

# TALKING ABOUT WAGES, NO-HOLDS-BARRED

*The NPO's voice*

As in all sectors of our society, many non-profit organizations are currently experiencing workforce issues and are finding it necessary to adjust salaries upward in order to attract and retain qualified employees. This situation raises many questions, particularly about the challenges of communicating the needs of the organization to its stakeholders, funders and potential partners without fear of its impact on funding.



*How do we address the issue of rising salaries with our funders?  
How do we explain administrative costs?  
How do we convince our donors of the importance of consolidating our organizations in order to fulfill our mission and develop our projects?*

During two "Jassettes", held on April 24 and 26, 2022 – each of which brought together some thirty participants in executive positions – these issues were explored from three angles:

- 1- Funders: their different profiles, perceptions vs reality;
- 2- Knowledge of organizational capacity to achieve its mission:
  - Quantifying its needs
  - Knowing the share of payroll, benefits and various administrative costs in the total budget
  - Knowing the sources of funding and communicate its needs
- 3- Competitive workforce strategy: know your competitors and develop attraction and retention strategies.

The workshop, held on June 9, 2022, allowed more than 30 people who also hold positions of general management and responsibility for funding in non-profit organizations to deepen their reflections and identify courses of action on two levels:

- 1- Actions that any organization can undertake, as well as existing resources.
  - 2- Actions that are the responsibility of collective initiatives.
- The participants identified tools, skills and practices that would facilitate the implementation of the proposed actions.

Below is a synopsis of these courses of action which we, as a sector, will have an interest in examining. Hopefully, this synopsis will shed additional light on the many approaches that address these issues. It can also provide food for thought on the practices of philanthropic organizations and donors.

# AT THE ORGANISATION'S LEVEL

## SUGGESTED ACTIONS

# 1

### Agree on shared definitions

To be able to draw on a document that compiles definitions of salaries and expenses related to the normal administration of any organization, distinguishing between salaries and expenses related to the implementation of specific projects. These definitions would be drafted and adopted by the entire non-profit sector and recognized by various jurisdictions.

# 2

### Consistently present financial information

propose templates for presenting salaries and administrative costs in budgets, financial statements, funding applications and reports according to agreed-upon definitions.

# 3

### Build arguments, communication lines with comparative data, cases and benchmarks



# 4

### Talk about oneself

Present the benefits by making the link with the raison d'être of an organization and a project, and by highlighting the contribution of the various human resources assigned.

- The importance of mission-based funding versus project-based.
- The importance of offering attractive and competitive conditions and salaries in order to recruit and retain people with the skills to effectively ensure good governance, sound management and continuity of an organization's activities (deconstruct the taboo related to fees/salaries).
- Recognition that minimal administrative costs (office space, technology, accounting, governance) are essential to the achievement of both the overall "mission" of the organization and specific projects, and that it is normal for administrative costs to arise from each specific project.
- Sector expertise: deconstruct perception of lack of professionalism; emphasize the specific expertise that must be acquired for people coming from another sector and what this means in terms of training and integration costs.
- Harmonizing accountability demands from funders that would reduce costs and promote a common understanding in the sector.

# AT THE ORGANISATION'S LEVEL

## TOOLS, SKILLS, PRACTICES



### Tools

- Accessing affordable external experts for solicitation and fundraising.
- Provide tools (e.g., video clips) and training for managers and board members to help them master the concepts of salaries and administrative costs.
- Develop a common charter/dashboards/shared definitions of salary and administrative costs.
- Create tools (videos, infographics...) that demonstrate the process of using donations and the impact on the field (e.g., the logic model and impact cascade).
- Create a template to better use financial statements as a communication tool.
- Develop and disseminate projected budgets: include the organization's investment in time and human resources.
- Develop “pitches” based on the different types of funders.
- Create a document with comparative data between the non-profit sector and the public and private sectors, by type of position.



