

COMMUNITY FOUNDATION OF OTTAWA

POLICY

POLICY: DONOR-INITIATED FUNDRAISING for Component Funds of the Foundation

Preamble:

In developing its assets, the main focus of the Community Foundation of Ottawa is to raise unrestricted endowment by attracting major and planned gifts. We are pleased to work with individuals and groups to help develop component funds. Often these people would like to organize a fundraiser to raise dollars for a Fund. The Foundation most often receives the net income from such activities and does not acknowledge the individual contributors of the dollars. However, there may be times when individual contributors to a fundraiser want to receive a charitable tax receipt. This policy addresses the issues associated with receipting of such donations. It will also serve as guide to those who are planning fundraising events and solicitations (“Fundraising Groups”).

When Fundraising Groups conduct fundraising activities and solicitations on behalf of component funds at CFO, for tax purposes such fundraising is being done on behalf of the Foundation. A number of significant tax and accounting issues arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of CFO to:

- ensure that donors to the Fund are entitled to the appropriate tax deductions;
- protect the Fundraising Groups from unintended tax consequences to themselves; and determine that the Foundation is not exposed to penalties for failing to make proper solicitation disclosures.

Statement:

1. Foundation Approval of Events

Before undertaking public fundraising events, the Fundraising Group will identify in advance to the Foundation each program, event or other effort to raise money for the Fund. The Fundraising Group shall obtain advance written approval from the Community Foundation of Ottawa. The Fundraising Group will then proceed according to the Foundation’s guidelines. All uses of the Foundation’s name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should make clear, where applicable, that the funds are being raised *on behalf of* rather than *by* the Community Foundation of Ottawa.

2. Fees

Should the Fundraising Group require extra administrative services, CFO may negotiate a fee to cover its expenses and overhead.

3. Responsibilities of the Community Foundation of Ottawa

CFO is responsible for:

- the management of such money and property as it may accept into the component fund from donors, other contributors and sources;
- the application of income and principal to charitable uses, all in accord with the governing documents of the Foundation; and

- providing appropriate acknowledgements to donors.

4. Responsibilities of the Fundraising Group

The Fundraising Group is responsible for the fundraising event and matters related to it including:

- payment of all costs and expenses;
- compliance with laws;
- reporting and other requirements of every kind such as licensing, tax payment and liability insurance; and
- obtaining and providing the Foundation with all requested fundraising records. These records must be retained for a minimum of 7 years.

5. Payment of Expenses

The Fundraising Group is responsible for all expenses and maintenance of appropriate financial controls and records related to fundraising events. The Fundraising Group provides the Foundation with a budget in advance of the event as well as copies of invoices and receipts at the conclusion. The Fundraising Group is responsible for all losses incurred by events.

6. Designation of Cheques

Cheques should be made payable to the CFO or the component Fund of the Foundation.

7. Receipting of Donations

CFO will receipt all eligible donations in compliance with the regulations of the Income Tax Act. At a minimum, the Fundraising Group will provide:

- the donor's complete name and address;
- the date and amount of the contribution;
- a description of the donation (e.g. cash or stock);
- a detailed description and valuation of any goods and services provided in exchange for the contribution.

CFO does not provide tax receipts for:

- donations from fundraising events for which the value of goods and services received matches or exceeds the amount of the donation;
- contributions of services;
- raffle tickets;
- auction or rummage sale purchases;
- sponsorship by a business or corporation;
- other donations defined as not eligible by the CRA.

EFFECTIVE DATE: January 25, 2000

LAST REVISED OR REVIEWED: January 2010

SUBJECT TO REVIEW: January 2015