

# CECI DONATION AND SPONSORSHIP ACCEPTANCE POLICY



The mission of CECI is to combat poverty and exclusion through sustainable development projects in Africa, Asia and the Americas since 1958.

**Approved by the Board of Directors on December 10, 2019**

## GOAL

CECI's Donation and Sponsorship Acceptance Policy aims to define the conditions of acceptance, as well as the management methods of donations and sponsorships, in cash or in kind, from individuals and organizations in the private or public sector.

## CECI'S COMMITMENT

Donations and sponsorships contribute to CECI's mission and must respect its values, policies, code of conduct and code of ethics.

CECI is politically and financially independent. Its rules of governance, policies and programs are nonpartisan and independent of any political party and any other form of lobby. CECI takes all possible measures to avoid all connections with organizations or people involved in illegal or unethical practices.

## SCOPE OF APPLICATION

### Respect of Donor Rights

CECI accepts donations and sponsorships that are consistent with its mission, values, policies, code of conduct and code of ethics, and treats its donors with respect. Donors are entitled to:

- a)** be informed of projects and causes for which CECI carries out fundraising activities;
- b)** know how their donations are used;
- c)** have their names removed from mailing lists if they so request;
- d)** be informed should their donation have to be allocated to a project or cause other than initially chosen, and to receive an explanation in due time;
- e)** receive answers to their questions in a timely manner;
- f)** receive appropriate recognition;
- g)** be granted anonymity and/or not have the amount of their donation published should they request so, except in cases where the donation is of such significance that it becomes necessary for CECI to disclose its amount and source to ensure transparency and autonomy.

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CECI is committed to taking all means necessary to ensure the confidentiality of all information concerning its donors. CECI does not rent, trade, or lend its list of donors or any donor information to other organizations, businesses, or marketing or survey firms.

## **Representation and Solicitation of Donors**

When soliciting donors, CECI accurately describes the programs, projects and needs for donations and sponsorships.

CECI ensures not to use any misleading information or image, including the omission of information or the exaggeration of facts, as well as any other communication that could create a false impression or misunderstanding, and does not use undue pressure or tactics when asking for donations.

CECI monitors all fundraising activities carried out on its behalf and ensures that the images and texts included in its communications:

- a)** respect the dignity and rights of those portrayed;
- b)** are accurate, truthful and representative of reality.

## **Refusal of Donations**

CECI cannot accept donations from companies or industries whose activities are in direct conflict with its mission. Consequently, CECI does not accept:

- a)** donations from arms manufacturers, merchants or lobbies;
- b)** donations from industries that exploit women and children in Canada or elsewhere, that fail to meet the minimum standards of workers' rights, or that behave in ways that would be deemed unacceptable in Canada;
- c)** donations from individuals or companies whose leaders question science;
- d)** donations from individuals or organizations engaged in proselytizing or propaganda activities.

## **Endowment Funds**

CECI accepts donations intended to establish endowment funds. These can be made up of direct donations, the donation of shares, testamentary bequests or the donation of life insurance policies or of the proceeds thereof. The creation of a designated endowment fund must be approved by the General Management Team as well as by the Mobilization and Philanthropy Committee.

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## **Collection by Third Parties**

Donations solicited by third parties for the benefit of CECI, whether they be employees, members, volunteers or consultants, must be solicited and received in full compliance with this policy.

## **ISSUING TAX RECEIPTS**

A tax receipt will be issued for all donations of \$20 or more. The receipt must be issued in the name of the person signing the check or the holder of the credit card used for the donation.

The Canada Revenue Agency regulations state that the following are not considered donations and therefore do not qualify for the issuing of a tax receipt:

### **Donation of Services**

Service contributions do not qualify as a donation and are not eligible as donations for tax purposes. These are services offered in the form of time, skills or effort. However, CECI can pay for services received and accept in return a monetary donation provided that this donation is made voluntarily.

