewed the governance, administrative practices, and funding distribution processes for six of the twelve countries originally analyzed for the Commission. The results are summarized in a CRFC-commissioned report entitled "The Administration of Funding for Community Radio – International Approaches."

The structure and distribution processes of Australia's Community Broadcasting Foundation (CBF) are quite similar to those of the CRFC. CONNECTUS notes that "of the six jurisdictions reviewed for this Study, the administrative practices for community radio that have been developed and implemented in Australia provide the model most closely approximating the [CRFC]. This is because Australia's [CBF] operates at arm's length from any government or

²⁷ Available through FACTOR's website at <http://www.factor.ca/docs/AnnualReports/>.

²⁸ Taken from FACTOR's 1987 Annual Report as received by email.

²⁹ This information was obtained by looking at annual reports from 2006-2007 up to 2009-2010 as well as by speaking to representatives at MUSICACTION.

³⁰ Available through the Commission's website at <http://www.crtc.gc.ca/eng/publications/reports/radio/connectus0903.htm>

regulatory authority, and from any other public or private organization or company that may provide its base funds.”³¹

As with the CRFC, stations access funding from the CBF through a competitive application process. Applications are then assessed by advisory committees and scored using a standardized list of criteria.³²

In terms of structure and human resources, the CBF has seven employees to manage its operations and distribute funding to approximately 350 licenced community broadcasters. It also funds “a wide range of community-based broadcasting activities, including terrestrial and digital radio, television and online broadcasting.”³³ There are seven volunteer members on the CBF Board of Directors as well as nine committees of volunteers that assess applications and submit recipient recommendations to the Board.

While the CBF retains 5.8% for operations, it currently receives approximately \$10.6 million annually from the Australian government. This amounts to approximately \$615,000 annually for CBF operations. Given the similarity in approach and the smaller infrastructure, the CRFC estimates that approximately half of this amount, or \$300,000, would be a reasonable benchmark for its own long-term goals.

CONNECTUS also looked at Ireland, France, New Zealand, the United Kingdom, and the United States. The following table summarizes their findings for all six countries regarding their funding bodies, governance structures, and operational approaches.

³¹ The Administration of Funding for Community Radio – International Approaches Final Report, CONNECTUS Consulting Inc., 18 October 2010, page 2.

³² Ibid, pages 4-5.

³³ Ibid, page 3.

(Please note that all monetary amounts are shown in Canadian dollars.)

Country	Funding Agency	Governance and Support of Basic Operations – Admin Fees
Australia	<p>Central funding agency is the Community Broadcasting Foundation. Funded entirely by two departments of the Australian federal government: Australian Department of Broadband, Communications and the Digital Economy and the Department of Environment, Water, Heritage and the Arts.</p> <p>Distributes approximately \$10.6 million annually. Eligible recipients: approximately 350 licenced community stations</p>	<p>An independent organization made up of a seven-member Board of Directors, a seven-person admin staff, and nine Grants Advisory Committees (three to five members per committee).</p> <p>For 2008-09, 5.8 percent of total revenue was used for operations, or approximately \$615K.</p>
Ireland	<p>Ireland's regulatory body, the Broadcasting Authority of Ireland (BAI), administers programs based on the new "Broadcasting Act."</p> <p>Distribution is estimated at approximately 10.9 million annually. Eligible recipients: 15 licenced community stations</p>	<p>Adjudicating Committees include two BAI and two community representatives.</p> <p>Administrative costs are rolled into funds for community radio support. Figures not reported by the BAI.</p>
France	<p>Central funding agency is Fonds de soutien à l'expression radiophonique (FSER), a branch of France's federal Ministry of Cultural and Communication.</p> <p>In 2008, FSER provided approximately \$36 million, largely in operational funding. Eligible recipients: approximately 625 licenced community, cultural, and student stations</p>	<p>Administered by 11-member Commission and additional staff.</p> <p>Admin costs are folded into the overall budget for the Ministry. Figures not reported by FSER.</p>
New Zealand	<p>Central funding body is NZ On Air, an independent federal Crown agency. It provides funding for commercial television & radio and community-based media, as well as for music, digital media, and digital archiving.</p> <p>In 2010, it distributed approximately \$2.1 million to the 12-station community radio sector.</p>	<p>Six-member Board of Directors appointed by New Zealand's Minister of Broadcasting and a 13-person Secretariat.</p> <p>For 2009, 3 percent of total NZ On Air budget -- \$3.7 million -- was for operating expenses. Administrative costs for the community radio element not provided by NZ On Air.</p>
United Kingdom	<p>Central funding body is the Community Radio Fund (CRF), administered by Ofcom, the UK's regulatory body.</p> <p>In 2009-2010, it distributed \$736K to 29 community radio licencees.</p>	<p>Supported by a three-member CRF panel.</p> <p>Operating expenses for the CRF are not reported separately.</p>
United States	<p>Central funding agency for community radio is the Corporation for Public Broadcasting (CPB).</p> <p>Funded by the US federal government.</p> <p>In 2008, it distributed approximately \$57 million to approximately 414 community radio stations.</p>	<p>Seven-member Board appointed by the US President; the Office of Grants Administration oversees operations.</p> <p>Operating expenses of the CPB were not reported.</p>

