



Imagine Canada Ethical Code Program  
**SickKids Foundation Best Practices**

April 20, 2009

## Best Practices for Imagine Canada’s Ethical Code Requirements

SickKids Foundation is a proud adherent to the Ethical Code program of Imagine Canada. This document outlines how the Foundation complies with the specific requirements of the Code. The Best Practices document is made available to the public upon request.

### **A. Donor policies and public representations**

1. *The charity 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 received and in compliance with all regulatory requirements. The charity will acknowledge in writing contributions not entitled to be officially received, subject to any policy established and published on minimum amounts to be acknowledged.*

**SickKids Foundation:** All gifts are eligible for a tax receipt from SickKids Foundation. Gifts received by mail or in person over \$20 receive a paper receipt. Online donations receive e-receipts for amounts of \$10 or more.

Receipts Issued	One Time	Monthly
Gifts	Within 10 business days	After conclusion of calendar year; mid-February
Online Gifts	Within one hour	After conclusion of calendar year; mid January

2. *All fundraising solicitations by or on behalf of the charity disclose the charity'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.*

**SickKids Foundation:** All fundraising solicitations by or on behalf of SickKids Foundation disclose the SickKids Foundation name and the purpose for which funds are requested. Printed and on-line solicitations include the SickKids Foundation logo and address.

3. *The charity provides the following information promptly upon request:*
  - *the charity's most recent annual report and financial statements as approved by the governing board*
  - *The charity's registration number (BN) as assigned by the Canada Revenue Agency (CRA)*
  - *Any information contained in the public portion of the charity's most recent Charity Information Return (form T3010A) as submitted to CRA*
  - *A copy of the Charity’s Investment Policy relating to its investable assets, if applicable (see C8);*
  - *A list of the names of the members of the charity's governing board*

- *A copy of this Ethical Fundraising and Financial Accountability Code.*

**SickKids Foundation:** Copies of all material listed above are available in print and electronic formats. Requests for these documents can be made by contacting Public Affairs at 416-813-6166 or by email to [publicaffairs@sickkidsfoundation.com](mailto:publicaffairs@sickkidsfoundation.com).

4. *The charity or those fundraising on its behalf will disclose, upon request, whether an individual or entity soliciting contributions is a volunteer, an employee or a contracted third party.*

**SickKids Foundation:** All employees and contracted third party fundraisers (e.g. direct dialogue and door-to-door fundraisers) have photo identification cards bearing the SickKids Foundation logo. Anyone can call Public Affairs at 416-813-8518 to confirm if an individual is a legitimate volunteer fundraiser.

5. *The charity will encourage donors to seek independent advice if the proposed gift is a Planned Gift and/or the charity 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.*

**SickKids Foundation:** Our fundraising practices adhere to professional codes of conduct including those of the Association of Fundraising Professionals and the Canadian Institute of Chartered Accountants, and the Law Society of Ontario. In situations where SickKids Foundation has reason to believe the proposed gift might significantly affect the donors' financial position, taxable income, or relationship with family members, the individual is encouraged to seek independent advice.

6. *The charity 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.*

*[Guidance: In some circumstances, when the source or size of a donation may be perceived as affecting the independence of the charity, the organization may negotiate the terms of public disclosure.]*

**SickKids Foundation:** SickKids Foundation does not identify or comment publicly on specific donor contributions without the expressed consent of the donor.

7. *The privacy of donors will be respected. Any donor records that are maintained by the charity will be kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.*

**SickKids Foundation:** Foundation employees sign employment agreements with confidentiality provisions as a condition of hire. Safeguards are in place to ensure that the information is not accessed, disclosed or shared more widely than is necessary to achieve the purpose for which it was gathered. The Foundation also takes measures to ensure the integrity of this information is maintained and to prevent its being lost or destroyed. Individuals may access their personal information to ensure that it is correct and current.

The Foundation's privacy policy is available on request and is easily found on the SickKids Foundation's web site: [www.sickkidsfoundation.com](http://www.sickkidsfoundation.com).

8. *If the charity exchanges, rents, or otherwise shares its fundraising lists with other organizations, a donor's request to be excluded from the list will be honoured.*

**SickKids Foundation:** As part of our Privacy Policy, SickKids Foundation does not sell, rent, or trade our donor lists.

9. *Solicitations by or on behalf of the charity 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 charity;*
- *discontinue solicitations where it is indicated they are unwanted or a nuisance.*

**SickKids Foundation:** The Donor Services team at SickKids Foundation responds to all requests from donors and the general public. All requests are directed to the appropriate fundraising team and/or recorded in the donor's file. In addition, the Foundation has a master complaint tracking system in place to review the appropriate and timely handling of all complaints.

