

Kinark Foundation
Ethical Practice and Financial Accountability Policy

Rationale:

The Ethical Practice and Financial Accountability Policy has been developed to ensure the integrity, transparency and accountability of all the Foundation's activities and the truthfulness of its communications in order to maintain a high level of trust by current and prospective donors, the general public, government and regulatory bodies.

Policy Statement:

It is the policy of the Kinark Foundation to conduct all its activities in a highly ethical manner, acting within the law and in a manner that will uphold public scrutiny of our actions.

Dimensions:

This policy covers all activities of the Foundation including fundraising activities; distribution of funds; relationships with donors, volunteers and staff; and reporting and accountability to donors, the government and regulatory authorities. The Foundation, its staff and volunteers will meet or exceed all legal and regulatory requirements and consistently act in a highly ethical manner.

The Kinark Foundation has adopted the Imagine Canada *Ethical Fundraising and Financial Accountability Code*. The Kinark Foundation is listed on Imagine Canada's website as a Code Builder (early adherent to the Code). In addition to this policy, procedures have been developed to address specific fundraising practices that fall outside the Code's guidelines.

Professional staff and volunteers of the Kinark Foundation also operate in accordance with the *Association of Fundraising Professionals' Code of Ethical Principles and Standards of Professional Practice* and the *Donor Bill of Rights*.

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 as permitted by the Income Tax Act. 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 Canada Revenue Agency (CRA)). A full definition can be found in CRA's Interpretation Bulletin dealing with gifts and official donation receipts.¹ Some common gifts, such as donations of volunteer time, services, etc. are not eligible to receive official tax receipts. The Kinark Foundation issues receipts for donations in excess of \$10.
2. All fundraising solicitations by or on behalf of the Kinark Foundation will state the following: legal name of the Foundation and the purpose for which funds are requested. Printed solicitations (however transmitted) will contain the foregoing and the address, phone and website contacts.
3. Donors and prospective donors are entitled to the following, promptly upon request:
 - Kinark Foundation's most recent annual report and audited financial statements as approved by the Board of Directors;

¹ Currently eligible gifts are defined in IT110R3 Gifts and Official Donation Receipts. Kinark Foundation Gift Acceptance Policy is outlined in Ethics and Finance, Policy No. 4.

- Kinark Foundation's charitable registration number as assigned by CRA;
 - any information contained in the public portion of the Foundation's most recent Charity Information Return (form T3010) as submitted to CRA;
 - a list of the names of the directors of the Foundation; and
 - a copy of this Ethical Practice and Financial Accountability Policy.
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. The Kinark Foundation may publicly acknowledge donors. However, donors' requests to remain anonymous will be respected.
 7. The privacy of donors will be respected. All donor records² that are maintained by the Kinark Foundation will be kept confidential.³ Donors have the right to see their own donor record, and to challenge its accuracy.
 8. The Kinark Foundation will seek donors' consent prior to exchanging, renting, or sharing its donor list⁴ with other organizations.
 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; and
 - Receive, or not receive, printed material concerning the Foundation.
 10. The Kinark Foundation will respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this Ethical Practice and Financial Accountability Policy. A designated staff member and a Board member will attempt to resolve the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that s/he may appeal in writing to the Foundation's 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 s/he may notify Imagine Canada in writing as laid out in their Protocol for Complaints.

Fundraising Practices

1. Fundraising solicitations on behalf of the Kinark Foundation will
 - Be truthful;
 - Accurately describe the activities and the intended use of donated funds;

² A donor record is a paper or electronic file containing personal and financial information and the giving history of an individual.

³ Refer to Procedure #02 Confidentiality – Board and Committee Members

⁴ A donor list is a paper or electronic file listing individual donors and their contact information including name, address, phone and/or email address.

- Respect the dignity and privacy of those who benefit from the charity's activities;
 - Build goodwill for the Kinark Foundation and Kinark Child and Family Services and the children's mental health sector.
2. Volunteers, employees and hired solicitors who solicit or receive funds on behalf of the Kinark Foundation shall:
- Adhere to the provisions of the Ethical Practice and Financial Accountability Policy and Imagine Canada's Ethical Fundraising and Financial Accountability Code;
 - Act with fairness, integrity, and in accordance with all applicable laws;
 - Adhere to the provisions of those professional codes of ethics, and standards of practice, that the Kinark Foundation agrees from time to time should be followed as part of this policy;
 - Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure or otherwise unwelcome;
 - Disclose immediately to the charity any actual or apparent conflict of interest; and
 - Not accept donations for purposes that are inconsistent with the Kinark Foundation'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. Compensation policies for fundraisers, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with the Foundation's policies and practices.
4. The Foundation 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 #8 Donor's Rights). If a list of the Foundation's donors is exchanged, rented or otherwise shared with another organization, such sharing will be for a specified period of time and purpose.
5. The Foundation Board will be informed at least quarterly of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Policy.

Financial Accountability

1. The Foundation's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship⁵ and the legal requirements of provincial and federal regulators.
2. All donations will be used to support the Foundation's objects, as registered with CRA.
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. Where this cannot occur, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

⁵ Stewardship: The practice of protecting and managing the donor's investment so that it produces the best possible return, acting according to the donor's intent, and recognizing their support.

4. Financial reports produced for external use will be prepared in accordance with generally accepted accounting principles (GAAP) established by the Canadian Institute of Chartered Accountants or in accordance with specific requirements of the recipient if these are different. GAAP statements will be transparent and clearly and separately identify the major types of revenues and expenditures, including operating and fundraising expenses and monies expended for charitable purposes consistent with the Foundation's mission and objectives.
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 CRA's requirement for expenditures on charitable activities. (The *Income Tax Act* sets out a requirement that all registered charities spend 80% of their receipted donations from the previous taxation year – excluding bequest or endowed donations that cannot be expended for at least 10 years, and specified gifts from other charities – on charitable activities; in addition, charitable foundations are required to expend 3.5% of their assets in support of charitable programs.⁶)
6. The cost effectiveness of the Foundation's fundraising program will be reviewed regularly by the Foundation Board.

⁶ See Section 149.1 of the *Income Tax Act*.