



**CHATS – COMMUNITY & HOME ASSISTANCE TO SENIORS  
POLICY & PROCEDURES MANUAL**

APPROVED BY: Board of Directors  
Reviewed by Finance and Audit Committee

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CATEGORY: Governance  
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**ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY POLICY**

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**PURPOSE:**

To adopt a code of ethics in order to assure donors of the integrity and accountability of CHATS as we solicit and receive financial support from donors.

**POLICY:**

**A. Donors Rights:**

1. All donors are to receive an official receipt for income tax purposes for the amount of the donation. Donors of non-monetary eligible gifts are to receive an official receipt that reflects the fair market value of the gift and are considered “eligible gifts” as defined by Canada Revenue Agency (CRA). Appraisal may be required. CHATS’ governing Board has established a minimum amount for the automatic issuance of receipts (\$10.00). Smaller donations will be receipted upon request.
  2. All fundraising solicitations by or on behalf of CHATS will disclose our name and the purpose for which funds are requested. Printed and online solicitations (however transmitted) will include our address and contact information.
  3. CHATS demonstrates the utmost transparency and accountability through accurate and accessible disclosure of information accessible on its website [www.chats.on.ca](http://www.chats.on.ca).
    - Our most recent three years of Annual Reports and/or audited financial statements including notes as approved by the Board of Directors;
    - Our registration number (BN) as assigned by CRA (132090978RR0001));
    - A list of the names of the members of our Board of Directors;
    - A copy of CHATS’ Investment Policy;
    - A copy of CHATS Ethical Fundraising & Financial Accountability Policy.
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4. Donors and prospective donors are entitled to know, upon request, whether an individual or entity soliciting funds on behalf of CHATS is a volunteer, an employee, or a contracted third party.
5. Donors will be encouraged to seek independent advice if CHATS 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. CHATS will honour donors' requests to remain anonymous in respect to:
  - Being publicly identified as a supporter of the organization; and/or
  - Having the amount of their contribution publicly disclosed.
7. The privacy of donors will be respected. Donor records are kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.
8. Donors and prospective donors will be treated with respect. Every effort is made to honour a request to:
  - Limit the frequency of solicitations;
  - Not to be solicited by telephone or other technology;
  - Receive printed material concerning the charity; and
  - Discontinue solicitations where it is indicated they are unwanted or a nuisance.
9. CHATS has the following policies in place which are regularly reviewed by the Board of Directors, in accordance with the Board Monitoring Policy:
  - Gift Acceptance Policy
  - Investment Policy
  - Naming Policy
  - Ethical Fundraising and Accountability Policy
10. CHATS will respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this Ethical Fundraising & Financial Accountability Policy. 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 they may appeal in writing to our Board of Directors 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 Ethical Code Committee (through Imagine Canada).

## **B. Fundraising Practice**

1. Fundraising solicitations on behalf of CHATS will:
    - Be truthful; and
    - Accurately describe our activities and the intended use of donated funds.
  2. CHATS will not make claims that cannot be upheld. We will refrain from using marketing materials or making representations that could be misleading. CHATS will not exploit its
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beneficiaries. We will be sensitive in describing those it serves (whether using graphics, images or text) and fairly represent their needs and how these needs will be addressed.

