



Ethical Fundraising  
and  
Financial Accountability Code

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# Air Cadet Foundation of BC

## Ethical Fundraising and

## Financial Accountability Code

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## Adherence to Code

The Air Cadet Foundation of British Columbia, (Society) undertakes to adhere to the standards set out in the Imagine Canada Ethical Fundraising and Financial Accountability Code in its treatment of donors and the public, its fundraising practices and its financial transparency, and to be accountable through its Board of Directors for doing so.

### 1. A - Donor Policies and Public Representations

1. The Society shall prepare and issue official Income Tax receipts for monetary gifts and for gifts-in-kind pursuant to any policy established and published on minimum amounts to be receipted and in compliance with all regulatory requirements. The Society shall acknowledge in writing contributions not entitled to be officially receipted, subject to any policy established and published on minimum amounts to be acknowledged.
2. All fundraising solicitations by or on behalf of the Society shall disclose the Society's name and the purpose for which funds are requested. Printed and on-line solicitations (however transmitted) shall include its address or other contact information.
3. The Society shall provide the following information promptly upon request:
  - the Society's most recent annual report and financial statements as approved by the governing board;
  - the Society's registration number (BN) as assigned by the Canada Revenue Agency (CRA);
  - any information contained in the public portion of the Society's most recent Society Information Return (form T3010A) as submitted to CRA;
  - a copy of the Society's Investment Policy relating to its investable assets, if applicable (see C8);
  - a list of the names of the members of the Society's governing board; and
  - a copy of this Ethical Fundraising and Financial Accountability Code.
4. The Society or those fundraising on its behalf shall disclose, upon request, whether an individual or entity soliciting contributions is a volunteer, an employee or a contracted third party.
5. The Society shall encourage donors to seek independent advice if the proposed gift is a Planned Gift and/or the Society has any reason to believe that the proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.
6. The Society shall honor 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 shall be respected. Any donor records that are maintained by the Society shall be kept confidential to the greatest extent possible. Donors shall have the right to see their own donor record, and to challenge its accuracy.
8. The Society will not exchange, rent, or otherwise share its fundraising lists with other organizations, a donor's request to be excluded from the list shall be honored.
9. Solicitations by or on behalf of the Society shall treat donors and prospective donors with respect. Every effort shall be made to honor their requests to:
  - limit the frequency of solicitations;
  - not be solicited by telephone or other technology;
  - receive printed material concerning the Society;
  - discontinue solicitations where it is indicated they are unwanted or a nuisance.
10. Recognition mechanisms created due to a gift shall not be arbitrarily changed or withdrawn. Unless otherwise negotiated at the time of the gift or changed through a joint agreement between the Society and the donor or the donor's family or legal representative, the original form of the recognition mechanism will be maintained. If the mechanism cannot be physically retained, it will be changed to another consistent with the original agreement. If continuation of the recognition creates a reputational risk for the Society, it may be terminated or altered.
11. The Society shall respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this *Ethical Fundraising and Financial Accountability Code*.

## 2. B - Fundraising Practices

1. Fundraising solicitations on behalf of the Society shall:
  - be truthful; and
  - accurately describe the Society's activities and the intended use of donated funds.
2. The Society shall not make claims that cannot be upheld. It shall refrain from using marketing materials or making representations that could be misleading. The Society shall not exploit its beneficiaries. It shall 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 the Society conducts online solicitations its practices shall be consistent with or exceed the provisions of the Canadian Code of Practice for Consumer Protection in Electronic Commerce, which is downloadable at:

[EcommPrinciples2003 \(publications.gc.ca\)](http://publications.gc.ca/EcommPrinciples2003)



4. When the Society conducts face-to-face solicitations, including but not limited to door- to-door campaigns or street-side fundraising, its practices shall include measures to:
  - provide verification of the affiliation of the person representing the Society; 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 the Society shall:
  - adhere to the provisions of this Ethical Fundraising and Financial Accountability Code;
  - act with fairness, integrity, and in accordance with all applicable laws;
  - 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, or who states that he does not wish to be solicited;
  - disclose immediately to the Society any actual or apparent conflict of interest or loyalty; and
  - not accept donations for purposes that are inconsistent with the Society's objects or mission.
  
6. The Society shall provide, upon request, its 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) it undertakes.
  
7. The Society shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.
  
8. Charities that undertake cause-related marketing in collaboration with a third party shall disclose how the Society 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 Society should disclose this.
  
9. The Society shall not sell its donor list.
  
10. The Society's governing board shall 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 and Financial Accountability Code.



### 3. C - Financial Practice and Transparency

1. The Society's financial affairs shall be conducted in a responsible manner, consistent with the ethical obligations of stewardship and all applicable law.
2. All donations shall be used to support the Society's objects, as registered with CRA.
3. All restricted or designated donations shall be used for the purposes for which they were given unless the Society has obtained legal authorization to use them for other purposes. 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 Society 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. If necessary, the Society 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 are necessary to achieve transparency and accountability to donors and the public. All charities issuing receipts should produce them and make them easily accessible. They should:
  - 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 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. The cost-effectiveness of the Society's fundraising programs shall be reviewed regularly by the governing board. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. The Society shall disclose its process for evaluating its spending.
6. The Society shall, upon request, disclose the revenue and expense assumptions for its fundraising activity as approved by its Board in its annual budget.



7. If the Society has annual revenue in excess of \$250,000, the financial statements shall be audited by an independent public accountant.
8. If the Society's investable assets surpass \$1,000,000, an Investment Policy shall be established setting out asset allocation, procedures for investment decisions, and asset protection issues.
9. If the Society receives, or anticipates receiving, gifts-in-kind of \$100,000 or more in a year and has annual revenue in excess of \$500,000, it shall establish a Gift Acceptance Policy (including valuation issues) for the receipt of gifts-in-kind.