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 charity and the donor or the donor's family or legal representative, the original form of the recognition mechanism should 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 charity, it may be terminated or altered.*

*[Guidance: The charity's Donor Recognition/Gift Acceptance Policy may be referred to in a gift agreement and may define recognition time limits and/or establish procedures if maintaining the original form of recognition becomes impractical or undesirable.]*

**SickKids Foundation:** Signed gift agreements are approved by all parties to the agreements and maintained in a central database.

11. *The charity 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.*

**SickKids Foundation:** All inquiries about the participation of SickKids Foundation in the Imagine Canada Ethical Code Program are directed to the Director, Public Affairs. Calls are returned within 48 hours.

## **B. Fundraising Practices**

1. *Fundraising solicitations on behalf of the charity will:*

- *be truthful; and*
- *accurately describe the charity's activities and the intended use of donated funds.*

**SickKids Foundation:** The mission of SickKids Foundation is to inspire our communities to invest in health and scientific advances to improve the lives of children and their families in Canada and around the world.

The Foundation embraces the following core values that together are reflected in the way we work toward our mission, with each other, and our community. These values were developed by Foundation staff and adopted by the Foundation's Board of Directors:

Honesty and Integrity: We commit to the highest standards of conduct and ethical practice in all of our endeavours.

Accountability & Responsibility: We demonstrate personal and collective accountability and responsibility in all of our programs and fulfill our promises to our stakeholders.

Respect & Teamwork: We are inclusive and supportive, both internally and externally, in our work together.

Excellence & Innovation: We create an environment where learning, initiative, and creativity flourish. We encourage innovation and manage risk in our pursuit of excellence.

Diversity & Balance: we respect and build upon individual differences and perspectives. We are sensitive to each other's and our personal, family and employment goals.

In order to maintain the trust of our communities, SickKids Foundation must provide accurate, factual and consistent information about the work that we do. Therefore, fact-finding and fact-checking are core responsibilities of the Public Affairs team. Development Officers are instructed to verify the following information with Public Affairs before finalizing their documents and presentations:

- Facts, figures and appropriate representation of the hospital, Research Institute and Foundation
- Phone number and address accuracy
- Mandatory privacy language

Public Affairs secure approval from appropriate clinical staff regarding any communication about a specific medical condition or disease. A formal consent procedure is in place for the use of any patient family story.

2. *The charity will not make claims that cannot be upheld. It will refrain from using marketing materials or making representations that could be misleading. The charity 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.*

**SickKids Foundation:** In 2003, the Public Affairs department established the SickKids Family Ambassador program. The Ambassador program is the Foundation's primary means of capturing the stories of patients and families. Each story portrays the quality of family-centred patient families receive throughout the course of their child's treatment,

offers an inspiring account of how the family copes, and depicts SickKids as a world leader in child health research, education and care.

Currently, there are approximately 300 patients in our database; approximately 130 are active SickKids Family Ambassadors meaning that the Public Affairs team has an ongoing communication with these families.

Patient ambassadors either self select or are identified by a staff member. They are individuals and families who are willing and honoured to share their SickKids story for fundraising purposes. The Ambassador program gives families a way of giving back to the hospital for the specific care they received. Any time a patient or family is referred to the Foundation, Public Affairs follow a mandatory protocol to ensure all privacy legislation and hospital policies and procedures are followed. The consenting protocol has been approved by the hospital's risk management team.

Patient stories are told through a variety of print and electronic media, such as publications, proposals, newsletters, brochures, websites, fundraising television and radio broadcasts. Patients and families are also called upon to act as spokespeople for media events or public events that require a personal story.

Public Affairs are sensitive to the changing circumstances of the patient ambassadors, and will pull their story from circulation in order to respect family wishes and privacy.

When a family is selected for an event, Public Affairs will ensure that the family is fully briefed about the nature of the event or project.

The patient profiles available in our database are for internal use only. Written consent must be obtained from Public Affairs and the patient's family in order to use a profile externally.

Consent and accuracy are key. A consent form must be completed for all new patients who have agreed to share their story. The consent forms are filed in Public Affairs, SickKids Foundation.

It is important to note, that before a story is shared with the Foundation and/or publicly, Public Affairs also obtains the approval of the primary physician/caregiver on the medical accuracy of any written SickKids Ambassador profile. The Public Affairs team also reviews any written material pertaining to a patient family with the patient and/or guardian to ensure we have captured the information accurately.

- 3. When the charity conducts online 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.*

**SickKids Foundation:** The Director of IT for SickKids Foundation is responsible for ensuring compliance with the Canadian Code of Practice.

