

## ETHICAL FUNDRAISING AND ACCOUNTABILITY CODE

Developed by the Canadian Centre for Philanthropy (now Imagine Canada)

Adopted by the Health Sciences North Foundation Board of Directors on September 28, 1998

### A. Donors' Rights

1. ALL DONORS (INDIVIDUALS, CORPORATIONS, AND FOUNDATIONS) ARE ENTITLED TO RECEIVE AN OFFICIAL RECEIPT FOR INCOME TAX PURPOSES FOR THE AMOUNT OF THE DONATION. DONORS OF NON-MONETARY ELIGIBLE GIFTS (OR GIFTS-IN-KIND) ARE ENTITLED TO RECEIVE AN OFFICIAL RECEIPT THAT REFLECTS THE FAIR MARKET VALUE OF THE GIFT. (NOTE: "ELIGIBLE GIFTS" ARE DEFINED IN REVENUE CANADA INTERPRETATION BULLETIN IT-110R2 OR ITS SUCCESSOR. SOME COMMON GIFTS, SUCH AS DONATIONS OF VOLUNTEER TIME, SERVICES, FOOD, INVENTORY FROM A BUSINESS, ETC. ARE NOT ELIGIBLE TO RECEIVE OFFICIAL TAX RECEIPTS.) THE CHARITY'S GOVERNING BOARD MAY ESTABLISH A MINIMUM AMOUNT FOR THE AUTOMATIC ISSUANCE OF RECEIPTS, IN WHICH CASE SMALLER DONATIONS WILL BE RECEIPTED ONLY UPON REQUEST.
2. ALL FUNDRAISING SOLICITATIONS BY OR ON BEHALF OF THE CHARITY WILL DISCLOSE THE CHARITY'S NAME AND THE PURPOSE FOR WHICH FUNDS ARE REQUESTED. PRINTED SOLICITATIONS (HOWEVER TRANSMITTED) WILL ALSO INCLUDE ITS ADDRESS OR OTHER CONTACT INFORMATION.
3. DONORS AND PROSPECTIVE DONORS ARE ENTITLED TO THE FOLLOWING, PROMPTLY UPON REQUEST.
  - THE CHARITY'S MOST RECENT ANNUAL REPORT AND FINANCIAL STATEMENTS AS APPROVED BY THE GOVERNING BOARD;
  - THE CHARITY'S REGISTRATION NUMBER (BN) AS ASSIGNED BY REVENUE CANADA;
  - ANY INFORMATION CONTAINED IN THE PUBLIC PORTION OF THE CHARITY'S MOST RECENT CHARITY INFORMATION RETURN (FORM T3010) AS SUBMITTED TO REVENUE CANADA;
  - A LIST OF THE NAMES OF THE MEMBERS OF THE CHARITY'S GOVERNING BOARD; AND
  - A COPY OF THIS ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY CODE.
4. DONORS AND PROSPECTIVE DONORS ARE ENTITLED TO KNOW, UPON REQUEST, WHETHER AN INDIVIDUAL SOLICITING FUNDS ON BEHALF OF THE CHARITY IS A VOLUNTEER, AN EMPLOYEE, OR A HIRED SOLICITOR.
5. DONORS WILL BE ENCOURAGED TO SEEK INDEPENDENT ADVICE IF THE CHARITY HAS ANY REASON TO BELIEVE THAT A PROPOSED GIFT MIGHT SIGNIFICANTLY AFFECT THE DONOR'S FINANCIAL POSITION, TAXABLE INCOME, OR RELATIONSHIP WITH OTHER FAMILY MEMBERS.
6. DONORS' REQUESTS TO REMAIN ANONYMOUS WILL BE RESPECTED
7. THE PRIVACY OF DONORS WILL BE RESPECTED. ANY DONOR RECORDS THAT ARE MAINTAINED BY THE CHARITY WILL BE KEPT CONFIDENTIAL TO THE GREATEST EXTENT POSSIBLE. DONORS HAVE THE RIGHT TO SEE THEIR OWN DONOR RECORD, AND TO CHALLENGE ITS ACCURACY.
8. IF THE CHARITY EXCHANGES, RENTS, OR OTHERWISE SHARES ITS FUNDRAISING LIST WITH OTHER ORGANIZATIONS, A DONOR'S REQUEST TO BE EXCLUDED FROM THE LIST WILL BE HONOURED.
9. DONORS AND PROSPECTIVE DONORS WILL BE TREATED WITH RESPECT. EVERY EFFORT WILL BE MADE TO HONOUR THEIR REQUESTS TO:
  - LIMIT THE FREQUENCY OF SOLICITATIONS;
  - NOT BE SOLICITED BY TELEPHONE OR OTHER TECHNOLOGY;