### Practices

- Identify best practices: access the practices of other organizations as a source of inspiration and exchange.
- Educate financial auditors on how best to present financial information.
- Cite examples of funders who recognize the importance of costs, research and development, and human resources.
- Educate funders about mission-based funding.
- Include indexing in all funding applications.
- Combine quantitative data with qualitative narratives that will allow for an appreciation of the nature and extent of achievements and impacts.
- Establish frequent and ongoing relationships with funders, including during implementation, and demonstrate an interest in other projects they support.
- Participate in collective tables, thereby showcasing your organization's expertise and potential, and securing potential funding.
- Take care of internal teams and make them aware of the importance of doing so (as in other sectors).
- Recognize and evaluate the expertise of employees who aspire to management positions (taking into account their personal and professional trajectories, which are sometimes atypical).



### Skills

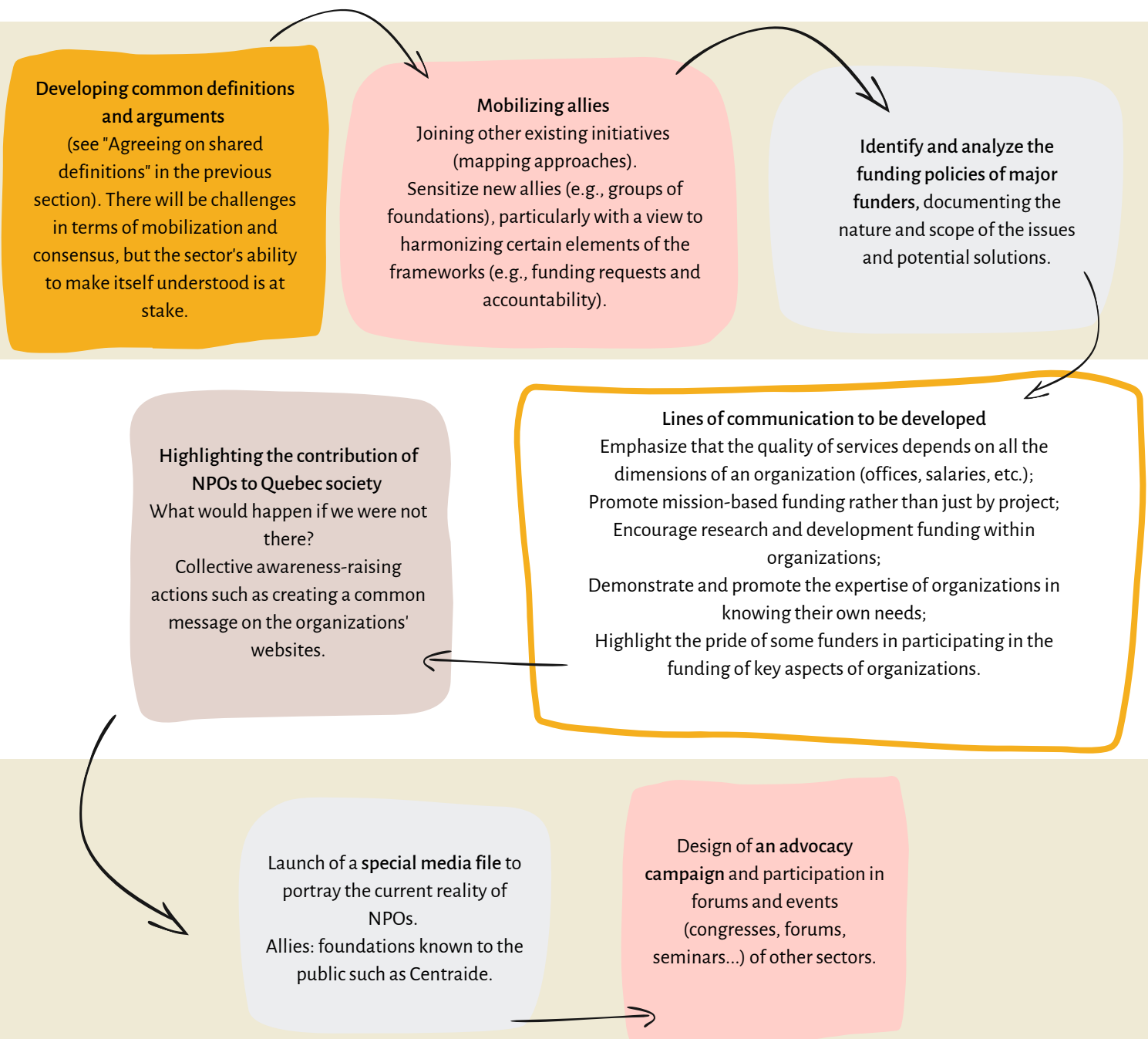
In evaluation: Demonstrate how fees contribute to the organization's capacity to act, its impact, and social and economic benefits.

