

ETHICAL FUNDRAISING CODE

The John Howard Society of North Island (John Howard) undertakes to adhere to the standards set out in the 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.

A DONOR POLICIES AND PUBLIC REPRESENTATIONS

1. The John Howard Society of North Island shall maintain its charitable status.
2. John Howard 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. John Howard shall acknowledge, in writing, contributions not entitled to be officially receipted, subject to any policy established and published on minimum amounts to be acknowledged.
3. All fundraising solicitations by or on behalf of John Howard shall disclose John Howard'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.
4. John Howard must demonstrate the utmost transparency and accountability through accurate and accessible disclosure of information in a readily accessible location on its website. Information that should be disclosed includes, but is not limited to the following:
 - a. John Howard's most recent three years of annual reports and financial statements including notes as approved by the governing board;
 - b. John Howard's registration number (BN) as assigned by the Canada Revenue Agency (CRA);
 - c. any information contained in the public portion of John Howard's most recent Charity Information Return (form T3010) as submitted to CRA;
 - d. a copy of John Howard's Investment Policy relating to its investable assets, if applicable
 - e. a list of the names of the members of John Howard's governing board; and
 - f. a copy of this Ethical Fundraising and Financial Accountability Code.

5. John Howard 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.
6. John Howard shall not make claims that cannot be upheld or are misleading.
7. John Howard shall encourage donors to seek independent advice if the proposed gift is a Planned Gift and/or John Howard 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.
8. John Howard shall honour donors' requests to remain anonymous in respect to:
 - a. being publicly identified as a supporter of the organization; and/or
 - b. having the amount of their contribution publicly disclosed.
9. The privacy of donors shall be respected. Any donor records that are maintained by John Howard 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.
10. If John Howard exchanges, rents, or otherwise shares its fundraising lists with other organizations, a donor's request to be excluded from the list shall be honoured.
11. Solicitations by or on behalf of John Howard shall treat donors and prospective donors with respect. Every effort shall be made to honour their requests to:
 - a. limit the frequency of solicitations;
 - b. not be solicited by telephone or other technology;
 - c. receive printed material concerning John Howard;
 - d. discontinue solicitations where it is indicated they are unwanted or a nuisance.
12. John Howard shall have appropriate fundraising policies in place, including but not limited to gift acceptance, treatment of restricted or designated gifts, naming, and endowment policies. The relevance and appropriateness of John Howard's fundraising policies shall be reviewed regularly by the governing board.
13. 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 John Howard 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 John Howard, it may be terminated or altered.

14. John Howard shall post its complaints process and related contact information in a readily accessible location on its website. If John Howard does not have a website, this information shall be included in readily accessible public materials or documents.
15. John Howard 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.

FUNDRAISING PRACTICES

1. John Howard's fundraising affairs shall be conducted in a responsible manner, consistent with the ethical obligations of stewardship and all applicable law.
2. Fundraising solicitations on behalf of John Howard shall:
 - a. be truthful; and
 - b. accurately describe John Howard's activities and the intended use of donated funds.
3. John Howard 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.
4. When John Howard 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 [http://cmcweb.ca/eic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003_e.pdf/\\$FILE/EcommPrinciples2003_e.pdf](http://cmcweb.ca/eic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003_e.pdf/$FILE/EcommPrinciples2003_e.pdf)
5. When John Howard conducts face-to-face solicitations, including but not limited to door-to-door campaigns or street-side fundraising, its practices shall include measures to:
 - a. provide verification of the affiliation of the person representing John Howard; and,
 - b. secure and safeguard any confidential information, including credit card information, provided by donors.
6. Volunteers, employees and third party consultants/solicitors who solicit or receive funds on behalf of John Howard shall:
 - a. adhere to the provisions of this Ethical Fundraising and Financial Accountability Code;
 - b. act with fairness, integrity, and in accordance with all applicable laws;
 - c. adhere to the provisions of applicable professional codes of ethics, standards of practice, etc.;

- d. 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;
 - e. disclose immediately to John Howard any actual or apparent conflict of interest or loyalty; and
 - f. not accept donations for purposes that are inconsistent with John Howard's objects or mission.
7. John Howard 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.
8. John Howard shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.
9. If John Howard undertakes cause-related marketing in collaboration with a third party, we shall disclose how John Howard benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, John Howard should disclose this.
10. John Howard shall not sell its donor list. If applicable, any rental, exchange or other sharing of John Howard's donor list shall exclude the names of donors who have so requested (as provided in section A, above). If a list of John Howard's donors is exchanged, rented or otherwise shared with another organization, such sharing shall be for a specified period of time and a specified purpose and must be limited to what is allowed under Federal and/or Provincial privacy legislations.
11. John Howard'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 Code.

B FINANCIAL PRACTICE AND TRANSPARENCY

1. John Howard'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 John Howard's objects, as registered with CRA.
3. The cost-effectiveness of John Howard'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.
4. John Howard shall accurately disclose all costs associated with its fundraising activity.