4. *When the charity 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 charity; and,*
  - *secure and safeguard any confidential information, including credit card information, provided by donors.*

**SickKids Foundation:** All employees and relevant third party organizations sign agreements with confidentiality provisions in place to ensure that the information is not accessed, disclosed or shared more widely than is necessary to achieve the purpose for which it was gathered. We also take measures to ensure the integrity of this information is maintained and to prevent its being lost or destroyed.

5. *Volunteers, employees and third party consultants/solicitors who solicit or receive funds on behalf of the charity 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, standards of practice, etc.;*
  - *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 charity any actual or apparent conflict of interest or loyalty; and*
  - *not accept donations for purposes that are inconsistent with the charity's objects or mission.*

**SickKids Foundation:** A copy of the Ethical Code is referenced in appropriate SickKids Foundation agreements. Where appropriate, SickKids Foundation conducts training sessions to ensure a full understanding of the intent of the code.

6. *The charity 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.*

**SickKids Foundation:** SickKids Foundation requires all requests for information to be submitted in writing (see Imagine Canada Ethical Code Request Form for SickKids Foundation and Confidentiality Note). To ensure the accuracy of any financial information, SickKids Foundation provides information based on audited financials. Audited financials are available October 1 for the fiscal year ending on March 31<sup>st</sup>.

7. *The charity shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.*

**SickKids Foundation:** SickKids Foundation adheres to the Imagine Canada Ethical Code program with regard to compensation of its staff and consultants.

The Compensation Philosophy approved by the Board of Directors states:

- compensation must be competitive in order to attract and retain highly competent staff

- compensation practices will be in keeping with the best practices for the management of complex professional organizations, with special reference to comparable philanthropic organizations in North America
- compensation is tied to the achievement of both strategic and operational goals with the overall aims of enhancing philanthropic relationships, moving SickKids Foundation towards organizational excellence and meeting or exceeding financial targets

The compensation philosophy is in place for the Foundation to achieve its business objectives:

- attract and retain outstanding talent in fundraising, grant making and corporate and administrative support
- encourage excellent performance at the organizational and individual employee levels

8. *Charities that undertake cause-related marketing in collaboration with a third party should disclose how the charity 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 charity should disclose this.*

**SickKids Foundation:** SickKids Foundation will disclose this information upon request. Inquiries regarding dollars raised through Children’s Miracle Network are directed to their Canadian office.

9. *The charity will not sell its donor list. If applicable, any rental, exchange or other sharing of the charity's donor list will exclude the names of donors who have so requested (as provided in section A8, above). If a list of the charity'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.*

**SickKids Foundation:** As part of our Privacy Policy, SickKids Foundation does not sell, rent, or trade our donor lists.

10. *The charity'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.*

**SickKids Foundation:** A report is provided by the Director, Public Affairs for distribution to the Board of Directors at the September board meeting.

### **C. Financial practice and transparency**

1. *The charity'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 charity's objects, as registered with CRA.*
3. *All restricted or designated donations will be used for the purposes for which they were given unless the charity 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 charity 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 charity 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. All charities issuing receipts should produce them and make them easily accessible. They should:*
  - *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 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 principles and standards established by the Canadian Institute of Chartered Accountants, in all material respects (or disclose a discrepancy between the practice and GAAP).*

**SickKids Foundation (C1-4):** The Audit and Finance Committee of the Board of Directors is responsible for monitoring and reporting to the Board of Directors with respect to all matters pertaining to the financial integrity of the Foundation. The Committee:

- monitors the ongoing financial and operating performance of the Foundation through periodic reviews of trends and variances to the Business Plan and prior periods.
- Reviews with management any emerging practices or legislation that may materially impact the financial performance of the Foundation.
- Ensures that there are processes in place for the development of the annual business plan of the Foundation. Review and approve the financial assumptions used by management in developing the annual business plan and any strategic plan and long range forecasts, and make recommendations to the Board of Directors with respect thereto.
- Reviews business cases of new significant foundation activities prior to their going to the board for approval.
- Ensures that management has appropriate internal controls in place including policies and procedures to manage the assets and operations of the Foundation.

- Reviews the annual financial statements of the Foundation together with the External Auditor's report thereon prior to their presentation to the Board of Directors and make recommendations to the Board with respect thereto.
- Makes recommendations to the board of directors and through them to the members at the Annual General Meeting with respect to the appointment of external auditors. Meet with the auditors at least annually; approve fees and the scope of their external audit plan.
- Examines other matters as may be assigned by the board from time to time.

