

**SCOUTS CANADA
STANDARD OPERATING PROCEDURES**

SECTION 11000 – FINANCIAL AND FUNDRAISING PROCEDURES

11000.1 – INTRODUCTION

This policy is derived from “Scouts Canada – Fundraising Programs” which was approved by the Executive Committee of the Board of Directors in March 2001.

Scouts Canada exists for the youth of Canada and all fundraising must be conducted for the sole purpose of fulfilling the mission of the organization. In making its programs available to youth, the organization is providing a valuable service to the community and has the right to seek financial support from the community in return.

The spirit of the movement requires that, as far as possible, funds raised for Scouting purposes shall be earned. The use of endorsed programs ensures that viable financial benefits will accrue to the organization, that brand / image risks are addressed and that fundraising activities are consistent with the mission and values of the organization.

Accordingly, all fundraising activities must be approved and conducted within the policies and procedures of Scouts Canada.

11000.2 – DEFINITION

A fundraiser includes an approved product or service that is provided in exchange for funds received. The corporate fundraisers are those products or services that have been endorsed by the Executive Commissioner & CEO, in consultation with staff and volunteers, and generally provide financial support to all levels of the organization.

11000.3 – POLICY GUIDELINES

- (i) Within the general framework set out above, Scouts Canada will undertake a limited number of corporate fundraising programs each year.
- (ii) All fundraising activities must be approved and conducted within the framework of the policies and procedures of the organization (e.g. financial accountabilities, use of trademark / brand, etc.)
- (iii) Fundraising and the revenue that is generated should be accounted for as described in the Council Financial Responsibilities and Reporting requirements.
- (iv) All funds raised for Scouting and/or in the name of Scouts Canada must be used for Scouts Canada purposes only.
- (v) **Members in uniform, or otherwise representing Scouts Canada, may in exceptional circumstances and with the written approval of the Executive Commissioner and**

Chief Executive Officer, assist other organizations in raising funds. The Executive Commissioner and Chief Executive Officer shall refer to the criteria defined by the Board of Governors in making these decisions.

- (vi) Due regard must be given to the effect which the method of fundraising may have on the reputation, integrity and goodwill of Scouts Canada.
- (vii) Methods of fundraising used by groups must be compatible with the values, goals and ideals of the group sponsor.
- (viii) Where Scouts Canada receives financial support from United Way / Centraide (or similar organizations) whole hearted cooperation must be given to that organization.
- (ix) The endorsement of any commercial product or service requires the approval of the Executive Commissioner & CEO.
- (x) Fundraising activities may include a provision that the proceeds of the fundraiser may be shared with other levels of the organization.

11000.4 – POLICY ORGANIZATION

In recognition of the fact that fundraising represents a source of revenue required to support ongoing operations of sections, groups, councils and the corporation, the Executive Commissioner & Chief Executive Office holds overall accountability for fundraising activities.

11001 – FUNDING PRINCIPLES

- (i) Scouts Canada exists for the youth of Canada and all fundraising will be conducted for the sole purpose of fulfilling the Mission of the organization. All fundraising activities will be conducted within the Policies and Procedures of Scouts Canada.
- (ii) In funding Scouting, due regard must be given to the effect which the method to be used might have on the reputation, integrity and goodwill of Scouts Canada. Methods of fundraising used by each local Scout Group shall also be compatible with the goals and ideals of the sponsor.
- (iii) The funding of Scouting will come primarily from members through membership and user fees. To the fullest extent possible, supplementary fundraising activities will be conducted in a value-added manner. Scouting provides a significant service to the Canadian Community and therefore, is justified in seeking charitable financial support from the community.
- (iv) The strength of Scouting is at the local community level and all funds raised, except funds raised pursuant to Policy 11000.3, subsection V, will accrue to the benefit of our members. The cost of services and materials provided by senior Councils must support the membership, and any funds raised by these Councils except funds raised pursuant to Policy 11000.3, subsection V, must also support the membership by way of a contribution toward expense, a contribution toward membership fees, or additional program activities.
- (v) Each fundraising activity will be conducted at the most effective and efficient level of the organization for that type of activity. For maximum efficiency and

effectiveness, all fundraising activities will be performed in a collaborative and cooperative manner without competition among Councils and the various levels of the organization.