Canadian Nonprofit Organizations

In researching administrative allocations of other nonprofit organizations in Canada, it was difficult to find comparable organizations in terms of revenue level, human resources, and services provided. Even looking at the community radio associations did not provide comparable operational spending, as their administrative budgets seem to range from 30 to 85 percent of their total annual revenues.

As well, it was difficult to obtain information on any standardized operational percentages. The CRFC did contact several organizations, including CharityVillage.ca and Imagine Canada, two leaders providing resources to Canada's nonprofit and voluntary sector. CharityVillage.ca pointed the CRFC in the direction of the last known study on this subject, a report by the Canadian Centre for Philanthropy in 1993 that focused only on the practices of registered charities. However, Imagine Canada provided the following comment:

"The consensus among our researchers here is that 15% is still the best estimate of the average administrative expenditures in Canada, but this is mostly based on raw data they've seen rather than on any concrete research that's been done."

Industry Relations and Funding Management and Accountability

Accountability and transparency are core values of the CRFC. It also believes strongly in creating an atmosphere that fosters mutually beneficial partnerships among community, commercial, and public broadcasters.

All industry funding stakeholders, whether voluntary or mandated by the Commission, should receive an accounting of the CRFC's operations and finances. At the same time, the CRFC must respect the confidentiality required in its relationships with recipients and the community radio associations.

The CRFC has developed the following set of accountability mechanisms and processes. They apply specifically to commercial broadcasters; however, they form the basis of the same principles and processes that would apply to all CRFC funders.

- The CRFC will meet with commercial broadcasters in person at least once per year for a special industry consultation to discuss current and future funding management and strategy. Additionally, there will be a full assessment of these mechanisms. This will also involve a broader sector-to-sector discussion, as the three campus and community radio associations will also participate. An agenda and all relevant documents will be distributed to all participants at least one week before the meeting. This will be coordinated by the CRFC in terms of scheduling and location.
- Annual reports will be distributed that include a summary of activities, an analysis of funding distribution that includes all expenditures, a summary of recipient successes and challenges, and audited financial statements. (For further details on these reports, please see Section C.)
- The CRFC will produce quarterly reports that summarize current activities of the CRFC and pertinent discussions and decisions of its Board of Directors. A summary financial report, balance sheet, and income statement will also be included.
- The CRFC will create an area on its website dedicated to funder accountability where it will post the minutes from the annual strategic discussion, annual reports, and other relevant information.
- The executive director will be available for meetings and updates throughout the year as the need arises.

Receiving CCD Contributions

The CRFC recognizes its responsibility regarding the collection of all CCD-related revenues.

Transactional Benefits

The CRFC will monitor the Commission's website and broadcast-industry publications and resources in order to stay informed of industry transactions. In cases where communication has not been initiated by either party, the CRFC will contact each relevant applicant. As a general rule, the CRFC will provide: a written overview describing its structure and funding process; a standardized letter of agreement that outlines the terms, payment schedule and use of funding; and an invitation for a phone or in-person meeting.