3. When CHATS conducts online solicitations our practices will be consistent with or exceed the provisions of the Canadian Code of Practice for Consumer Protection in Electronic Commerce, which is downloadable at: [http://www.cmcweb.ca/eic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003\\_e.pdf/\\$FILE/EcommPrinciples2003\\_e.pdf](http://www.cmcweb.ca/eic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003_e.pdf/$FILE/EcommPrinciples2003_e.pdf)
  4. When CHATS conducts face-to-face solicitations, including but not limited to door-to-door campaigns or street-side fundraising, our practices will include measures to:
    - Provide verification of the affiliation of the person representing CHATS; and
    - Secure and safeguard any confidential information, including credit card information, provided by donors.
  5. Volunteers, employees and third-party consultants/solicitors who solicit or receive funds on behalf of CHATS will:
    - Adhere to the provisions of this Ethical Fundraising and Financial Accountability Policy;
    - Act with fairness, integrity and in accordance with all applicable laws;
    - Adhere to the provisions of applicable professional codes and ethics, standards of practice, etc.;
    - Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure, or who states that they do not wish to be solicited;
    - Disclose immediately to CHATS any actual or apparent conflict of interest or loyalty; and
    - Not accept donations for purposes that are inconsistent with CHATS' objects, mission and values
    - Not engage third party consultants/solicitors without the approval of the Board of Directors.
  6. CHATS will provide, upon request, our best available information on the gross revenue, net proceeds and costs of any fundraising activity (including the fundraising costs categorized as education and/or public awareness) we undertake.
  7. When CHATS undertakes cause-related marketing in collaboration with a third party, it shall disclose how the charity benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, the charity should disclose this.
  8. Paid fundraisers, whether staff or consultants, will be compensated by a salary, retainer or fee, and will not be paid finder's 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 methods will be consistent with CHATS policies and practices that are applied to all staff.
  9. CHATS will not sell or trade our donor lists.
  10. CHATS' Board of Directors will be informed at least quarterly in the Annual Board Monitoring Report submitted by the Chief Executive Officer of the number, type, and
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disposition of complaints received from donors or prospective donors about matters that are addressed in this Ethical Fundraising and Financial Accountability Policy.

11. CHATS' Board of Directors will have final approval of any planned gifts that include the following: real estate, tangible property, residual interests (including any planned gift that may incur any future expenses or require financial valuations in order to issue a tax receipt or determine future values).
12. CHATS' planned giving program will be conducted in accordance with defined policies and procedures.

**C. Financial Accountability**

1. CHATS' financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and all applicable law.
  2. All donations will be used to support CHATS' objects, as registered with CRA.
  3. All restricted or designated donations will be used for the purposes for which they are given unless CHATS has obtained legal authorization to use them for other purposes. 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 CHATS is unable to contact a legal designate, the donation will be used in a manner that is as consistent as much as possible with the donor's original intent. If necessary, CHATS will apply to the courts or the appropriate regulatory body to obtain legal authorization to use the donation for other purposes.
  4. Annual financial reports collectively will:
    - Be factual and accurate in all material respects;
    - Disclose the gross amount of fundraising revenues (receipted and non-receipted);
    - Disclose the total amount of fundraising expenses (including salaries and overhead costs);
    - Disclose all donations that are receipted for income tax purposes;
    - Disclose the total amount of expenditures on charitable activities (including gifts to other charities);
    - Segregate undesignated and designated funds (for aggregate amounts over \$100,000);
    - Identify government grants and contributions separately from other donations (for aggregate amounts over \$100,000); and
    - Financial statements should be audited by an independent public accountant and prepared in accordance with generally accepted accounting principles and standards established by the Canadian Institute of Chartered Accountants, in all material respects (or disclose a discrepancy between the practice and GAAP).
  5. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. CHATS will disclose our process for evaluating its spending.
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6. The Board of Directors will review the cost effectiveness of the CHATS fundraising program annually.

#### **D. Allocation of Fundraising Revenues**

The following criteria are to be utilized in determining allocation of fundraising revenues for budgeting and year-end allocations:

- Surplus revenues from services and any non-LHIN funded program, provided these have no funder restrictions, are to be the first source for reserve fund allocations.
- Donor solicitations including individuals, community groups, and business will be allocated to direct program funding or defined projects communicated at the time of solicitation.
- Planned giving, memorial, unsolicited donations, and event revenues may be designated by the Board for reserve fund contribution in support of the future sustainability of CHATS.
- Designated donations by any individual or group must be honoured by CHATS and analyzed at year-end to identify any funds which may require deferral to the next year.
- Excess funds remaining from donor solicitations are to be deferred for allocation to direct program funding or defined projects in the subsequent year or may be designated by the Board for reserve fund contribution.

An analysis of fundraising revenues, planned gifts, and allocations is provided annually to the Board at year-end for approval.

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#### **OTHER RELATED POLICIES/PROCEDURES/FORMS:**

Fundraising & Sponsorship Recognition Policy  
Investment Policy  
Gift Acceptance Policy

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