- (vi) The cost of operating Scouts Canada will be funded by a membership assessment. This assessment can be reduced by fundraising activities conducted by Scouts Canada in accordance with these Funding Principles and Guidelines.
- (vii) All requests for funds should clearly state the purpose for the funds.
- (viii) Each level of Scouting shall share in the cost of services and materials provided by senior levels. Such senior levels shall be accountable for the use of funds and assets to the support level that provided them.

11002 - GROUP FINANCIAL RESPONSIBILITIES AND REPORTING REQUIREMENTS

The Group Commissioner has the overall responsibility for the group, including the group's finances. To ensure that the group's finances are well managed and accounted for, the Group Commissioner recruits a treasurer for the group. The treasurer assumes the responsibilities as described in the treasurer's position description in B.P.&P., Section 4000.

The treasurer plans, budgets, records, maintains and reports on the financial affairs of the group and ensures that they are compliant with Scouts Canada's Policies and Procedures.

11003 – FINANCIAL PROCEDURES REGARDING GROUPS

- (i) Scouts Canada's fiscal year is September 1 st through August 31st.
- (ii) As a non-profit organization, a basic principle is that any and all activities, events or operating expenses be undertaken and organized (budgeted) in such a way that financially, they do not create a deficit.
- (iii) All groups must submit an annual financial statement to the Council by November 30. Prior to submission, this will have been subject to an impartial third party review by two individuals who have not been involved in the group financial accounting and reporting, together with group inventory (Quartermaster) reports following year-end.

- (iv) Annual financial statements, as stated in (4) must be reported to the appropriate authority as follows:

Financial/Inventory Statements	Reported to:	Responsibility of:
Sections – Beaver, Cub, Scout	Group/Section Committee	Section Scouter
Sections – Venturer, Rover	Group/Section Committee	Company or Crew treasurer
Scouting auxiliary	Group Committee	Scouting auxiliary treasurer
Group	Supervising Council Group Sponsor/Partner	Group Committee treasurer

- (v) Section or group accounts must be clearly identified as “Scouts Canada” together with the name of the section or group.
- (vi) Procedures should be established for each Group Committee governing:
1. Bank deposits, withdrawals, advances, cheque signing, and petty cash funds.
 2. The investment of funds.
 3. The authority to raise and control funds.
- (vii) Budgets must be presented to and approved by the Group Committee.
- (viii) The expenditure of funds for other than budgeted operating costs shall not be made until approved by the Group Committee.
- (ix) Once funds are spent, receipts must accompany a statement of account at the next meeting.
- (x) No commitment to pay money in the future shall be made on behalf of Scouts Canada without the permission of the authority listed below:

Level	Authority
Group/Section, including Scouters of Sections or members of Group Committee or Scouting auxiliary	Group Committee

- (xi) Lottery, casino, raffle, bingo or other fundraising that is associated with gambling must be approved by the Council. When the Council gives permission, the Council shall ultimately be responsible for the payment of the commitment which it has permitted, together with all costs related thereto.
- (xii) Groups or Sections are not permitted to undertake any form of general appeal for funds unless sanctioned by the supervising Council.
- (xiii) Anyone in the group receiving or dispersing funds must keep an accurate record.
- (xiv) As far as possible, cheques should pay all expenditures.

11004 - SIGNING AUTHORITIES

- i) Funds must be under the control of at least two people.
- ii) The signing authorities for the Group shall be members of the Group Committee, as determined by that committee, and must include the Treasurer and at least one additional member.
- iii) Two signing officers must sign every cheque.

11005- INACTIVE GROUP ASSETS

When a Group/Section Committee ceases to exist, title to any remaining property and/or funds shall be vested in and held by the Council pending appropriate disposal as determined by that Council.