Basic Annual Contributions

The CRFC will obtain a list of operational licenced commercial broadcasters from the Commission at the beginning of each broadcast year and will track any changes through the Commission's website. On an annual basis, the CRFC will provide a written overview or update describing its structure and funding process. This letter will outline the CRFC's approach to collecting contributions and will confirm that mandatory payments apply only to those stations with revenues exceeding \$1.25 million in the previous broadcast year.

Accounting Procedures

No less than 30 days before the due date, an invoice will be issued. Broadcasters will be able to pay by cheque or electronic funds transfer. In both cases, the CRFC will acknowledge the payment in writing with a receipt. Should payment not be received within 30 days, a reminder will be sent either by post or email. Should payment not be received within 60 days, the CRFC will follow-up with a phone call. If it is unsuccessful within 90 days, the CRFC will inform the Commission and seek input on the matter.

Confidentiality

Any confidential information provided by funders will be disclosed only to staff and the Treasurer and Executive Director (Financial Management and Oversight), and such persons will sign a confidentiality agreement with the respective funder.

Reporting

As noted above, broadcasters will receive annual reports detailing the management of these funds. Such reports will include audited financial statements as well as detailed expenses and activities regarding the use of all CCD revenues.

SECTION B: ALLOCATION OF CCD FUNDING

Outcomes-based Approach

The Commission has asked the CRFC to implement an approach to funding with “*clear performance measures*;³⁴ specifically, “*measures to evaluate the success of funding. Such measures may include, but would not necessarily be limited to, a description of incremental increases in volunteer programming levels or Canadian content levels that occur as a result of funding.*”³⁵

To respond to this mandate, the CRFC will use an outcomes-based approach to funding and evaluation. This approach will be used for all CRFC programs; however, the specifics described here will apply to CCD revenues.

Funding through “The CRFC CCD Program: Developing Canadian Local Content” will be directed at realizing a set of outcomes that reflect the Commission’s decisions outlined in the Policy through a framework that includes:

- Clear planning of activities and outputs
- Expected outcomes with measurable indicators
- Systems for monitoring and evaluating funding recipients and the CRFC’s distribution decisions and procedures

Defining the Approach

The outcomes-based approach focuses on specific measurable outcomes. The establishment of services or programming by recipients will not alone define the success of the project. Rather, all program recipients will be required to provide specific metrics on which their projects will be evaluated. These metrics will include the changes and future situation that a station and community expect to achieve as a result of the funded activity.

In this sense, it means that applicants start with looking at where they want to be and then the steps that these changes require in order to be realized. It is these steps that will be examined and evaluated.

Under this approach, the Commission, the CRFC, and other stakeholders will be able to assess the success of funding through concrete means, and measure changes in the short, intermediate, and long term. Planning, monitoring, and evaluating will be based on expected and attained measurable results.

This method is also flexible enough to allow the funding of a variety of station activities. It provides the best balance between meeting the needs of the sector and of the Commission.

³⁴ Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010, paragraph 117, <http://www.crtc.gc.ca/eng/archive/2010/2010-499.htm>.

³⁵ Ibid, paragraph 118(c).

The outcomes-based approach can be applied to meet the needs of any funder. It allows the CRFC to:

- Adapt to the requirements of funders and other external stakeholders
- Measure the short-term changes within the sector, whether they be successes or challenges
- Adapt to the needs of the sector
- Measure the impact of its funding over time

