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Policy Statement

This policy works to embed Hamilton Community Foundation's (HCF) vision, mission and values into the organization's financial accountability, ethical fundraising and donor relations. In addition, this policy works to align with HCF's Declaration of Action on Truth and Reconciliation, and Equity Statement, reflecting our public commitments to equity, Reconciliation, accessibility, anti-oppression and mitigating and addressing harm.

The purpose of this policy is to ensure the integrity and accountability of HCF's philanthropic and donor services that provide donors, community organizations and partners with accurate information, options for recognition and privacy, and learning and engagement opportunities, while working with donors and community partners to create impact in areas of identified needs. This policy articulates HCF's commitment to manage the donations and funds that donors entrust to them responsibly and to report on their funds accurately.

This policy is organized into the following areas: financial accountability, ethical fundraising and donor relations, and other relevant policies.

FINANCIAL ACCOUNTABILITY

HCF is accountable to the following partners:

The public - Each year, audited financial statements are posted on HCF's website after approval by the Board of Directors. In addition, statements for at least the last three fiscal years will be available upon request. Other avenues for accountability are impact and annual reports, financial documents and policies, publications and events that are accessible to the public.

Community organizations - HCF has a responsibility to provide funding to organizations in accordance with donor wishes, fund agreements, granting policies and practices, and knowledge of community needs. HCF will provide information to organizations about funding, such as new granting opportunities they can apply for, and designated funds and multi-year granting commitments that have been set up

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for their organization. HCF will seek opportunities to learn from and with community, and have these learnings influence our financial accountability. HCF will utilize impact and annual reports, financial documents and policies, publications and events to ensure there are opportunities to report to community organizations as a way of creating accountability and reinforcing reciprocity.

Board of Directors - The Board of Directors will be updated on philanthropic and donor services through Board meetings and reports. This includes new donations, donor-directed granting, relationship building and advancing strategic priorities. The annual development costs are not necessarily attributable to new donations received in that year. The nature of donations to HCF can result in costs preceding the receipt of the donation by several years, including deferred funds that begin with a future gift, life insurance and estate gifts. Development costs are part of the annual budgeting process and the quarterly financial reporting presented to the Board for their review.

Donors - Donors will be provided with official income tax receipts for charitable donations of $20 and over. These official income tax receipts will be issued in accordance with Canada Revenue Agency (CRA) regulations. This includes that donations must be voluntary and that HCF must be able to determine the eligible amount of the gift.

In addition, donors who are fundholders receive an annual status report on the accounting of their fund over the past year. This includes a report on the transactions in their fund, investment commentary with the results for the year in review (or where to access this information) and actions in place to mitigate losses or other items that could materially affect their fund.

Staff and volunteers - See 4.2 Donation Acceptance Policy and Human Resources Policies for HCF's accountability to staff and volunteers for creating a safe environment with zero tolerance for harassment, discrimination or unethical behaviour.

ETHICAL FUNDRAISING AND DONOR RELATIONS

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HCF staff and Board treat donors according to HCF values and the following:

1. **Ethical Fundraising practices -** Fundraising requests and stewardship on behalf of HCF will:

    - Be truthful and treat donors ethically and with respect and dignity.
    - Accurately describe HCF's activities and the intended use of the donor's donations and funds.
    - Ensure donations are given voluntarily.
    - Share information about community and granting priorities.
    - Provide learning and engagement opportunities for donors and partners with and from community.
    - When requested, self-identify whether the individual or group seeking the donation is a volunteer, employee or contracted third-party.

2. **Code of Conduct -** Volunteers, employees or contracted third parties shall:

    - Adhere to the provisions of this Financial Accountability, Ethical Fundraising and Donor Relations Policy.
    - Act with fairness, integrity and in accordance with all applicable laws.
    - Adhere to the provisions of applicable professional codes of ethics and standards.
    - Cease communication and solicitation of a prospective donor who makes such a request or who identifies the solicitation as harassment or undue pressure.
    - Disclose immediately to HCF any actual or perceived conflict of interest.
    - Decline donations and address donor conduct that is inconsistent with HCF's vision, mission and values, HCF's Declaration of Action on Truth and Reconciliation and Equity statement.

3. **Remuneration -** Philanthropic Services staff and 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 staff, including performance-based compensation practices (such as salary

increases or bonuses), will be consistent with HCF's policies and practices that apply to non-fundraising personnel.

4. **Donor contact -** Effort will be made to honour any donor requests to:
   - Receive printed or electronic material concerning HCF.
   - Limit the frequency of contact.
   - Not be contacted.

   Additional donor contacts will depend on the type of the fund, such as if the donor makes granting recommendations and if the donor directs granting and donations to HCF's Community Fund, Field-of-interest funds or other equity-deserving organizations and communities.

5. **Recognition and Privacy -** Donors with funds at HCF will have the opportunity to provide their wishes for recognition and privacy in their fund agreements and these directions can be updated. External use of donor and fund names will only be done with permission, such as in publications. Full anonymity by donors is discouraged because it is difficult for HCF Board, staff and grantee organizations to decide if they want to accept the gift and track relevant gift information. Community organizations can request additional information about a grant they receive, and staff will provide information based on the fund agreement and additional information provided by the donor. When notifying a community organization about a grant, HCF will include instructions for recognition and the organizations can decide if they provide this recognition or not, following their own processes. See 4.2 Donation Acceptance Policy and Privacy Policy.

6. **Professional advisor advice -** Individuals and groups considering donating to HCF are encouraged to seek independent advice from their professional advisors, including accounting, financial and legal advisors before finalizing the arrangements for a donation that may affect their financial position, taxable income or relationship with other family members (estate plan). HCF staff will not provide professional advice. See 4.2 Donation Acceptance Policy.

7. **Confidentiality -** HCF does not rent, exchange or otherwise share contact

lists with other organizations. Data about donations, grants and donors can be shared in HCF reports and publications at an aggregate level.

8. **Source of Donations -** HCF reserves the right to refuse any donation, regardless of its form, that could be a source of harm for community, or which may bring HCF into disrepute. Staff will review the source of new donation and funds, following Canadian Revenue Agency (CRA)'s directions to not accept illegal donations from fraudulent tax schemes, illegal fundraising activities, illegal sources or property that was not given voluntarily. This review includes ensuring donations and funds come from established financial institutions. In addition, staff will endeavour to not inadvertently harm HCF, community or intended beneficiaries by accepting donations or funds linked to harmful practices. If necessary, donations and funds will be declined or redirected in alignment with HCF's vision, mission, values, community commitments and other Asset Development Policies.

9. **Complaints -** See Complaints Policy for how HCF will respond to a complaint by a donor or other partners.

OTHER RELEVANT POLICES:

Asset Development Policies, including Donation Acceptance Policy, Establishment and Operation of a Fund Policy, and Third-Party Events Policy

Governance Policies, including Complaints Policy, Privacy Policy, and Conflict of Interest Policy

Related policies across the organization, including Community Leadership, Community Relations, Finance & Administration, Human Resources, and Granting