

## HELP LESOTHO DONOR RELATIONS, FUNDRAISING AND BEQUESTS POLICY 301-22

### 1. OBJECTIVE

The objective of this policy is to ensure that Help Lesotho's relationship with its donors is on a sound footing and that its fundraising practices meet high ethical standards and comply with existing laws in Canada and Lesotho.

### 2. DEFINITIONS

**Board** means the Board of Directors of Help Lesotho

**Staff** means the staff of Help Lesotho

**Volunteers** means those who contribute their time and/or services to Help Lesotho willingly and without remuneration

**Donors** means individuals and corporations who donate money or other gifts to Help Lesotho

**Donations** means gifts of money, services or other assets given by Help Lesotho donors

**Fundraising activities** means the organized activity of soliciting money, bequests, endowments, resources or other in-kind contributions to support the delivery of Help Lesotho's mission and programming

**Bequest** is a gift of assets left to Help Lesotho in a donor's Last Will and Testament. There are four types of bequests: a specific bequest, a residual bequest, a contingent bequest and a bequest subject to a trust. In a will, a donor can make a charitable bequest by specifying a percentage of his/her estate, leaving a specific dollar amount or a specific asset, or leaving a residue of the estate following the satisfaction of other bequests. A bequest may be outright or restricted for a specific purpose

**Gifts In Kind** include capital property, depreciable property, personal-use property including listed personal property, a leasehold interest, a residual interest, a right of any kind, a license, a share and the inventory of a business. A gift in kind, however, does not include a gift of services.

**Endowment** is a gift that provides a stream of income over a period of time.

### 3. POLICY STATEMENT

#### Principles

**3.1** Help Lesotho is committed to treating donors with respect, gratitude and consideration through the effective stewardship of their donations and through donor relation activities such as proper gift acknowledgement, fund reporting, donor appreciation activities and events, and donor recognition. Through

these and other activities Help Lesotho seeks to acknowledge, inform and engage donors and be accountable to them.

**3.2** The success of Help Lesotho is heavily dependent on its ability to inspire confidence and trust in the minds of its donor public. People make financial contributions to Help Lesotho for many reasons—a personal experience, the excellence of programming, personal values and beliefs, to name a few. But equally important in obtaining and retaining such financial support is Help Lesotho’s reputation for integrity and ethical fundraising practices. Help Lesotho seeks to conduct its fundraising activities in a manner that meets high ethical standards, demonstrates respect for its donors and is open, honest and transparent.

### **Donor Relations**

**3.3.** Help Lesotho shall only accept donations, endowments and bequests where the purpose of that donation, endowment or bequest is aligned with its mission. Help Lesotho reserves the right to refuse or return a donation, endowment or bequest.

**3.4** While all gifts are welcome, Help Lesotho issues charitable tax receipts for only those gifts that meet the Canada Revenue Agency’s (CRA) definition of a charitable donation.

**3.5** Help Lesotho shall respect donor requests regarding frequency of contact, the means of contact (electronic and/or other), confidentiality of donor information, the provision of documentation regarding Help Lesotho, and any requests to discontinue contact. Donor requests that they remain anonymous shall be respected.

**3.6** Help Lesotho shall encourage potential donors to seek independent advice if it believes the donation may significantly affect the donor’s financial position or relationship with other family members.

**3.7** Help Lesotho shall not sell, rent, exchange or otherwise share its donor list.

### **Fundraising Practices**

**3.8** All Help Lesotho fundraising activities shall:

- be truthful;
- accurately describe its activities and the intended use of donated funds;
- disclose the organization’s name;
- disclose the purpose for which funds are being requested;
- disclose Help Lesotho’s policy with respect to issuing Official Income Tax receipts including any policy on minimum amounts for which a receipt will be issued; and
- be carried out with the understanding that the individual or entity seeking donations will disclose, when requested, whether he or she is a volunteer, employee or a contracted third party.