5. John Howard shall make the following information publicly available (e.g., on its website, in its annual report, in its financial statements) within 6 months of its year end:
 - a. total fundraising revenues;
 - b. total fundraising expenses;
 - c. total expenditures on charitable activities/programming.
6. If John Howard'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.

INTERPRETATION GUIDE

This interpretation guide has been created to assist charities in complying with the standards laid out in the Ethical Fundraising & Financial Accountability Code (Ethical Code).

A DONOR POLICIES AND PUBLIC REPRESENTATIONS

STANDARD A1

John Howard shall maintain its charitable status.

STANDARD A8

John Howard shall 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

INTERPRETATION GUIDELINE

In some circumstances, when the source or size of a donation may be perceived as affecting the independence of John Howard, the organization may negotiate the terms of public disclosure.

STANDARD A12

John Howard shall have appropriate fundraising policies in place, including but not limited to gift acceptance, treatment of restricted or designated gifts, naming, and endowment policies. The relevance and appropriateness of John Howard's fundraising policies shall be reviewed regularly by the governing board.

INTERPRETATION GUIDELINE

All restricted or designated donations shall be used for the purposes for which they were given unless John Howard 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 John Howard 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, John Howard will apply to the courts or the appropriate regulatory body to obtain legal authorization to use the donation for other purposes.

STANDARD A13

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 John Howard 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 John Howard, it may be terminated or altered.

INTERPRETATION GUIDELINE

John Howard's Donor Recognition/Gift Acceptance Policy may be referred to in a gift agreement and may define recognition time limits and/or establish procedures if maintaining the original form of recognition becomes impractical or undesirable.

B FUNDRAISING PRACTICES

STANDARD B8

John Howard shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.

RATIONALE

The Ethical Code prohibits finder's fees, commissions, and percentage-based compensation for several reasons, including:

- Charitable organizations operate for the public good and receive special rights and tax exemptions. Percentage-based compensation may provide excessive private benefit to individual fundraisers or for-profit fundraising firms and may damage the underpinnings of the contract that charitable organizations have with society.
- Percentage-based compensation may undermine donor confidence in charities by diverting or appearing to divert donated funds into private pockets. Donors and potential donors may reconsider their decision to give if they believe that their donation will benefit the fundraiser rather than John Howard.
- Successful fundraising programs are built on the development of long-term relationships with donors. Finder's fees, commissions, and percentage-based compensation for fundraisers provide an incentive to maximize immediate revenue and may undermine the long-term interests of the charitable organization.

- Linking remuneration directly to fundraising success can lead to undue pressure on donors.
- Pre-determined payments for fundraisers recognize the value of the work involved in fundraising independently of the fundraising outcome, which cannot be guaranteed.

INTERPRETATION GUIDELINES

1. This standard extends to all fundraising done by John Howard including fundraising done on its behalf or in its name.
2. This standard does not apply to:
 - a. commercial fees, such as commissions or percentage payments or similar administrative payments for credit card transactions;
 - b. administrative fees charged by registered charities that collect money on behalf of other charities (e.g., Community Foundations and United Ways);
 - c. cause-related marketing where a retailer or other service provider agrees to give a percentage of sales to a charity without any intermediary;
 - d. service providers that provide a platform for fundraising but do not solicit contributions on behalf of John Howard, or
 - e. lotteries, including but not limited to, bingos, raffles, break open tickets and social gaming events that are otherwise regulated. It is expected that lotteries and other gaming events will be licensed by the appropriate authority.
3. Compensation of staff, consultants, and contractors should take into account the experience, expertise and the time requirements of the position as well as performance.
4. Charitable organizations may offer performance-based compensation to staff (e.g., salary increases, bonuses) under the following conditions:
 - a. there is a performance-based compensation policy in place that also applies to staff engaged in non-fundraising activities;
 - b. the governing board approves this policy;
 - c. performance goals are established in advance; and,
 - d. the criteria for determining eligibility for, or the amount of, performance-based compensation, do not include consideration of a percentage of income received by the organization as a result of the individual's efforts.
5. Charities that work with fundraising consultants or contactors may include performance-management mechanisms in their contracts. These mechanisms should be designed to minimize the cost of fundraising to John Howard and avoid excessive private benefit to the consultant/contractor.

6. Should a charity have a contractual arrangement in place to raise funds, and a violation of the Code occurs through a breach of that contract, John Howard must correct the situation as soon as reasonably possible.

DEFINITIONS

Bonus: a sum of money given to an employee in addition to his/her usual compensation. Bonuses are usually given for meeting or exceeding established performance goals.

Commission: a payment based on the dollar value of a transaction. In the fundraising context, it refers to remuneration based on a percentage of funds raised.

Finder's Fee: a fee paid to a third party for bringing together two or more people or companies in a business transaction, as in the borrowing or lending of money. In the fundraising context, a finder's fee refers to the payment of a fee to a third party that is contingent upon obtaining a donation.

Percentage-Based Compensation: compensation based on a percentage of funds raised.

Performance-Based Compensation: compensation paid to an employee, consultant, or contractor that is linked to performance (e.g., meeting or exceeding established performance goals) but which does not relate in a significant way to funds raised.