



ETHICAL CODE HANDBOOK



**INVESTING IN OUR YOUTH
LOOKING TO THE FUTURE**

ETHICAL FUNDRAISING AND FINANCIAL ACCOUNTABILITY CODE

CYAN undertakes to adhere to the standards set out in this *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.

Approved by the CYAN Board of Directors in August 2011.

DONOR POLICIES AND PUBLIC REPRESENTATIONS

- 1** CYAN 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 received and in compliance with all regulatory requirements. CYAN shall acknowledge in writing contributions not entitled to be officially received, subject to any policy established and published on minimum amounts to be acknowledged.
- 2** All fundraising solicitations by or on behalf of CYAN shall disclose CYAN's name and the purpose for which funds are requested. Printed and online solicitations (however transmitted) shall include its address or other contact information.
- 3** CYAN shall provide the following information promptly upon request:
 - CYAN's most recent annual report and financial statements as approved by the governing board;
 - CYAN's registration number (BN), as assigned by the Canada Revenue Agency (CRA);
 - Any information contained in the public portion of CYAN's most recent Charity Information Return (form T3110A) as submitted to CRA;
 - A copy of CYAN's Investment Policy relating to its investable assets, if applicable;
 - A list of the names of the members of CYAN's governing board; and
 - A copy of this *Ethical Fundraising and Financial Accountability Code*.
- 4** CYAN or those fundraising on its behalf shall disclose, upon request, whether an individual or entity soliciting contributions is a volunteer, and employee or a contracted third party.
- 5** CYAN shall encourage donors to seek independent advice if the proposed gift is a Planned Gift and/or CYAN 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** CYAN shall honor donor's requests to remain anonymous in respect to:
 - Being publicly identified as a supporter of the organization; and/or
 - Having the amount of the contribution publicly disclosed.
- 7** The privacy of donors shall be respected. Any donor records that are maintained by CYAN 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** If CYAN exchanges, rents, or otherwise shares its fundraising list with other organizations, a donor's request to be excluded from the list shall be honoured.
- 9** Solicitations by or on behalf of CYAN shall treat donors and prospective donors with respect. Every effort shall be made to honour their requests to:
 - Limit the frequency of solicitations;
 - Not be solicited by telephone or other technology;
 - Receive printed material concerning CYAN;
 - 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 CYAN 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 CYAN, it may be terminated or altered.
- 11** CYAN 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** Fundraising solicitations on behalf of CYAN shall:
 - Be truthful; and
 - Accurately describe CYAN's activities and the use of donated funds.
- 2** CYAN shall not make claims that cannot be upheld. It shall refrain from using marketing materials or making representations that could be misleading. CYAN 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 CYAN conducts online solicitations, its practices shall be consistent with or exceed the provisions of the Canadian Principles of Consumer Protection in Electronic Commerce (see <http://www.ic.gc.ca>).
- 4** When CYAN conducts face-to-face solicitations, including but not limited to door-to-door campaigns or street-side fundraising, its practices shall include measure to:
 - Provide verification of the affiliation of the person representing CYAN; 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 CYAN shall:
 - Adhere to the provision 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 code of ethics, standards of practice, etc.;
 - Cease solicitation of a prospective donor who identified the solicitation as harassment or undue pressure, or who states that he does not wish to be solicited;
 - Disclose immediately to CYAN any actual or apparent conflict of interest or loyalty; and
 - Not accept donations for purposes that are inconsistent with CYAN's objectives or mission.
- 6** CYAN 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** CYAN shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.
- 8** If CYAN undertakes cause-related marketing in collaboration with a third party, it shall disclose how CYAN benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, CYAN should disclose this.
- 9** CYAN shall not sell its donor list. If applicable, any rental, exchange or other sharing of CYAN's donor list shall exclude the names of donors who have so requested. If a list of CYAN's donors is exchanged, rented or otherwise shared with another organization, such sharing shall be for specified period of time and a specific purpose and must be limited to what is allowed under Federal and/or Provincial privacy legislations.
- 10** CYAN'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*.




FINANCIAL PRACTICE AND TRANSPARENCY

- 1 CYAN'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 CYAN's objects, as registered with CRA.
 - 3 All restricted or designated donations shall be used for the purposes for which they were given unless CYAN 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 CYAN 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, CYAN 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 receipts issued by CYAN shall be produced by it and made easily accessible. Financial reports 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 CYAN'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. CYAN shall disclose its process for evaluating its spending.
 - 6 CYAN shall, upon request, disclose the revenue and expense assumptions for its fundraising activity as approved by its Board in its annual budget.
 - 7 If CYAN has annual revenue in excess of \$250,000, the financial statements shall be audited by an independent public accountant.
 - 8 If CYAN'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 CYAN 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 Acceptable Policy (including valuation issues) for the receipts of gifts-in-kind.
- This policy is applicable to all individuals, employees and/or contractors who raise funds for CYAN from private, corporate, public or other sources.

Community Youth in Action Network (CYAN)

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For more information on making donations, please contact us directly.

Donations can also be made online at the CYAN website: www.thecyan.org