Communication skills: Develop the managers and board members' skillsets to address the issue of salaries and administrative costs.



# AT THE COLLECTIVE LEVEL

Courses of action have been proposed and classified according to their potential impact and feasibility. They are presented here in the form of a continuum, where the first steps allow for the creation of alliances and the development of arguments that will lead to a broader awareness of the issues of salaries, administrative costs, workforce retention, etc. Participants did not identify a forum for each of the actions. Nevertheless, it would be desirable for the most relevant groups and bodies to feel challenged by the following:



# WHAT'S NEXT?

## COMMITEMENTS

The Philagora team is aware that these issues have already been addressed by many organizations. In keeping with our raison d'être, we have responded to the interest expressed by several individuals who wish to address the various facets of this topic in a spirit of exploration and community of practice.

Given the wealth of ideas that have been shared, we wish to continue the adventure and are committed to:

- Set up a group of people interested in continuing the conversation;
- Contribute to the creation of certain tools (for example, on how to make your financial statements talk);
- Develop training workshops related to the skills to be developed;
- Disseminate this document and the content of the exchanges in our network.

And you, what are you committing to?

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Translation: courtesy of Sophie McCann, Executive Director, West Island Community Shares

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# RESOURCES

## Resources related to the theme of salaries and administrative costs

1. CSMO-ESAC : [Zoom sur les organismes communautaires](#)
2. BNP : [Guide pour élaborer une politique de rémunération](#)
3. COCo - [Conseils sur la façon d’aborder les frais généraux avec les donateurs](#)
4. Conférence TED : [Notre façon de considérer les œuvres caritatives est complètement erronée.](#)
5. Espace idées : [Les frais administratifs : essentiels à la réalisation de la mission !](#)
6. [Guide salarial 2022 – Randstad](#)
7. Imagine Canada - [Répertoire de recherche de bailleurs de fonds](#) (payant)
8. Imagine Canada – [Dépenses liées à l’administration et à la collecte de fonds](#)
9. Imagine Canada – [Petit guide du parfait donateur](#)
10. Imagine Canada. Nouveau guide sur le financement sans restriction : [Lien de confiance et impact. Perspectives des bailleurs de fonds sur le financement sans restriction](#)
11. Le mouvement de la [philanthropie basée sur la confiance](#) :
12. Phil : [Comment repositionner les frais généraux au cœur de votre mission](#)
13. Blog Philanthropie : [La question complexe des frais administratifs en philanthropie](#)
14. RIOCM : [Améliorer les conditions de travail dans le milieu communautaire](#)
15. Table régionale des organismes communautaires et bénévoles de la Montérégie : [Proposition de balises de base : financement des organismes communautaires](#)
16. *The Philanthropist* : Antoine Gervais : [Fondations subventionnaires – l’enjeu des frais de gestion et d’administration](#)

## Resources on the Decent Work Movement

1. En anglais : <https://theonn.ca/wp-content/uploads/2019/08/Decent-Work-1-pager.pdf>
2. En anglais : <https://theonn.ca/wp-content/uploads/2019/10/Decent-Work-Checklist-May-2019.pdf>
3. En français : <https://theonn.ca/wp-content/uploads/2022/02/French-Election-Advocacy-Toolkit.pdf>
4. Mémoire au comité sénatorial spécial sur le secteur de la bienfaisance : [Développer nos capacités en matière d’innovation 25 février 2019](#)

# RESOURCES

## On advocacy

1. [Pour rallier](#) (plateforme de développement de compétences sur le plaidoyer)
2. [Un guide pratique pour rallier des parties prenantes par le plaidoyer](#)

## Networks

1. [Fondations philanthropiques Canada](#)
2. [Collectif des fondations québécoises contre les inégalités](#)
3. [Imagine Canada](#)
4. [Institut Mallet](#)
5. [L'Observatoire de l'ACA – Par et pour l'action communautaire autonome](#)
6. [La TNCDC](#)
7. [Le réseau de l'action bénévole du Québec](#)
8. [PhiLab](#)