Key Concepts and Definitions

Aspects	Definitions	What this means for the CRFC
Outcomes	<p>Changes and new situations brought about by the funding.</p> <p>Ideally leading to long-term impact, outcomes are realised in the medium term, a result of the outputs and activities made possible by funding and other inputs. They are measured over a longer period of time. Evaluation involves multiple stakeholders.</p>	<p>The outcomes guiding the CRFC CCD program have been established to reflect the desired effect of funding in the sector as well as the needs of the Commission and the Canadian broadcasting system.</p>
Outputs	<p>The direct products and results of the activities carried. Outputs are clearly defined and measurable.</p> <p>Measurement of outputs contributes to the assessment of activities and evaluation of outcomes.</p>	<p>Outputs are the concrete results that recipients will create or produce with CRFC support – for example, an increase in the number of trained volunteers or more hours per week of local programming.</p> <p>Outputs form the basis of deliverables for agreements between funding recipients and the CRFC.</p>
Activities	Actions performed using the inputs	<p>This is what the recipients will do with CRFC funds according to funding agreements – for example, a training workshop or engaging a volunteer coordinator.</p>
Inputs	Resources used to deliver results by executing activities	<p>The CRFC provides the funding to complete the activities.</p> <p>Recipients also provide additional inputs such as human and financial resources, facilities, and expertise.</p>

Outcomes for the Sector and the Commission

As outlined in the Policy, the CRFC recognizes that CCD funding is intended “to support volunteers, programming and community participation”³⁶ and “should be directed primarily to enhancing programming and volunteer training.”³⁷

CRFC revenues derived from this funding will contribute to the following three outcomes:

1. High-quality, locally-reflective music and spoken word programming
2. Skilled and sustainable volunteer participation in local content creation and operations
3. Diverse community participation in governance, programming, and content

When applying for funding under the CRFC CCD Program, applicants will be required to do the following:

- Indicate which outcome they will be contributing to
- Describe the resulting outputs that will be produced at the end of the funding term along with the relevant measurable performance indicators
- Explain the activities that the funding will be supporting and provide a detailed timeline for the activities
- Identify the inputs that require CRFC support and provide a detailed budget

The CRFC notes that there are specific Commission policies regarding CCD eligible activities and expenses.³⁸ Therefore, it will ensure that all activities and expenses of successful applicants will be in line with relevant CCD-related policies. Examples of eligible and ineligible expenses are provided under “Application Process.”

When submitting reports to the CRFC, recipients will be expected to demonstrate their adherence to their submitted activities, timeline, and budget. They will also be required to show that they achieved their outputs. Further details regarding reporting are provided in the section “Managing Contributions.”

³⁶ Broadcasting Regulatory Policy CRTC 2010-499, Campus and Community Radio Policy, 22 July 2010, paragraph 102, <http://www.crtc.gc.ca/eng/archive/2010/2010-499.htm>.

³⁷ Ibid, paragraph 115.

³⁸ Broadcasting Public Notice CRTC 2006-158, Commercial Radio Policy 2006, 15 December 2006, paragraph 117, <http://www.crtc.gc.ca/eng/archive/2006/pb2006-158.htm>.

The following table provides a few examples of outputs, activities, and inputs under each of the three CCD Program outcomes.

Outcome	Outputs and Performance Indicators	Activities	CRFC-funded Inputs
High-quality, locally-reflective music and spoken word programming	<p>1. Local news and public affairs coverage <u>Indicator:</u> Number of hours of programming; type and range of issues covered</p> <p>2. Local music featured on-air <u>Indicator:</u> Number of minutes of local creative content aired; number of local artist interviews</p>	<p>Journalistic training for volunteers to cover municipal issues and elections</p> <p>Launching a call for demos from local artists as part of a "local culture month"</p>	<p>Trainer(s), staff time for coordination, training materials, transportation costs</p> <p>Staff time for coordination, promotional materials</p>
Skilled and sustainable volunteer participation in local content creation and operations	<p>1. Skilled Production Volunteers <u>Indicator:</u> Number of volunteer hours logged; number of interviews/stories aired</p> <p>2. Voluntary contributions to programming and operations <u>Indicator:</u> Number of volunteers; Number of volunteer hours in non-programming positions/functions</p>	<p>Training for volunteers in story-based interviewing techniques and technical production</p> <p>Launching a volunteer recruitment campaign and providing orientation for volunteers</p>	<p>Trainer(s), staff time for coordination, training materials</p> <p>Staff time for coordination and training, promotional materials, venue and equipment rental for public event, transportation costs, training materials</p>
Diverse community participation in governance, programming, and content	<p>1. Community-access programming <u>Indicator:</u> Number of communities represented on-air; number of hours of programming</p> <p>2. Community representatives involved in operations and governance <u>Indicator:</u> Number of representatives; number of hours of community contribution</p>	<p>Launching an outreach campaign as well as providing orientation and training for community groups</p> <p>Training for community representatives in operations and governance</p>	<p>Staff time for coordination and training, promotional materials, training materials, translation</p> <p>Staff time for coordination and training</p>