SickKids Foundation Financial Information included in the Annual Report and Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles, and are audited and signed by an independent accounting firm. The financial summary includes all the information as outlined above. The Foundation annual report and financial statements are available through Public Affairs and/or electronically on the Foundation website: [www.sickkidsfoundation.com](http://www.sickkidsfoundation.com).

5. *The cost-effectiveness of the charity'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 charity will disclose its process for evaluating its spending.*

**SickKids Foundation:** The Foundation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate and complete, in all material respects, and that the Foundation's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee, whose members are appointed by the Board.

Each year, the Foundation engages in a detailed planning process. The assumptions used for revenue and expense plans vary for each individual fundraising program. Each program submits detailed plans which are evaluated based on incremental improvements in both revenue and expenses. A detailed operating plan is reviewed by the Foundation's Audit and Finance Committee and approved by our Board of Directors prior to the beginning of each fiscal year. Monthly operating statements track the performance to plan by fundraising program. Quarterly operating and financial statements are viewed by the Audit Finance Committee and presented to the Board of Directors. Overall performance is measured against plan.

The Foundation takes the additional step of having its public filings with revenue agencies formally reviewed by an external accounting firm whenever there is a material change to the filing requirements. This process is undertaken to ensure the filings by SickKids Foundation are accurate and in full compliance with the intent of tax legislation.

6. *The charity will, upon request, disclose the revenue and expense assumptions for its fundraising activity as approved by its Board in its annual budget.*

**SickKids Foundation:** SickKids is a sophisticated and complex charity. In order to ensure responsible stewardship of its fundraising, investment and granting responsibilities, the Foundation will respond to requests regarding 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) as follows:

- Imagine Canada Ethical Code Request Form: As part of our reporting responsibility to the SickKids Foundation Board of Directors, we are required to prepare an annual report of all inquiries pertaining to the Ethical Code, and therefore, we require all requests for information to be submitted in writing.
- Proprietary information: The information shared will include a confidentiality notice that states – due to the sensitive nature and potential for misinterpretation, this information is intended for your exclusive use and is not to be copied, disclosed, distributed or reproduced in any way. SickKids Foundation reserves the right to consider certain material proprietary and not for public distribution
- Financial information to be disclosed is audited revenues, expenses and net proceeds for fundraising programs. The audited financial information will be available on October 1 following the filing of the Foundation’s T3010 with the Canada Revenue Agency.

7. *If the charity has annual revenue in excess of \$250,000, the financial statements are audited by an independent public accountant.*

**SickKids Foundation:** SickKids Foundation Financial Information included in the Annual Report and Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are audited and signed by an independent accounting firm appointed by the Foundation’s Board of Directors.

8. *If the charity’s investable assets surpass \$1,000,000, an Investment Policy will be established setting out asset allocation, procedures for investment decisions, and asset protection issues.*

**SickKids Foundation:** The Foundation’s Statement of Investment Policies and Objectives governs the investment management of the Foundation’s endowment and is intended to provide guidance to investment advisors.

Funds to be invested by the Board include all endowment funds, and restricted and unrestricted charitable gifts.

The primary investment objectives of the Fund are (1) to preserve the capital, (2) to attain an average real total return (net of investment management fees) of at least 5 per cent over the long term running five year periods) (3) together with other sources of funding, to support the grants program and to comply with the required disbursement quota as determined by Revenue Canada (4) to allow for the distribution of endowment funds at the decided upon rate.

The investment philosophy currently selected by the Investment Committee and approved by the Board is the long-term, value-oriented approach as described below. The long-term value oriented investment philosophy was selected because the Investment Committee believes this approach will lead to good long term results and is the most appropriate measure of fund manager performance.

A full copy of the Statement of Investment Policies and Objectives for SickKids Foundation is available by completing the Foundation's Imagine Canada Ethical Code Request Form.

9. *If the charity receives, or anticipates receiving, gifts-in-kind of \$100,000 or more in a year and has annual revenue in excess of \$500,000, it will establish a Gift Acceptance Policy (including valuation issues) for the receipt of gifts-in-kind.*

**SickKids Foundation:** All donations to The Hospital for Sick Children, The Hospital for Sick Children Foundation and The Hospital for Sick Children Research Institute are forwarded to SickKids Foundation for receipt, acknowledgement and disbursement.

Gifts include cash, securities, gifts-in-kind, and planned gifts such as bequests, life insurance and annuities, etc.

Gift acceptance policies have been prepared by the Foundation that are in keeping with accepted accounting principles and Revenue Canada guidelines.

In order to be receipted, all arrangements for acceptance of gifts-in-kind must be made through the Foundation in accordance with Canada Revenue Agency guidelines.