11006 – STORAGE OF RECORDS

Group financial records will be maintained by the Group and be available to the Council should they be required. The Group will maintain the records in a manner that will be in compliance with requirements for financial records storage as set forth by the Canada Revenue Agency.

11007 – COUNCIL FINANCIAL PROCEDURES

Council Financial Procedures can be found in the Council Operations Manual.

11008 - FOR REFERENCE

Group Committee Position Descriptions

See BP& P, Section 4000 for position descriptions.

Scouting Assets (Properties and Other), Insurance and Risk Management

See BP& P, Section 13000 for procedures.

See BP& P, Section 1011 Property Policy.

11009 – GIFT ACCEPTANCE POLICY

Approved January 2012

PURPOSE AND APPLICATION

- A. In establishing this policy the Board recognizes the utmost importance of ensuring that all gifts to Scouts Canada are made within legal and ethical regulations, codes and guidelines of Canada Revenue Agency (CRA).
- B. This policy is designed to ensure clarification of roles, responsibilities and expectations of both Scouts Canada and its donors. The policy will also make certain that Scouts Canada acts in a consistent and timely manner in exercising its fiduciary responsibility.
- C. This policy applies to those gifts for which a tax-deductible charitable receipt is to be issued.

1. **INTERPRETATION**

In this policy the following terms shall have the following meanings:

“Board” means the board of governors of Scouts Canada.

“Scouts” means Scouts Canada.

“Fund” means the fund created as a result of the Fund Agreement entered into between the donor and Scouts Canada.

“Fund Agreement” means an agreement entered into between Scouts and a donor, the details of which are set out in section 7 herein.

“Policy” means this policy and the expressions **“hereof”**, **“herein”**, **“hereto”** and **“hereunder”** and similar expressions refer to this policy.

“Executive Commissioner and Chief Executive Officer (CEO)” means the Executive Commissioner and CEO of Scouts Canada.

Duties owed to Donors

2. **Ethics**. The Board has formally adopted the Donor Bill of Rights developed by the Association of Fundraising Professionals and Imagine Canada’s Ethical code program. This clearly establishes the donor’s rights and sets the standards for all Scouts Canada

fund development work. A copy is contained in the Policy Manual that is available at Scouts Canada office.

3. **Interests.** The donor's wishes and interests will always be the first priority to be considered by anyone acting on behalf of Scouts in fund development activities.
4. **Confidentiality.** All information, philanthropic intent and content of fund agreements will be held in strict confidence, subject to legally authorized and enforceable requests for information. All other requests for information regarding a donor will only be provided if prior written consent from the donor or their legal representative, trustee or attorney by way of a Power of Attorney has been received.
5. **Conflict of Interest.** All persons acting on behalf of Scouts will declare any conflict of interest in the fund development activities. At no time may a Scouts representative place the interests of Scouts ahead of those of the donor.
6. **Disclosure to Donors.** Before a donor makes a gift and signs a Fund Agreement, Scouts shall inform the donor, and ensure that they understand following:
 - 6.1. the legal and financial consequences of making the gift including the expenses related to the disposition of the assets charged to the donor;
 - 6.2. their right to receive professional financial advice before making a charitable gift; and
 - 6.3. the work of Scouts and how the capital and its income will be used.

Except where the terms of a gift are expressed unilaterally (such as in a will), no gifts will be accepted unless Scouts is satisfied that the donor understands sections 6.1-6.3 of this Policy.

7. **Agreements.** A standard form agreement, amended from time to time, shall be entered into by donors and Scouts where practicable, and shall be used as the basis for all funds. Scouts shall attempt to personalize the standard form agreement with respect to the name and nature of the fund and the use of the fund's income in order to better tailor the fund to the particular donor. Scouts shall exercise best efforts to adhere to the wishes of a donor as expressed to it in any form, including by will.