What this means for current programs

Since the CRFC began operating in April 2008, it has been managing two programs with funding from Astral Media – the *Radio Talent Development Program* and the *Youth Internship Program*. Both programs fund activities related to local programming and training, mentoring, or educating interns, staff, and/or volunteers. While these programs fit under one or more of the CRFC's program priorities, they have their own specific criteria, outputs, and deliverables.

The CRFC will continue to operate these programs until the end of the contribution agreement in the 2013-2014 broadcast year or until the terms are renegotiated with Astral Media and approved by the Commission.

Application Process

Eligible Recipients

The CRFC will distribute funding through “The CRFC CCD Program: Developing Canadian Local Content” to campus and community radio stations. Eligible stations are those with a campus or community radio licence from the Commission under the Campus Radio Policy (Public Notice CRTC 2000-12), the Community Radio Policy (Public Notice CRTC 2000-13), or the new combined Policy.

In order to ensure equitable and efficient distribution of funding, applications from stations will be limited to a maximum of \$15,000 when CCD revenues are less than \$2 million. As available CCD revenue increases, the maximum application amount will also increase.

As part of a strong campus and community radio sector, the associations that serve these stations are eligible to receive funding from the CRFC. However, they are not currently eligible for this program due to limited funding.

Criteria

Each station can submit one request for each call for applications.

While the CRFC does not entertain multi-year applications at this time, applicants can be funded for the same ideas/projects two years in a row as long as there are measurable goals for each year. However, applicants will be informed that the selection committee will assess whether approval of these particular applications risks establishing a dependency on the CRFC. Applicants will have the opportunity to address this issue in the application form.

Any previous recipient with outstanding reports or amounts owed to the CRFC will not be eligible for any new funding until the previous file is closed and all monies have been paid out or received.

As outlined in the application guide, applications for funding are judged on their merit and station need, subject to the availability of funds. The selection committee assesses each application by applying scores in the following areas:

- The value and relevance of the application in relation to the CRFC’s outcomes and program priorities as well as CCD objectives
- The strength of the various elements of the application (local programming element, volunteer support, training element, etc.)
- How the application benefits the station and those it serves
- The financial need of the station
- The originality and innovative elements of the application
- A realistic budget
- A realistic timeline
- The quality of the presentation

In assessing applications, the selection committee scores a number of points under six areas, each with a different scoring weight:

- Value and relevance (25%)
- Contribution to the outcome (25%)
- Strength and measurability of the outputs (25%)
- Financial need (10%)
- Budget (10%)
- Timeline (5%)

Regarding scoring the financial need of applicants, the priority of the CRFC is to support the success of all stations to do more and better work in their communities. However, it is also true that smaller stations have less capacity to develop strong applications, and so considering their needs makes the process more equitable.

Previous recipients versus new applicants

There is no priority given to new applicants over previous CRFC recipients. Similarly, stations who have had successful applications will not be given higher scores for achieving their goals or adhering to their funding agreement. New applicants are on par with previous recipients in good standing.

However, if a decision comes down to two applications, each having the same score, where one station has received funding and the other has not, then the station who has not received funding will be chosen.

If an applicant is a previous recipient and was not reliable with their most recent funding, such as not adhering to the terms of the funding agreement or not properly communicating problems, changes, or reason for lateness, this will impact their final score. Their application will be assessed on its merit and need first. Then, also based on a scoring system, a negative adjustment will be made to that score, resulting in a new and lower final score.

