

# Accountability Code

## Introduction

The Accountability Policy is based on the Canadian Centre for Philanthropy's *Ethical Fundraising and Financial Accountability Code* as recommended by The Canadian Land Trust Alliance's background paper. This policy's primary purpose is to assure donors of the integrity and accountability of [ORGANIZATION] with respect to donors' rights, fundraising practices and financial accountability.

This policy covers the following Canadian Land Trust Alliances Standards:

Standard 5 (Philanthropy and Fundraising)

- Practice A (Legal and Ethical Practices)
- Practice B (Accountability to Donors)
- Practice C (Accurate Representations)

Part of Standard 3 (Board Accountability)

- Practice A (Board Responsibility)

Part of Standard 1 (Mission)

- Practice A (Mission)

Standard 4 (Conflicts of Interest)

- Practice A (Dealing with Conflicts of Interest)

The following [ORGANIZATION] Accountability Policy consists of Donor's Rights, Fundraising Practices, Financial Accountability and Board Responsibility. This policy commits to fundraising practices that:

- respect donors' rights to truthful information and to privacy;
- responsibly manage the funds that donors entrust to them;
- report their financial affairs accurately and completely; and
- deal with donors or prospective donor's questions or concerns promptly and fairly.

## **A. Donor's 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 including, where appropriate, an independent evaluation. Automatic issuance of receipts will take place for donations over the value of \$10. Receipts for donations under \$10 will be issued by request.

2. All fundraising solicitations by or on behalf of [ORGANIZATION] 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 are free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

4. Donors are free to visit office and program sites of [ORGANIZATION] to talk personally with the staff.

5. Donors and prospective donors of [ORGANIZATION] are entitled to the following, promptly upon request:

- The [ORGANIZATION]'s most recent annual report and financial statements as approved by the Board of Directors;
- The [ORGANIZATION]'s registration number (business number) as assigned by the Canadian Customs Revenue Agency;
- any information contained in the public portion of [ORGANIZATION]'s most recent Charity Information Return (form T3010) as submitted to CCRA;
- a list of names of the members of the [ORGANIZATION]'s Board of Directors;

6. Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the [ORGANIZATION] is a volunteer, an employee or a hired solicitor.

7. Donors will be encouraged to seek independent advice if the donation might significantly affect the donor's financial position, taxable income, or relationship with other family members.

8. Donor's requests to remain anonymous will be respected.

9. The privacy of donors will be respected. Any donor records that are maintained by [ORGANIZATION] will be kept confidential to the greatest extent possible. Donors have the right to see their own donor records and to challenge their accuracy.

10. The [ORGANIZATION] will not share its funder list with any other funding organization.

11. Donors and prospective donors will be treated with respect and in a professional manner. Every effort will be made to honour their requests to:

- limit the frequency of solicitations;
- not be solicited by telephone or other technology; and
- receive printed material concerning their charity.

12. The [ORGANIZATION] will respond promptly to a complaint by a donor or prospective donor about any matter addressed in this Ethics and Accountability Code.

13. Donors will receive appropriate acknowledgement and recognition.

14. Donors have the right to know that [ORGANIZATION] is in compliance with federal, provincial and municipal laws.

## **B. Fundraising Practices**

1. Fundraising solicitations on behalf of the charity will:

- be truthful;
- accurately describe [ORGANIZATION]'s activities and the intended use of donated funds;
- and

☐ respect the dignity and privacy of those who benefit from [ORGANIZATION]'s activities

2. Volunteers, employees and hired solicitors who solicit or receive funds on behalf of [ORGANIZATION] shall:

- ☐ adhere to the provisions of this Accountability Policy;
- ☐ act with fairness, integrity, and in accordance with all applicable laws;
- ☐ cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure;
- ☐ disclose immediately to [ORGANIZATION] any actual or apparent conflict of interest; and
- ☐ not accept donations for purposes that are inconsistent with [ORGANIZATION]'s objects or mission.

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.

4. The [ORGANIZATION] will not sell its donor list. If applicable, any exchange or other sharing of The [ORGANIZATION]'s donor list will exclude the names of donors who have so requested (as provided in section A8, above). If a list of The [ORGANIZATION]'s donors is exchanged, or otherwise shared with another organization, such sharing will be for a specified period of time and a specified purpose.

5. The [ORGANIZATION]'s governing board will be informed of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Accountability Policy.

### **C. Financial Accountability**

1. The [ORGANIZATION]'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 regulations.

2. All restricted or designated donations will be used for the purposes for which they are given.

3. Annual financial reports will be factual and accurate in all material aspects be factual and accurate:

- ☐ disclose the total amount of fundraising revenues (receipted and non-receipted);
- ☐ disclose 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);
- ☐ disclose 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.

4. No more will be spent on administration and fundraising than is required to ensure

effective management and resource development. (Registered charities are required to spend 80% of their receipted donations from the previous taxation year – excluding bequests, endowed donations that cannot be expended for at least 10 years, and gifts from other charities – on charitable activities).

## **D. Board Responsibility**

1. The Board of [ORGANIZATION] is responsible for:

- managing risk
- taking account of the organization
- ensuring the soundness of the governance system

2. The Board has a heightened duty of care with respect to the protection of its charitable properties.