

Hamilton Community Foundation

POLICY: FINANCIAL ACCOUNTABILITY, ETHICAL FUNDRAISING AND DONOR RELATIONS	NUMBER: 4.1	PAGE: 1 of 6
Section: Asset Development		
ESTABLISHED: September 15, 2015	REVISED/REAFFIRMED: January 25, 2022	SUBJECT TO REVIEW: Annually

Policy Statement:

The primary purpose of this policy is to assure donors of the integrity and accountability of HCF's fundraising and stewardship practices that respect donors' rights to truthful information and privacy. This policy articulates HCF's commitment to responsibly manage the funds that donors entrust to them, and to report their financial affairs accurately and completely.

FINANCIAL ACCOUNTABILITY

HCF is accountable to the following stakeholders:

To the public

Each year, a complete set of audited financial statements is posted on HCF's website as soon as practical after acceptance of the statements by the Board of Directors. Statements for the last three fiscal years will be available at any time. Hard copies of the financial statements will be available upon request to the foundation.

To the Board of Directors

The annual development (fundraising) costs are not necessarily attributable to donations received in that year. The nature of donations to the Foundation can result in costs preceding the receipt of the donation by several years (for example, donations through wills). As a result, consistent with the community foundation sector, operating costs are evaluated by a ratio of total operating expenses to average total assets. Ratios fall with a range depending on the size and stage of the community foundation in its development. The result is compared with benchmarks established in the community foundation sector.

The results and benchmarks are monitored on an ongoing basis. This is part of the annual budgeting process and the detailed quarterly financial reporting presented to the board for their review. The report includes a detailed variance analysis with explanations of line-by-line results.

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To donors

Donors will be provided with official income tax receipts for charitable donations. These official income tax receipts will be issued in accordance with CRA regulations. Currently HCF does not require a minimum donation to be eligible for a tax receipt.

In addition, donors who are fundholders receive an annual detailed status report on the accounting of their fund over the past year. This includes a report on the transactions in their fund, investment commentary setting out the results for the year in review, comments on the current investment climate and expectations for the year ahead, actions in place to mitigate loss, etc.

ETHICAL FUNDRAISING AND DONOR RELATIONS

There is a clear understanding by all HCF staff and Board members that donors and potential donors to the Foundation are to be treated with respect and dignity. In particular, the following aspects are critical:

1. Ethical Fundraising practices

Fundraising solicitations and stewardship on behalf of the Foundation shall:

- Be truthful;
- Accurately describe the Foundation's activities and the intended use of the donor's funds;
- Disclose, upon request, whether the individual or entity seeking the donation is a volunteer, employee or contracted third party; and
- Ensure that donors are treated in a manner that respects the individual wishes and circumstances.

Volunteers, employees or a contracted third party shall:

- Adhere to the provisions of this *Ethical Fundraising, Donor Relations and Financial Accountability Policy*;
- Act with fairness, integrity and in accordance with all applicable laws;
- Adhere to the provisions of applicable professional codes of ethics, standard practices, etc.;
- Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure;
- Disclose immediately to the Foundation any actual or apparent conflict of interest; and

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- Not accept donations for purposes that are inconsistent with the Foundation's mission.

2. Remuneration

Philanthropic Services 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 donations received or the value of funds raised. Compensation policies for associates, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with the Foundation's policies and practices that apply to non-fundraising personnel.

3. Donor requests

Every effort will be made to honour any donor requests to:

- Limit the frequency of contact
- Not be contacted by telephone or other technology
- Receive printed material concerning the Foundation
- Discontinue contact

4. Anonymity

Fundholders' wishes for anonymity are explored in detail with the results captured on the *Privacy Matters* Schedule B to their fund agreement. See item 12 in *Policy 4.2 Donation Acceptance* and *Privacy Matters Schedule B* attached.

Donors' wishes for anonymity can be expressed via donation forms or by contacting HCF staff. All donation acknowledgement letters processed by the foundation office include information about how donors can contact HCF staff to express their wishes for anonymity. For donations made through HCF's online donation portal, there is a field in the online form where the donor can indicate if they wish to be anonymous. Requests from the donor and through HCF's donation portal are tracked in our information management system.

5. Legal advice

Individuals considering a donation to the Foundation are encouraged to seek independent advice from their legal and financial advisors before finalizing

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the arrangements for a donation that may significantly affect their financial position, taxable income or relationship with other family members.

6. Confidentiality

The Foundation does not rent, exchange or otherwise share its fundraising list with other organizations.

7. Complaints

The Foundation will respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this policy. A designated staff member will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that they may submit the complaint in writing to the Foundation's board of directors for its consideration and response.

MONITORING:

This policy is to be reviewed annually by staff, with substantive changes brought to the Board of Directors for approval. It will be reviewed every three years by the Board of Directors.

DONATION

1) Public disclosure

I am prepared to make the amount of this donation public. Yes ____ No ____

I authorize you to publicly reveal our names as contributors to HCF. Yes ____ No ____

2) Disclosure to Board of Directors:

Once the fund agreement has been finalized to your satisfaction, it will be presented to our Board of Directors for review and signature. At that time, personal information about you may be presented to the Board for the purpose of providing background information so that the Board may better understand the reasons and motivation behind your fund. This information may also be documented as part of the minutes for the Board meeting and be included in a Board Resolution. Should there be any personal information that you do not wish to be presented to the Board or if you have any concern in this matter, please advise.

I authorize you to reveal information about me/us (as donor(s) and as provided in the Introduction to the agreement) to the Board. Yes ____ No ____

FUND

1) Annual Report and other HCF publications:

The Annual Report and the Website of the Community Foundation includes specific details of all of the endowment funds established at Hamilton Community Foundation. This information includes total contributed donations to each fund, as well as information pertaining to any grants that were made from the Fund within the past year. If you do not wish your Fund name to be included in this list please advise and we will gladly accommodate your request.

(Donor's initials)

Privacy Matters (Cont'd)

In the Annual Report and other publications:

I authorize you to list the name of this Fund Yes____ No ____

I authorize you to disclose the total grants distributed from the Fund
Yes____ No ____

I authorize you to list the details of the grants and organization Yes____ No ____

2) Grant Distributions:

Each year when grants are distributed, information is provided to the recipient regarding the Fund and the contributing donor. Recognition of the Fund and the Foundation is provided by the recipient organization in its publications. If you would prefer that your name or Fund not be so publicized, we will ensure that the information is not disclosed.

I authorize you to reveal information about the Fund to the recipient organization Yes ____ No ____

I authorize you to reveal information about me/us as donor(s) to the recipient organization Yes ____ No ____

Public recognition of the grant by the recipient organization is Acceptable Yes ____ No ____

Signature

Date