

# **Youth Without Shelter Fundraising Policy**

## **Objective**

This policy was created to ensure that Youth Without Shelter (YWS) maintains high standards of integrity and stewardship in both its active fundraising and related communication activities and its acceptance of donations. The organization will make every possible effort to ensure that this policy is current, relevant and used consistently to achieve this objective.

This policy sets out guidelines for due diligence in acceptance, receipting, documenting and reconciling donations received by YWS. Adherence to this policy is paramount to ensure that the organization stands up to scrutiny by all its stakeholders.

## **Introduction**

Youth Without Shelter is a registered charity and may accept charitable gifts based on the policies and procedures described in this document. All policies herein shall become effective upon approval by the Board of Directors.

YWS generally accepts charitable gifts in the form of cash, cheque, credit card, gifts-in-kind of goods and services, or deferred gifts which include will bequests, transfer of stock, life insurance policies, gift annuities and charitable remainder trusts. Ownership of all gifts resides with YWS whether they benefit the organization in general, or some purpose specified by the donor and agreed to by YWS.

YWS prefers to receive unrestricted donations to pursue its greatest needs, but may accept restricted donations after a careful process of due diligence to ensure that such specific purposes are complementary to the overall long-term goals of the organization. YWS may elect to accept or decline any unrestricted or restricted gift.

## **Fundraising Procedures**

On an annual basis, the fundraising staff person and the executive director, with the support of the fundraising committee and board, will review all upcoming funding needs and agree on the best ways to reach the fundraising goals of the organization. An annual fundraising plan will be developed, approved and implemented. Quarterly reviews will be undertaken by the fundraising committee, fundraising staff person and executive director to assess the success of the fundraising work to date, with an eye to enhancing and improving current and future fund development initiatives.

The board of directors, fundraising committee, fundraising and communications volunteers and others as appropriate will be provided a copy of all policies and procedures related to fundraising activities to ensure compliance across the organization.

All grant applications and letters of solicitation or acknowledgement sent by Youth Without Shelter must be sent on YWS letterhead, be reviewed by the executive director and be signed by the executive director or his/her designee.

### **Ethical Guidelines**

Youth Without Shelter is a registered charity and therefore a trustee of charitable dollars. This policy recognizes the critical importance of ethical conduct in fundraising activities in order to safeguard the status of the organization as a registered charity and ensure YWS stands up to scrutiny by all its stakeholders and the public.

Ethical considerations include:

- YWS does not endorse any products and/or services of donors or sponsors.
- YWS does not accept donations in cash or kind from companies that create products that cause physical harm to human beings or animals, as determined by the Board of Directors.
- YWS will not use any unethical or unlawful techniques to solicit funds or sell products and services.
- Donations will not be accepted if they are deemed to have originated from unethical or unlawful activities as determined by the Board of Directors.
- YWS will not engage in any activities that involve discriminatory practices against any individual or group based on gender, sexual orientation, religious or political affiliation, citizenship, age, race or ethnicity, record of offences, disability, income or family status.
- No valuable consideration or other privileges will be bestowed on a donor who could have the ability to exercise, directly or indirectly, control or significant influence over the organization.
- No benefit of any kind may be provided to the donor, or to anyone designated by the donor, except where the benefit is of nominal value (the lesser of \$50 or 10%).
- YWS will not engage outside professional fundraisers if fees are a significant portion of the anticipated funds raised as determined by the Board of Directors.

### **Donor Rights**

Youth Without Shelter will operate within the Donor Bill of Rights adopted by the Canadian Association of Fundraising Professionals. The Donor Bill of Rights reads as follows:

All donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and its capacity to use donations effectively for their intended purposes.

2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.
3. To have access to the organization's most recent audited financial statement.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing the organization will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.
11. To be assured that all online transactions and contributions occur through a safe, private and secure system that protects the donor's personal information.
12. To be clearly informed if a contribution goes directly to YWS or is held by, or transferred through, a third party.
13. To have access to the organization's privacy policy.

### **Restricted Gifts**

A restricted gift is defined as a gift that has a specific purpose specified by the donor and agreed to by YWS upon acceptance. YWS may accept and solicit restricted donations designated for a current restricted fund and approved special projects already included in the annual operating budget.

If the nature of the restricted gift involves a long-term strategic association, a formal partnership agreement will be developed and signed to define the alliance.