Eligible Expenses

As noted above, the CRFC will ensure that all activities and expenses of recipients of CCD revenues will be in line with both the new Policy and the Commission's relevant policies. Applicants will be asked to submit a list of expenditures that are directly related to their proposed activities.

The following are examples of eligible expenses:

- Wages and honoraria
- Specific costs associated with interns/participants
- Travel expenses, if justified
- Studio or equipment rental, only if additional resources are required (not for existing studios, equipment purchases, or maintenance)
- Training fees
- Technical expenses up to \$500 (minidisks, USB keys, CDs, editing software, etc.)
- Website costs related directly to the activities (cannot include hosting or domain fees, or regular maintenance/upgrading of existing website)

The following are examples of expenses that are not eligible:

- Capital equipment (soundcards, computers, office software, furniture, soundboards, transmitters, etc.)
- Technical briefs submitted as part of any Industry Canada/Commission licencing process
- Advertising and promotion material
- Registrations and travel associated with attending conferences
- Expenses incurred in preparing the application
- Auditing fees, legal fees, or fines
- Recoverable taxes, tuitions, or related fees
- Interest fees on late payments
- Rental fees of the station's own studios

As noted, these are examples only. All applicants will be encouraged to contact the CRFC program officer with questions related to expenditures prior to submitting their application.

Submitting Applications

When applying for CRFC funding, applicants will be required to address the outcomes in a way that is also in line with at least one the CRFC program priority areas. This will be done by completing a detailed application form.

As stated above, applicants will state what outputs they will achieve by the end of their funding term, the activities they will undertake, and the expenses they need support for to achieve their outputs.

Signed application forms will be submitted to the CRFC along with the following supporting materials:

- A resolution from the Board of Directors authorizing the application
- Proof of licence and incorporation
- Audited financial statements of the last fiscal year
- List of Board members and staff
- Biographical information (such as annual reports or brochures)

Decision Process

As noted in the section concerning Board committees, the CRFC program committee oversees all aspects of the funding distribution process. It discusses and reviews previous funding years, and it reviews and approves application guides, forms, assessment criteria, and related documents. It also assists CRFC staff with recipients that need more attention, such as approving contract amendments or discussing recipients who had problems reaching all of their goals. It also oversees the creation of the selection committees, whose sole purpose is to review and evaluate each application and propose a list of recipients that best fit the approved criteria.

Selection Committees

The purpose of the selection committee is to evaluate all applications with the goal of determining which applicants should receive funding. Upon completion of any evaluation process, the committee submits its final recommendations to the program committee and ultimately the CRFC Board for approval.

Each committee is comprised of three or five members. As with elected Board directors, committee members cannot be a board member, employee, officer, or active volunteer with any potential grant recipient, nor can they be a CRFC director or employee. Additionally, the CRFC aims to have little or no repetition in committee membership from year to year so that the selection committee is not influenced by previous successful and unsuccessful applications.

One to two months prior to each application deadline, CRFC staff coordinates the call for selection committee members. The CRFC strives for diversity as well as previous adjudication or awarding experience, and, where possible, experience in the campus and community radio sector. A description of the parameters, experience, and time commitment is provided for candidates. Recommendations and suggestions generally come from CRFC Board members and employees as well as previous selection committee members.

CRFC staff conducts a short interview with each candidate by phone or email. He/she then confirms either through references or by contacting stations and associations that each candidate has no direct link with any potential CRFC recipient.

Once the selection committee is formed, it meets with CRFC staff for an in-person group orientation. In addition to reviewing the application guide, relevant CRFC policies, and the adjudication process, committee members are provided with a scoring sheet for each applicant, which is based on the published criteria.

Once the committee has reviewed and assessed the applications, it meets in person to review and compare scores, deliberate, and compose the final list of recommendations. CRFC staff attends this meeting to facilitate and provide support, though they do not participate in the decision process. CRFC staff then provides the final list of recommendations to the CRFC Program Committee and then to the Board of Directors for final approval.