- RECEIVE PRINTED MATERIAL CONCERNING THE CHARITY.
10. THE CHARITY WILL RESPOND PROMPTLY TO A COMPLAINT BY A DONOR OR PROSPECTIVE DONOR ABOUT ANY MATTER THAT IS ADDRESSED IN THIS ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY CODE. A DESIGNATED STAFF MEMBER OR VOLUNTEER WILL ATTEMPT TO SATISFY THE COMPLAINANT'S CONCERNS IN THE FIRST INSTANCE. A COMPLAINANT WHO REMAINS DISSATISFIED WILL BE INFORMED THAT HE/SHE MAY APPEAL IN WRITING TO THE CHARITY'S GOVERNING BOARD OR ITS DESIGNATE, AND WILL BE ADVISED IN WRITING OF THE DISPOSITION OF THE APPEAL. A COMPLAINANT WHO IS STILL DISSATISFIED WILL BE INFORMED THAT HE/SHE MAY NOTIFY THE CANADIAN CENTRE FOR PHILANTHROPY IN WRITING.

## **B. Fundraising Practices**

1. FUNDRAISING SOLICITATIONS ON BEHALF OF THE CHARITY WILL:
- BE TRUTHFUL;
  - ACCURATELY DESCRIBE THE CHARITY'S ACTIVITIES AND THE INTENDED USE OF DONATED FUNDS;AND
  - RESPECT THE DIGNITY AND PRIVACY OF THOSE WHO BENEFIT FROM THE CHARITY'S ACTIVITIES.
  - ADHERE TO THE PROVISIONS OF THIS ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY CODE;
  - ADHERE TO THE PROVISIONS OF APPLICABLE PROFESSIONAL CODES OF ETHICS, STANDARDS OF PRACTICE, ETC.
  - CEASE SOLICITATION OF A PROSPECTIVE DONOR WHO IDENTIFIES THE SOLICITATION AS HARASSMENT OR UNDUE PRESSURE;
  - DISCLOSE IMMEDIATELY TO THE CHARITY ANY ACTUAL OR APPARENT CONFLICT OF INTEREST; AND
  - NOT ACCEPT DONATIONS FOR PURPOSES THAT ARE INCONSISTENT WITH THE CHARITY'S OBJECTS OR MISSION.
2. VOLUNTEERS, EMPLOYEES AND HIRED SOLICITORS WHO SOLICIT OR RECEIVE FUNDS ON BEHALF OF THE CHARITY SHALL:
- ACT WITH FAIRNESS, INTEGRITY, AND IN ACCORDANCE WITH ALL APPLICABLE LAWS;
3. PAID FUNDRAISERS, WHETHER STAFF OR CONSULTANTS, WILL BE COMPENSATED BY A SALARY, RETAINER OR FEE, AND WILL NOT BE PAID FINDERS' FEES, COMMISSIONS OR OTHER PAYMENTS BASED ON EITHER THE NUMBER OF GIFTS RECEIVED OR THE VALUE OF FUNDS RAISED. COMPENSATION POLICIES FOR FUNDRAISERS, INCLUDING PERFORMANCE-BASED COMPENSATION PRACTICES (SUCH AS SALARY INCREASES OR BONUSES) WILL BE CONSISTENT WITH THE CHARITY'S POLICIES AND PRACTICES THAT APPLY TO NON-FUNDRAISING PERSONNEL.
4. THE CHARITY WILL NOT SELL ITS DONOR LIST. IF APPLICABLE, ANY RENTAL, EXCHANGE OR OTHER SHARING OF THE CHARITY'S DONOR LIST WILL EXCLUDE THE NAMES OF DONORS WHO HAVE SO REQUESTED (AS PROVIDED IN SECTION A8, ABOVE). IF A LIST OF THE CHARITY'S DONORS IS EXCHANGED, RENTED OR OTHERWISE SHARED WITH ANOTHER ORGANIZATION, SUCH SHARING WILL BE FOR A SPECIFIED PERIOD OF TIME AND A SPECIFIED PURPOSE.
5. THE CHARITY'S GOVERNING BOARD WILL BE INFORMED AT LEAST ANNUALLY OF THE NUMBER, TYPE AND DISPOSITION OF COMPLAINTS RECEIVED FROM DONORS OR PROSPECTIVE DONORS ABOUT MATTERS THAT ARE ADDRESSED IN THIS ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY CODE.