Documentation and financial accounting must be maintained to ensure easy verification of the use of restricted funds.

In the case of restricted donations that result in the creation of new initiatives, the organization must approve the designated donation based on the following:

- Any new donor wishing to donate funds with external restrictions or for a specific purpose must outline the purpose and intent of their gift in writing.
- Such gifts may not be contradictory to YWS' mission and goals.
- The donor's business and/or personal activities must be perceived to be socially responsible and not contradictory to the mission of YWS.
- The gift may not result in unplanned higher operational costs or financial burden in order to actually administer/liquidate the gift.
- The gift may not be restricted to the benefit of an individual or group of specific clients.

The gift must be reviewed by the executive director who will make a recommendation to the board to determine whether to accept the restricted donation. If the donation is rejected, the executive director will inform the donor immediately and will maintain a file of the decision and due diligence proceedings to support the decision.

### **Sponsorships**

When the benefits and recognition offered by YWS to a donor are considered to be material based on the guidelines of the CRA, YWS and the contributor should enter into a formal Letter of Agreement with regard to benefits and recognition, and the contribution should be classified as a sponsorship. No tax receipt will be issued to acknowledge sponsorships.

### **Gifts-in-Kind**

Gifts-in-kind goods are defined as any gift that is not cash or cheque, including securities.

Gifts-in-kind services are free services needed to further the goals of the organization. Examples of such services include consulting services and advertising. These services cannot be receipted, as they do not represent a transfer of property. Where suppliers donate back cheques related to payment for services provided, they should be issued a receipt for the full amount of the cash donation.

YWS may decline acceptance of any gift-in-kind goods or services based on the following:

- The gift may not result in unplanned higher operational costs or financial burden in order to store/liquidate.
- The gift must be an item that can be used within a reasonable period of time by either YWS or residents moving into their own dwelling.
- The donor's business and/or personal activities must be perceived to be socially responsible and not contradictory to the mission of YWS.
- The organization should have the freedom to make decisions regarding upgrading, maintenance and ultimate disposal of the gift.

Gifts of a company's inventory or product may be accepted, however such gifts are not eligible for a tax receipt. CRA considers such gifts as non-qualifying because the donor is able to deduct the cost of the contribution as a business expense.

Other gifts-in-kind may be tax receipted only where YWS is able to substantiate the value of the gift. All gifts over \$1,000 must be appraised according to the guidelines provided by the CRA.

YWS will ensure that all gifts-in-kind donors receive proper acknowledgement and recognition.

### **Official Tax Receipts**

YWS will issue official tax receipts fulfilling all of the requirements of the CRA. There is no regulation required the issuance of receipts within a particular time frame, however the organization will ensure that receipts are issued within 10 business days of the donation. The exception to this policy will be monthly or ongoing donors who have agreed to receive one receipt at year-end consolidating all gifts received within that year. Such receipts will be issued by January 20 of the following year.

Each individual donation is to be entered into the Income Manager database and receipted through the same system. YWS is responsible for guarding against the unauthorized use of official receipts, therefore access to the database will be limited and password protected. Donations will be processed and receipted by the fundraising staff person and signed by the executive director.

### **Donor Recognition**

All donors will receive timely and appropriate recognition for their gift. This recognition may include letters, telephone call, listing in publication, token gift, certificate, formal recognition event, etc. The fundraising committee, the fundraising staff person and the executive director are responsible for establishing and maintaining an ongoing recognition program. All recognition will be equitable in nature based on the amount of the gift.

### **Events**

Special events are defined as activities that the organization plans and conducts in order to raise funds.

The following will be considered when planning special events:

- The cost to raise a dollar should be no more than 50% and ideally significantly lower. Rare exceptions may be given if the event is deemed to have significant public relations benefit.
- The amount of staff time invested in the event versus the overall anticipated revenue will be considered.
- All required licences/permits will be obtained.
- Formal written agreements will be obtained if the event is run in conjunction with another organization.

Third party events are planned and conducted by an outside organization, company or group of individuals and all or a portion of the funds raised are donated to YWS. YWS staff and volunteers may assist in planning and executing these events periodically and usually at least one individual from YWS will attend to represent the organization.

Third party events are encouraged and the revenue accepted as long as the events and the donor's business and/or personal activities are perceived to be socially responsible and not contradictory to the mission of YWS.

**Approved: September 18, 2006**