

## **SVP Vancouver Investee Selection Framework – Scaling Grants (2016)**

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### **Background**

Through our venture philanthropy (time + money) model, we help strengthen the organizational capacity of innovative, emerging non-profits who service children in-need and youth at-risk.

### **SVP Vision**

To ensure more children and youth reach their full potential.

### **SVP Scaling Investment Goals**

- To provide a mezzanine/middle-stage investment to help scale Investee organizations
- To effectively engage Partners in helping Investees scale their organizations

### **Scaling Definition**

Scaling, for the purposes of SVP Vancouver grants, refers to increasing reach and/or impact in order to meet higher demands, ultimately reaching more people to deliver on mission, in a transformative manner. This may be achieved through a new platform, delivery model, network effect, collaboration, leverage point outside of their organization, advocacy or policy initiative, etc.

### **Key Operating Principle: Scaling**

- Emphasized throughout the Investee/SVP partnership
- By the end of an investment engagement, the enterprise or project should:
  - Demonstrate increased reach and/or impact
  - Be on track towards financial sustainable at the scaled level of operations, without SVP funding.
  - Have built enduring relationships with one or more Partners and/or other high capacity volunteers

## Key Guidelines

- Investments of time + money to scale programs/organization
- The criteria below are used to guide discussions regarding selection, however individual context is critical. Some factors have more weight than others, depending on the organization’s mission.
- Scaling must be clearly defined and discussed in goals throughout the Investee relationship

## Proposed Investment Selection Criteria

	Criteria	Explanation
<b>Must Have</b>	Compelling theory of change related to SVP's mission of serving children and youth at risk. Evidence of impact. Possibility to drive systemic change through scaling.	<ul style="list-style-type: none"> <li>• Thoughtful consideration of how change happens</li> <li>• Evidence based community development model</li> <li>• Beyond ‘charitable services’ approach</li> </ul>
	Investee should have an ambitious growth plan where scaling is already a stated goal.	<ul style="list-style-type: none"> <li>• Scaling is a goal regardless of SVP funding</li> </ul>
	SVP investment will enable a significant increase in impact from a proven solution/program through a new platform, delivery model, network effect, collaboration, leverage point outside of their organization, advocacy or policy initiative, etc.	<ul style="list-style-type: none"> <li>• Recognition of different approaches to ‘scaling’</li> <li>• Creative thinking with regards to increasing impact</li> </ul>
	Current operations are financially sustainable without SVP, as demonstrated by several years of operating at current level.	<ul style="list-style-type: none"> <li>• Organization is stable</li> <li>• Organization has demonstrated resilience</li> </ul>

	Leadership and board of directors are stable and committed.	<ul style="list-style-type: none"> <li>SVP recognizes the key role talent/leadership plays in small orgs</li> </ul>
	SVP lead partner team is committed to a further 2-year engagement.	<ul style="list-style-type: none"> <li>Scaling grant is supported with ongoing commitment of SVP</li> </ul>
	Financial statements have been prepared by a designated professional (CA, CGA, CPA) and signed off by board. Appropriate financial control policies are in place.	<ul style="list-style-type: none"> <li>Third party review provides some objectivity/control</li> <li>As org grows, appropriate policies are in place</li> </ul>
<b>Should Have</b>	History with SVP at the 'sustain' or 'innovate' stage.	<ul style="list-style-type: none"> <li>SVP is focused on going deeper with existing commitments</li> </ul>
	Systems to track performance data / impact.	<ul style="list-style-type: none"> <li>Thought/effort has been put into how to measure success</li> </ul>
	OCAT results that demonstrate solid baseline of capacity.	<ul style="list-style-type: none"> <li>Organizations are primed to scale</li> </ul>
	SVP scaling investment is no more than an additional 30% of the organizations overall budget in the first year of scaling.	<ul style="list-style-type: none"> <li>Scaling grant is proportional to actual operating budget</li> </ul>

## Selection Process

### PHASE 1 – Executive Director/LP Screen

1. Lead Partner and SVP ED identify candidate Investees for Scaling grants.
2. LP/ED conducts an interview specifically on scaling needs.
3. Selected Investees are invited to complete a written application that is sent to Opportunities Committee for review.

## **PHASE 2 – Investee Application**

4. Investee proposal must include:
  - a. Current state of organization (1 paragraph)
  - b. Basic theory of change – how do you make change happen? (1-2 paragraphs)
  - c. Impact to date (1 paragraph)
  - d. Stakeholder validation – letters of support, testimonials, etc. (3-5 pieces of support, format is flexible)
  - e. Overview of organizational infrastructure and sustainability of ‘core’ operations (1-2 paragraphs)
  - f. Current vs. previous year financials (1 page)
  - g. Listing of SVP funding and partner engagement to date (1/2 page, bullet points)
  - h. Brief discussion of governance & financial controls in place (1-2 paragraphs)
5. The scaling plan must include:
  - a. Rationale for pursuing growth at this time (2 paragraphs)
  - b. Outline of growth model (2 paragraphs)
  - c. 1,3,5 year scaling objectives and metrics for determining success (Table format)
  - d. 10-year vision for organization (1 paragraph)
  - e. Summary operational plan for scaling that includes: timeline, key resources, risk (2-5 pages)
  - f. Budget for organization, detailing where grant will be used (1 page)

## **PHASE 3 – Opportunities Committee**

6. The SVP Opportunities Committee (OC) reviews the application and determines if it fits scaling criteria.
7. The OC meets monthly to review new opportunities and votes on whether a new opportunity should be funded (75% approval required).
8. Once complete, the Proposal is submitted to the Investment Committee for review and potential funding.

## **PHASE 4 – Investment Committee**

9. The Investee will then present its Proposal to the Investment Committee to be voted on (75% approval required) for funding.
10. If Investment Committee approval is granted, the Investee will work with the SVP ED and Lead Partner(s) to:
  - a) Craft a signed Letter of Agreement clearly defining goals and objectives for the project;
  - b) Agree upon a schedule for disbursement of funds and in some cases, SVP reserves the right to seek co-funding from other funders in the community. This will be discussed with the Investee early in the process.
  - c) Fill in a Capacity Assessment Tool document which helps both parties establish baseline data about the organization. This assessment is reviewed annually.

### **Re-Funding Process**

Scaling grants are intended as one time investments. Investees must provide a report on the year's progress and in exceptional circumstances, a proposal may be considered for subsequent years.