**3.8** Help Lesotho shall not make claims that cannot be upheld. It shall refrain from using marketing materials or making representations that could be misleading. Any fundraising materials distributed by Help Lesotho shall include its address or other contact information.

**3.9** Help Lesotho shall not exploit its beneficiaries. It shall 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.

**3.10** Volunteers, Board members, employees and third party consultants or solicitors who solicit or receive funds on behalf of Help Lesotho shall:

- act with fairness, integrity, and in accordance with all applicable laws;
- cease contacting a prospective donor who states that he/she does not wish to be contacted;
- disclose immediately to Help Lesotho any actual or apparent conflict of interest or loyalty;
- not accept donations for purposes that are inconsistent with Help Lesotho's mission; and
- raise any concerns regarding Help Lesotho fundraising or the application of systems, policies or procedures with the Executive Director in a timely manner.

**3.11** If Help Lesotho undertakes cause-related marketing in collaboration with a third party, it shall disclose how it benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, Help Lesotho shall disclose this.

**3.12** Help Lesotho shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.

**3.13** To demonstrate transparency and accountability, Help Lesotho posts a variety of information on its website including this policy, its financial statements, its annual reports, the public portion of its Registered Charity Information Return (T3010), a list of members of its Board of Directors, its complaints policy, and its privacy policy. Help Lesotho accurately discloses in its Annual Reports all costs associated with its fundraising activities.

**3.14** Should Help Lesotho conduct any face-to-face fundraising activities such as door-to-door campaigns, street-side fundraising, or workplace campaigns, Help Lesotho shall provide verification of the affiliation of the person representing the organization and shall also secure and safeguard any confidential information, including credit card information, provided by donors.

**3.15** Help Lesotho's practices in the conduct of on-line fundraising shall be consistent with, or exceed, the provisions of the *Canadian Code of Practice for Consumer Protection in Electronic Commerce*.

**3.16** Help Lesotho shall reject any donation that poses any significant risk to Help Lesotho's name, reputation or integrity.

**3.17** Notwithstanding 3.16, Help Lesotho shall not solicit or accept gifts from for profit or not for profit entities that meet any of the following criteria:

- A corporation whose products or services that in normal use are unsafe (tobacco & gambling);
- A corporation that is a weapons systems contractor;
- A corporation that violates fair labour practices as established by Canadian Labour Standards (in Canada) and ILO (internationally);
- A corporation that has a record of failure to abide by national and local environmental regulations; and
- A corporation that has a record of human rights violations or contributes to repressive governmental practices in Canada or elsewhere.

### **Restricted Gifts and Endowments**

**3.18** Help Lesotho shall only accept restricted gifts or endowments for existing core programs, new program initiatives or pilot projects that are part of its strategic direction and support organizational priorities. If the proposed gift or endowment falls outside of these program priorities, the donor shall be approached to remove

or modify the restrictions. Help Lesotho reserves the right to accept only gifts or endowments that are consistent with its mission.

**3.19** In accepting restricted gifts or endowments, Help Lesotho shall do so only if donors agree that Help Lesotho may re-designate the gift or endowment to another purpose that fits within its mission and priorities under one of two conditions: a) when the need for a program or project has been met; or b) Help Lesotho determines the program or project cannot for any reason be completed.

### **Bequests**

**3.20** To avoid conflict of interest, Help Lesotho representatives should not be named in a donor's will or trust, or act in an official capacity such as witness, executor or trustee.

**3.21** Help Lesotho representatives shall not prepare wills or living trust documents for donors, but may provide suggested wording for the charitable beneficiary clause for final approval by the donor's legal and/or financial advisor. Official income tax receipt(s) shall be issued to the estate of the deceased.

**3.22** It is in the best interests of Help Lesotho that donors offer unrestricted gifts to Help Lesotho for "its general charitable purpose". If a bequest gift is restricted for a specific purpose and if Help Lesotho becomes aware of this restriction, Help Lesotho shall request the donor to include a clause in his or her will that releases the funds for other purposes, should the restriction not be operational at the time the gift is realized.