## **C. Financial Accountability**

1. THE CHARITY'S FINANCIAL AFFAIRS WILL BE CONDUCTED IN A RESPONSIBLE MANNER, CONSISTENT WITH THE ETHICAL OBLIGATIONS OF STEWARDSHIP AND THE LEGAL REQUIREMENTS OF PROVINCIAL AND FEDERAL REGULATORS.
2. ALL DONATIONS WILL BE USED TO SUPPORT THE CHARITY'S OBJECTS, AS REGISTERED WITH REVENUE CANADA.
3. ALL RESTRICTED OR DESIGNATED DONATIONS WILL BE USED FOR THE PURPOSES FOR WHICH THEY ARE GIVEN. IF NECESSARY DUE TO PROGRAM OR ORGANIZATIONAL CHANGES, ALTERNATIVE USES WILL BE DISCUSSED WHERE POSSIBLE WITH THE DONOR OR THE DONOR'S LEGAL DESIGNATE. IF NO AGREEMENT CAN BE REACHED WITH THE DONOR OR HIS/HER LEGAL DESIGNATE ABOUT ALTERNATIVE USES FOR A RESTRICTED OR DESIGNATED DONATION, THE CHARITY WILL RETURN THE UNEXPENDED PORTION OF THE DONATION. IF THE DONOR IS DECEASED OR LEGALLY INCOMPETENT AND THE CHARITY IS UNABLE TO CONTACT A LEGAL DESIGNATE, THE DONATION WILL BE USED IN A MANNER THAT IS AS CONSISTENT AS POSSIBLE WITH THE DONOR'S ORIGINAL INTENT.
4. ANNUAL FINANCIAL REPORTS WILL:
  - BE FACTUAL AND ACCURATE IN ALL MATERIAL RESPECTS;
  - DISCLOSE:
    - THE TOTAL AMOUNT OF FUNDRAISING REVENUES (RECEIPTED AND NON-RECEIPTED);
    - THE TOTAL AMOUNT OF FUNDRAISING EXPENSES (INCLUDING SALARIES AND OVERHEAD COSTS);
    - THE TOTAL AMOUNT OF DONATIONS THAT ARE RECEIPTED FOR INCOME TAX PURPOSES (EXCLUDING BEQUESTS, ENDOWED DONATIONS THAT CANNOT BE EXPENDED FOR AT LEAST 10 YEARS, AND GIFTS FROM OTHER CHARITIES);
    - THE TOTAL AMOUNT OF EXPENDITURES ON CHARITABLE ACTIVITIES (INCLUDING GIFTS TO OTHER CHARITIES);
    - IDENTIFY GOVERNMENT GRANTS AND CONTRIBUTIONS SEPARATELY FROM OTHER DONATIONS; AND
    - BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND STANDARDS ESTABLISHED BY THE CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS, IN ALL MATERIAL RESPECTS.
5. NO MORE WILL BE SPENT ON ADMINISTRATION AND FUNDRAISING THAN IS REQUIRED TO ENSURE EFFECTIVE MANAGEMENT AND RESOURCE DEVELOPMENT. IN ANY EVENT, THE CHARITY WILL MEET OR EXCEED REVENUE CANADA'S REQUIREMENT FOR EXPENDITURES ON CHARITABLE ACTIVITIES. (IN GENERAL, SECTION 149.1 OF THE INCOME TAX ACT REQUIRES ALL CHARITIES TO SPEND AT LEAST 80 PERCENT OF THEIR RECEIPTED DONATIONS (EXCLUDING BEQUESTS, ENDOWED DONATIONS THAT CANNOT BE EXPENDED FOR AT LEAST 10 YEARS, AND GIFTS FROM OTHER CHARITIES) ON CHARITABLE ACTIVITIES; IN ADDITION, CHARITABLE FOUNDATIONS ARE REQUIRED EVERY YEAR TO EXPEND 4.5 PERCENT OF THE VALUE OF THEIR ASSETS IN SUPPORT OF CHARITABLE PROGRAMS.)
6. THE COST-EFFECTIVENESS OF THE CHARITY'S FUNDRAISING PROGRAM WILL BE REVIEWED REGULARLY BY THE GOVERNING BOARD.