Approving Applicants

The committee has three weeks to review and assess applications, which are made available to committee members through a private website. At the three-week mark, they have the opportunity to ask clarifying questions of the applicants. This is done through CRFC staff, and is strictly limited to questions around providing further details on information already submitted. Applicants have up to one week to provide their answers. Committee members then have one week to adjust their notes and scores accordingly.

In the sixth and final week of the assessment process, the selection committee meets in person for one or two days to discuss and finalize its decisions. CRFC staff assists in this process by compiling committee scores and other relevant notes. Staff is also present through the final decision meeting(s) to provide support, but does not participate in the committee's discussions other than to provide general context and information on CRFC policies.

The committee reviews the list of the applications that have scored the highest and compiles its final recommendations for Board approval. It also selects at least three additional applicants in the event that any successful applicant is not approved by the Board or cannot accept the CRFC's funding offer. These additional applicants are not identified to the Board unless a situation arises in which they could be offered funding. In those cases, CRFC staff submits the next successful applicant(s) for Board approval.

Managing Contributions

Once the selection committee's recommendations have been approved by the CRFC Board, the successful applicants are contacted. Prospective recipients are asked to verify their acceptance and the start and end dates of the funding term. As the selection committee does not necessarily approve 100 percent of the requested expenses, successful applicants are also provided with the final budget for verification.

Once all successful applicants have verified their acceptance of funding, the CRFC notifies the unsuccessful applicants. The CRFC aims to provide useful feedback in order to assist them with submitting better applications in the future. The CRFC then announces the list of recipients in a press release, which is posted on its website and distributed to all stakeholders and media.

Funding Agreements

Recipients sign a funding agreement with the CRFC that outlines the terms, responsibilities, approved activities and expenses, deliverables, and reporting mechanisms of both parties. The agreement will also outline the expected results of the funding contribution along with measurable performance targets. The recipient is required to provide two signatures, one of which is of the person named by the recipient's board as the signing authority for the application. The CRFC executive director and treasurer also sign the agreement.

Changes may be requested by the recipient, but they must be requested in writing during the term of the agreement. CRFC staff may approve minor administrative requests related to changes in dates or activities; however, all other requests are submitted to the chair of the program committee, and if necessary, to the entire committee. If approved, the CRFC returns a copy of the request initialled by those who signed the agreement and attaches a second copy to the original agreement.

Once the agreement has been signed, the CRFC issues payment to each recipient amounting to 90 percent of the total approved budget. The remaining ten percent is issued once a final report has been received, assessed, and approved (details provided below).

Recipient Reporting

Mid-term reports

All recipients receiving funding over a period of three months or more will be required to submit a mid-term report, based on a format provided by the CRFC. They will be asked to present an update of activities, explain how close they are to reaching their output(s), indicate any significant challenges or delays, and attach a financial summary. These reports will be assessed by CRFC staff. In all cases, the CRFC will provide written feedback to each recipient.

Any recipient that is not on track in terms of activities or finances will be reviewed by the program committee to determine the appropriate course of action. If a recipient is not conducting the proposed activities or spending the funding according to the approved budget, the CRFC communicates with the recipient, possibly resulting in an agreed-upon amendment to the funding agreement. In extreme cases where negotiation is not possible, or the recipient cannot demonstrate that it will meet its requirements to an acceptable level,

the agreement will be terminated and the recipient will be required to return some or all of the received funding.

Final Reports

All recipients must submit a final report no later than 30 days following the end date indicated in the funding agreement. The final report includes:

- A final report form signed by the signatory and another member of the board
- A budget-versus-actual report that verifies the proper accounting of related expenses
- Copies of all receipts, invoices, pay stubs/payroll report, etc.
- If applicable, a copy of any completed resources/materials produced
- If applicable, a copy of the related programming

Each final report is assessed by the CRFC using a standardized assessment form that compares proposed and actual outputs and finances. Recipients must also speak to the achievement of outcomes as per their application. All final assessments are reviewed and approved by the program committee.