### **Advertising and Promotion**

According to the criteria of the Canada Revenue Agency, a sponsorship for which a business receives visibility or other advantages, such as promotion or advertising, cannot be considered as a charitable donation.

### **Gift Certificate**

CECI cannot issue a tax receipt for a contribution made in the form of a gift card or gift certificate to the issuer of the said gift card or certificate (an individual, a retailer or a business). However, a tax receipt will be issued to a donor who offers a gift card or certificate that they purchased from the issuer.

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## ROLES AND RESPONSIBILITIES

CECI's communications and fundraising staff, volunteers and board members can help build collaborative relationships with sponsors and donors if it is considered to be a part of their mandate and/or function.

CECI's Executive Director approves all immediate or future donations of over \$5,000. In the following cases, CECI's Executive Director will consult the Mobilization and Philanthropy Committee, which will study the donation offer and make a recommendation to the Board of Directors:

- If the donation could potentially expose CECI to lawsuits, charges, obligations, debts or other problems because of its origin;
- If the donation involves a proposal to name a building, a room or a representative function, for example on the Board or any other body;
- If the nature of the donation does not correspond to CECI's role or line of action;
- If there is a risk that CECI's reputation could be damaged in one way or another should the donation be accepted.

The Executive Director and/or Mobilization and Philanthropy Committee may request that a reputation analysis be conducted using the evaluation grid provided for this purpose.

## DEFINITIONS

**SPONSORSHIP:** A sponsorship is an exchange between a sponsor and another party, through which the sponsor commits to giving money, goods or services in return for certain commercial advantages, all following an agreement arranged between the parties beforehand. Essentially, the sponsor purchases the right to use the event, in part or in whole, to pursue their own goals.

According to the Canada Revenue Agency, sponsorships are not donations and the organization cannot issue a charitable donation receipt, since the sponsor receives a benefit in return. However, the company may include the costs related to the sponsorship as part of its advertising expenses.

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**DONATION:** A donation involves the voluntary transfer of a “good” for which the donor neither receives nor expects anything in return, except for the tax receipt to which they are entitled. A “good” can mean a sum of money, real estate or a right that can be exercised on a movable good or real estate, but does not include services. By donation, we mean:

- a) all cash donations including money paid, checks, money orders and other negotiable instruments;
- b) the value of all donations in kind, that is, donations of goods such as works of art, equipment or land;
- c) amounts received from foreign donors, in which case these amounts must be entered in Canadian currency after having converted them according to the exchange rate in effect at the time that CECI receives the donation.

The donor may develop a marketing plan at their expense to promote their investment, but may not demand any public recognition. It is possible for CECI to publicly acknowledge major donors by offering them minimal visibility, all following the directives issued by Revenue Canada.

**UNBOUND DONATION:** Unbound donations are donations that are not specifically designated to a particular project or cause. They can be used for purposes or projects that best contribute to the advancement of CECI’s mission.

**BOUND DONATION:** Bound donations are used solely for their designated purpose. The said purpose must be compatible with CECI’s mission and be part of the regular activities of its international programming. If CECI cannot channel a donation to the designated project or cause, it can be redirected to the program or cause which most closely matches it, while seeking to maintain the philanthropic objective of the donor.

**DONATION IN KIND:** CECI may accept donations in kind, in accordance with the Canada Revenue Agency Act. However, CECI may only accept a donation in kind when it contributes directly to the organization’s mission or to the achievement of results of a specific project or cause.

## REFERENCES

The Donation and Sponsorship Acceptance Policy is linked to CECI’s Policy on Collaboration With the Private Sector and respects the provisions of the following legal instruments:

- *The Canada Revenue Agency (CRA) Act*
- The Code of the Canadian Council for International Co-operation (CCIC)
- The Donor Bill of Rights and the Code of Ethics of Fundraising Professionals, as described by the Association of Fundraising Professionals

The provisions of the law and codes mentioned above are an integral part of this policy.