Handling of Gifts

8. **Forms of Gifts.** Scouts will accept gifts in many forms including, but not limited to, the following:
 - cash, or cash equivalents such as T Bills and GICs;
 - publicly listed securities;
 - life insurance

- charitable remainder Trusts;
- gifts with residual interest;
- assignment of annuity payments and residual interest in an annuity;
- other property such as real estate, art and other assets not readily negotiable; and
- bequests by will for any of the above listed property.

Scouts will not accept gifts of interest free loans or issue charitable annuities as the Canada Revenue Agency prohibits charities from incurring debt obligations.

9. Right of Refusal. The Executive Commissioner & CEO in consultation with the Chief Commissioner and Chair of the Board of Governors will bring to the attention of the Board any issues that generally bring doubt as to the acceptability of the Gift and more specifically any issues that address any of the following points:

9.1. the gift involves in whole or in part a debt obligation;

9.2. the gift is not consistent with the overall mission of Scouts;

9.3. the gift compromises the integrity or non-partisan status of Scouts in the community;

9.4. the gift undermines the classification or status of Scouts under the Canada Revenue Agency (CRA); or

9.5. the origin of the gift may bring Scouts into disrepute.

Notwithstanding the foregoing the Scouts reserves the right to refuse a gift for any reason whatsoever.

10. Valuation. In most cases the value of a gift will be immediately apparent, particularly or readily negotiable gifts. Where this is not the case the donor must provide Scouts with an independent appraisal establishing the fair market value of the property being offered as a gift.

10.1. Rights of Scouts Canada. Scouts reserves the right to secure and rely on its own appraisal and investigation in determining the acceptability of the gift and the value of the receipt for income tax purposes.

10.2. Value of Securities. In the case of a gift of securities the value for receipting purposes will be the closing market price on the day the Scouts receives the securities.

11. Disposition. All gifts of cash and cash equivalents made to Scouts shall be transferred to Scouts' custodian and placed in Scouts investment portfolio. Publicly listed securities may either be delivered by the donor directly to Scouts or transferred by prior agreement to Scouts investment account held by its custodian. All gifts will be

sold as soon as possible and the proceeds invested in accordance with Scouts investment policy, unless a prior agreement has been reached with the donor that may require the property to be held temporarily. The Executive Director, Financial Services and the Executive Director, Development shall supervise receipt of publicly traded securities, and if required the opinion of a third party counsel with respect to final legal ownership may be obtained.

11.1. Exemption. Gifts in cash or in kind that are directed specifically to support Scouts activities such as sponsorship of an event or to directly offset Scouts administration (not program) expenses will be exempted from this disposition policy.

12. Costs. Except as agreed to by resolution of Scouts the donor shall pay for all costs associated with making a gift. This may include expenses related to appraisal fees, legal and accounting expenses, transaction fees and bank charges. Expenses incurred by Scouts in accepting a gift, which may include legal fees, maintenance, and disposition fees will be charged against the fund once established.

13. Receipt. Scouts cannot issue a tax receipt until the gift is legally the property of the Scouts. The receipt will be issued for the value of the gift, as at the date it becomes Scouts' property minus any expenses incurred in accepting the gift.

General Conditions

14. Scouts in accepting gifts will apply the following general conditions:

14.1 Scouts is not able, because of the potential for a conflict of interest, to act as the executor of a donor's will or as a trustee of a charitable remainder trust.

14.2 Scouts will be bound by all applicable statutes with regards to the reporting of the sources of gifts received.

14.3 The Vice Chair Strategic of the Board of Governors will be informed in advance of all donor arrangements of a sponsorship nature to ensure compliance with the Scouts Canada brand.

14.4 Gifts from a donor whose primary business is in the areas of gaming or weapons will be subject to review by the Vice Chair Strategic of the Board of Governors in consultation with the Executive Commissioner/Chief Executive Officer.

14.5 Scouts will not accept donations from suspended or terminated Scouts Members.

14.6 Scouts will not accept a gift from a donor whose primary business is in the areas of tobacco or adult entertainment. Note: donations of tobacco products for the purposes of First Nations ceremonies are fully exempt from this General Condition.