Recipients that have adhered to all of the terms of the funding agreement, including accomplishing the activities, delivering on their output, and spent their funding according to the approved budget, are issued their final payment of ten percent of the total approved budget. If these recipients have not used all of the funding, then the final payment reflects this. If the unused portion is greater than ten percent, then an invoice is issued and the recipient must return the difference.

Recipients that have not fully achieved their outputs but acted in good faith, provided a reasonable explanation in their final report, and adhered to the rest of the funding agreement may be issued their final payment. The CRFC also recognizes that recipients may have experienced challenges beyond their control, such as changes in human resources or a loss in operational funding. In each case, the program committee reviews all aspects of the final report and communicates with the recipient through CRFC staff to determine the best course of action.

Recipients that have not adhered to the terms of the funding agreement and not offered a reasonable explanation may not receive their final payment. If this is a recipient's first infraction, the program committee may take this into consideration and re-negotiate the terms of the agreement. However, the station will be informed that this will affect their score the next time they apply for funding (as explained in the section above outlining criteria). Should a recipient repeat this non-compliance, their final payment will not be remitted, and again, this will affect their score the next time they apply for funding. The more severe the infraction and/or lack of communication is, the greater the negative modifier will be on their next application. So even if the application receives a high score based on merit and need, there is a higher probability that their overall score will not be high enough to qualify them for funding.

Recipients that have misused funding or that do not file a final report will be required to return the original CRFC payment in full. This will affect their scores on the subsequent application.

Recipients found to have misappropriated funding will be required to return the original CRFC payment in full and will also be ineligible for funding for the next two years.

SECTION C: CRFC REPORTING

The CRFC will continue to file annual reports to the Commission, the campus and community radio sector, funders, and other relevant stakeholders no later than November 30 of each year. These reports will include the following:

- A summary of key operational and governance activities.
- A description of all calls for funding applications and resulting decision processes.
- A list of all approved recipients and their related activities, outputs, and expenses.
- Where available and relevant, a summary of current recipient reporting status.
- Detailed expenditures for all funded activities for all grants and contributions completed during the year.
- Detailed financial activities of the CRFC, including independently audited financial statements.

In addition, the new outcomes-based approach will allow the CRFC to report on concrete accomplishments and to measure change and evaluate outcomes in the campus and community radio sector over time. The CRFC's annual report would therefore contain a quantitative and qualitative appreciation of this change.

As the CRFC continues to grow, there may be necessary changes to its operations, governance, and distribution policies and procedures. It will file a summary of these changes with each annual report. Should any such changes require Commission approval, those requests will be submitted to the Commission throughout the year as necessary.

The CRFC also welcomes questions from the Commission throughout the year or upon receiving the annual report.

An updated version of this plan will be filed along with the CRFC's 2012-2013 annual report for full Commission review.

SECTION D: TIMELINE

2010-11	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
		Submit Plan by Oct 29	Annual Report by Nov 30		Call for applications Astral programs by Jan 10				Announce decisions Astral programs by May 16		Call for applications All other CCD revenue by July 18	
											Radio Regulations Amended received by Aug 31	

2011-12	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
			Announce decisions other CCD revenue on Nov 1		Call for applications Astral programs by Jan 16		Sector Consultation by Mar 31		Announce decisions Astral programs by May 14		Call for applications Annual CCD revenue by July 16	
			Annual Report by Nov 30								Annual CCD Revenue received by Aug 31	

2012-13	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
			Announce decisions other CCD revenue on Nov 1		Call for applications Astral programs by Jan 14		Sector Consultation by Mar 31		Announce decisions Astral programs by May 13		Call for applications Annual CCD revenue by July 15	
			Annual Report by Nov 30								Annual CCD Revenue received by Aug 31	

2013-14	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
			Announce decisions other CCD revenue on Nov 1		Call for applications Astral programs by Jan 13		Sector Consultation by Mar 31		Announce decisions Astral programs by May 12		Call for applications Annual CCD revenue by July 14	
			Annual Report by Nov 29								Annual CCD Revenue received by Aug 31	
			<i>This report would include an updated version of this plan for full Commission review</i>									