

THE VARLEY-MCKAY ART FOUNDATION OF MARKHAM

ETHICAL FUNDRAISING AND FINANCIAL ACCOUNTABILITY CODE

The Varley-McKay Art Foundation of Markham ("the Foundation") undertakes to adhere to the standards set out in the Imagine Canada 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.

The Foundation was incorporated on February 13, 1992 by Letters Patent under the laws of the Province of Ontario. The objects of the Foundation are:

To receive and maintain a fund or funds and apply all of the principal and income therefrom for the following

- (a) to educate and promote the public's appreciation of the fine arts in the Town of Markham by the establishment of an art centre;*
- (b) to acquire a collection of art works, objects and documentary material in respect of the collection; and*
- (c) to preserve and exhibit the collection.*

The Foundation is responsible for recommending art acquisitions and donations under a Collection Policy approved by the Town of Markham and the Foundation. The governing board of the Foundation is required to adhere to the Collection Policy.

A. DONOR POLICIES AND PUBLIC REPRESENTATIONS

1. The Foundation prepares and issues 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. The Foundation will acknowledge in writing contributions not entitled to be officially receipted, subject to any policy established and published on minimum amounts to be acknowledged.
2. All fundraising solicitations by or on behalf of the Foundation disclose the Foundation's name and the purpose for which funds are requested. Printed and on-line solicitations (however transmitted) will include its address or other contact information.
3. The Foundation provides the following information promptly upon request:
 - the Foundation's most recent annual report and financial statements as approved by the governing board;
 - the Foundation's registration number (BN) as assigned by the Canada Revenue Agency;
 - any information contained in the public portion of the Foundation's most recent Foundation Information Return (form T3010A) as submitted to the Canada Revenue Agency;
 - a copy of the Foundation's Investment Policy relating to its investable assets, if applicable (see C8);

- a list of the names of the members of the Foundation's governing board; and
 - a copy of this Ethical Fundraising and Financial Accountability Code.
4. The Foundation or those fundraising on its behalf will disclose, upon request, whether an individual or entity soliciting contributions is a volunteer, and employee or a contracted third party.
 5. The Foundation will encourage donors to seek independent advice if the proposed gift is a Planned Gift and/or the Foundation 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. The Foundation will 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.
 7. The privacy of donors will be respected. Any donor records that are maintained by the Foundation will be kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.
 8. If the Foundation exchanges, rents or otherwise shares its fundraising lists with other organizations, a donor's request to be excluded from the list will be honoured.
 9. Solicitations by or on behalf of the Foundation will treat donors and prospective donors with respect. Every effort will be made to honour their requests to:
 - limit the frequency of solicitations;
 - not be solicited by telephone or other technology;
 - receive printed material concerning the Foundation;
 - discontinue solicitations where it is indicated they are unwanted or a nuisance.
 10. Recognition mechanisms created due to a gift will not be arbitrarily changed or withdrawn. Unless otherwise negotiated at the time of the gift or changed through a joint agreement between the Foundation and the donor or the donor's family or legal representative, the original form of the recognition mechanism is to 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 the Foundation, it may be terminated or altered.
 11. The Foundation will 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*.

B. FUNDRAISING PRACTICES

1. Fundraising solicitations on behalf of the Foundation will:
 - be truthful; and
 - accurately describe the Foundation's activities and the intended use of donated funds.
2. The Foundation will not make claims that cannot be upheld. It will refrain from using marketing materials or making representations that could be misleading. The Foundation will not exploit its beneficiaries. It will 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 the Foundation conducts solicitations, its practices will be consistent with or exceed the provisions of the Canadian Code of Practice for Consumer Protection in Electronic Commerce, which is downloadable at: [http://www.cmcweb.ca/epic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003.epdf/\\$FILE/EcommPrinciples2003_e.pdf](http://www.cmcweb.ca/epic/site/cmc-cmc.nsf/vwapj/EcommPrinciples2003.epdf/$FILE/EcommPrinciples2003_e.pdf).
4. When the Foundation conducts face-to-face solicitations, including but not limited to door-to-door campaigns or street-side fundraising, its practices shall include measures to:
 - provide verification of the affiliation of the person representing the Foundation;
 - 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 the Foundation shall:
 - adhere to the provisions 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 codes of ethics, and standards of practice;
 - 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;
 - disclose immediately to the Foundation any actual or apparent conflict of interest or loyalty; and
 - not accept donations for purposes that are inconsistent with the Foundation's objects or mission.
6. The Foundation will 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. Paid 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 philanthropic contributions received or the value of funds raised.
8. Charities that undertake cause-related marketing in collaboration with a third party should disclose how the Foundation benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, the Foundation should disclose this.
9. The Foundation will not sell its donor list. If applicable, any rental, exchange or other sharing of the Foundation's donor list will exclude the names of donors who have so requested (as provided in Section A8, above). If a list of the Foundation's donors is exchanged, rented or otherwise shared with another organization, such sharing will 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.
10. The Foundation's governing board will 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*.

C. FINANCIAL PRACTICE AND TRANSPARENCY

1. The Foundation's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and all applicable law.
2. All donations will be used to support the Foundation's objects, as registered with Canada Revenue Agency.
3. All restricted or designated donations will be used for the purposes for which they were given unless the Foundation 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 the Foundation 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, the Foundation 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. The Foundation will produce such reports and make them easily accessible. They will be:
 - 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 the total of 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 principals and standards established by the Canadian Institute of Chartered Accountants, in all material respects (or disclose a discrepancy between the practice and generally accepted accounting principles).
5. The cost-effectiveness of the Foundation's fundraising programs will 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. The Foundation will disclose its process for evaluating its spending.
 6. The Foundation will, upon request, disclose the revenue and expense assumptions for its fundraising activity as approved by its Board in its annual budget.
 7. If the Foundation has annual revenue in excess of \$250,000, the financial statements will be audited by an independent public accountant.
 8. The Foundation will adopt an Investment Policy setting out asset allocation, procedures for investment decisions, and asset protection issues.
 9. If the Foundation receives, or anticipates receiving, gifts-in-kind of \$100,000 or more in a year and has annual revenue in excess of \$550,000, it will establish a Gift Acceptance Policy (including valuation issues) for the receipt of gifts-in-kind.