**3.23** If, in the opinion of Help Lesotho, the purposes of the restriction can no longer be served, it may devote any remaining assets exclusively for charitable purposes that: (a) are within the scope of the charitable purposes of Help Lesotho (b) most nearly approximate the original purpose of the gift; and (c) benefits Help Lesotho.

**3.24** Help Lesotho shall make best efforts to contact the lawyer of the estate and/or living relatives to advise them of the change in how the funds are to be used.

### **Gifts In Kind**

**3.25** Help Lesotho accepts gifts "in-kind" that are of benefit to the organization's goals and objectives. When gifts-in-kind are given with the intent of the donor to receive an official tax receipt, Help Lesotho shall ensure that the gift and determination of value is in accordance with Revenue Canada Agency regulations

**3.26** Help Lesotho may accept gifts of securities that are traded on the major exchanges (TSE, NYSE, and NASDAQ) and such gifts shall be sold immediately. Help Lesotho may not accept restricted securities (unregistered securities, investment-letter stock, control stock, closed end funds, private placement stock, units of hedge funds etc.).

**3.27** Help Lesotho may only accept real estate following:

- a title search;
- a marketability check;
- an on- site evaluation by the Executive Director or designate; and
- an environmental impact study to ascertain if it is subject to environmental restrictions, sanctions, toxic wastes or otherwise encumbered in such a manner to cause present or future economic liabilities for Help Lesotho.

**3.28** Help Lesotho may only accept tangible and intangible personal property (e.g. works of art) if accompanied by an independent appraisal conducted by a person who is not in any way connected to the donor, charity, art dealer or artist.

#### **4. ROLES & RESPONSIBILITIES**

**4.1** The Board has responsibility for:

- ensuring that the Executive Director has in place management systems to ensure effective transparent and accountable fundraising practices and procedures and sound donor relations that are in compliance with this policy;
- approving any new fundraising programs or initiatives;
- approving any restricted bequests that have a value of \$50,000 or more;
- approving any restricted gift or endowment having a value of \$50,000 or more;
- in collaboration with the Executive Director, supporting fundraising efforts and in particular donor recognition activities;
- reviewing on a quarterly basis a report on fundraising activities and results for the period;
- approving any naming of buildings or other assets owned by Help Lesotho in recognition of a donor's contribution; and
- reviewing those aspects pertaining to fundraising and donor relations as part of Help Lesotho's annual legal compliance exercise.

**4.2** The Executive Director has responsibility for

- managing donor relations and fundraising activities;
- ensuring the effective implementation of this policy, including any appropriate training of staff and volunteers involved in donor relations or fundraising;
- providing copies of this policy to any staff, volunteers or third parties who are involved in donor relations or fundraising activities;
- developing a quarterly report for review by the Board or one of its committees on fundraising and donations;
- ensuring that donor relations and fundraising activities are in compliance with Help Lesotho's Privacy Policy and Policy on External Complaints;
- resolving any question as to the appropriateness or advisability of accepting a particular donation, endowment or bequest in consultation with the Board of Directors;
- including in Help Lesotho's annual report a section on donor relations and fundraising;
- ensuring that endowment funds are invested pursuant to Help Lesotho's Policy on Investments; and
- meeting the reporting requirements of the Canadian Revenue Agency for receipting.

#### **5. COMMUNICATING THIS POLICY**

**5.1** This policy shall be posted on the Help Lesotho website.

## **6. REVIEW & EVALUATION OF THIS POLICY**

**6.1** The Board shall review this policy within three years of the date of its most recent adoption with a written record of the review noted on the policy.

## **7. DATE OF ENACTMENT AND SIGNATURES**

This policy was adopted by the Board of Directors of Help Lesotho at a duly constituted meeting on September 26, 2013. The Board's latest review and approval was adopted at its meeting on November 21, 2022.