

Excerpts from *The Ethical Fundraising and Financial Accountability Code* from the “Canadian Centre for Philanthropy”

Introduction

This Ethical Fundraising & Financial Accountability Code has been developed by the Canadian Centre for Philanthropy, in consultation with charity leaders throughout Canada. Its primary purpose is to assure donors of the integrity and accountability of charities that solicit and receive their financial support.

Charities that adopt this Ethical Fundraising & Financial Accountability Code commit to fundraising practices that respect donors’ rights to truthful information and to privacy. They also commit to manage responsibly the funds that donors entrust to them, and to report their financial affairs accurately and completely.

Donors or prospective donors who have questions or concerns about fundraising activities should contact the charity on whose behalf the funds are being solicited. Charities that adopt the Ethical Fundraising & Financial Accountability Code are committed to deal with such queries promptly and fairly. The Charities Division of the Canada Customs and Revenue Agency (CCRA) also provides information and receives complaints about registered charities at 1-800-267-2384.

In order to be recognized by the Canadian Centre for Philanthropy as having adopted this Ethical Fundraising & Financial Accountability Code, a charity’s governing board must pass the following motion as a formal resolution:

“[Name of charity] hereby adopts the Canadian Centre for Philanthropy’s Ethical Fundraising and Financial Accountability Code as its policy. In so doing, members of the governing board commit to being responsible custodians of donated funds, to exercise due care concerning the governance of fundraising and financial reporting, and to ensure to the best of their ability that the organization adheres to the provisions of the Code. It is hereby confirmed that each member of the governing board has received a copy of the Ethical Fundraising & Financial Accountability Code and that a copy will also be provided to each person who is subsequently elected to the governing board.”

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: The term “Eligible gifts” is comprehensively defined by CCRA. A full definition can be found in CCRS’s Interpretation Bulletin dealing with gifts and official donation receipts. Some common gifts, such as donations of volunteer time, services, 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 CCRA;
- Any information contained in the public portion of the charity’s most recent Charity Information Return (T3010) as submitted to CCRA;
- 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' request to remain anonymous will be respected.
7. The privacy of donor's 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 request to:
 - * limit the frequency of solicitations;
 - * not be solicited by telephone or other technology; and
 - * 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

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.

The charity will not sell its donor list.

C. Financial Accountability

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.

All donations will be used to support the charity's objects, as registered with CCRA.

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 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.

No more will be spent on administration and fundraising than is required to ensure effective management and resource development.

The cost-effectiveness of the charity's fundraising program will be reviewed regularly by the governing board.