

SECTION C - RISK AND RECORDS MANAGEMENT

Policy No. & Title - RRM 01: Ethical Fundraising, Solicitation of Donations, Gift Acceptance

Date Issued: May 2018

Date of Authorization: June 2018

Date Last Reviewed/Modified: August 7 2018

Next Scheduled Review: Fall 2018 (Network)

1. Overall Guiding Principle

Canadian Parents for French has an obligation to use sound, [ethical fundraising](#) practices, and to support our [donors](#) in making informed decisions regarding how they choose to support our organization.

2. Objective

To provide staff and [volunteers](#) with [fundraising](#) guidelines for making ethical choices while ensuring accountability, safeguarding the [donor](#) and sponsor interests, as well as protecting CPF's corporate public image.

3. Policy

- Canadian Parents for French has adopted the Canadian Centre for Philanthropy's [Ethical Fundraising and Financial Accountability Code](#) as its policy.
- The Board commits to:
 - being responsible custodians of donated funds,
 - exercising due care concerning the governance of [fundraising](#) and financial reporting,
 - ensuring to the best of their ability that the organization adheres to the provisions of the Code, and
 - reviewing [donor](#) and fundraising activities on an annual basis.
- Directors of the Board and staff are responsible for reading, understanding and complying with the [Ethical Fundraising and Financial Accountability Code](#).

- CPF accepts funding and [donations](#) from individuals or organizations whose values and strategic objectives best align with or at least do not counter, the CPF mission, vision, and values, that of promoting and creating French as a second language learning opportunities for youth in Canada.
- Acceptance or receipt of a [donation](#) or gift by CPF does not automatically constitute an [endorsement](#) of the individual or organizational [donor](#).

Charitable donations and issuance of charitable receipts

- Any CPF entity which has registered with the [Canada Revenue Agency \(CRA\)](#) will issue a [charitable donation](#) receipt for a [donation](#) made to it in its own name and retain all of the [donation](#). It is responsible for filing appropriate receipts and financial reports with [CRA](#).
- Any CPF Branch which has not registered with the [CRA](#) and which receives a [donation](#), will have the [donation](#) made payable to Canadian Parents for French. CPF National will issue a receipt for the Branch and return the funds to the Branch within 30 days. The Branch will be responsible for filing appropriate financial reports with [CRA](#)
- Where given, [tax receipts](#) will be issued to the [donor](#) by no later than February 28, 2020 of the calendar year following the year in which the [donation](#) was made for all cash [donations](#) over \$20.00.

Tax receipt for goods or services donated

- CPF will exercise discretion in providing [tax receipts](#) for donated goods or services and, where given, will be issued to the [donor](#) by no later than February 28, 2020 of the calendar year following the year in which the [donation](#) was made.

The [Executive Director](#) will seek the advice of a [third party](#) competent to assess the value of the goods or services in accordance with the guidelines of the [CRA](#) if there is disagreement between the [donor](#) and CPF as to the value of the [donation](#), within the limitation outlined in the Code.

Sponsorship, gifts and donations

- All [donations](#) will be used to support the charity's [objects](#), as registered with [Canada Revenue Agency \(CRA\)](#).

- There must be a clear connection between the donation, gift or other form of support/sponsorship and CPF's mandate when lending the CPF name or donating to, buying a gift for, or otherwise supporting/sponsoring any individual, organization, association, business or corporation.
- CPF National considers sponsorship of only national events, activities and organizations which offer opportunities to market CPF's products and services, or to communicate key messages and themes.
- CPF's sponsorship programs seek to achieve a balance between community benefit, direct business benefit and image improvement. In our sponsorship programs we aim to achieve the following:
 - Clear, positive, sustainable community benefit
 - Enhanced community capacity
 - Mutual respect
 - Commercial or reputational business benefit
 - Open dialogue and participation
 - Measurable, positive outcomes
 - Long-term commitment

CPF solicitation of donations

- CPF solicits donations and accepts gifts that are consistent with its mission and that support its core programs, as well as special projects.
- CPF will treat donors and prospective donors with respect when soliciting donations. Both CPF's purpose and contact information will be clearly identified when soliciting on its behalf. Every effort will be made to honour donor requests to:
 - limit the frequency of solicitations
 - only solicit respecting privacy legislation
 - discontinue solicitations where it is indicated they are unwanted or a nuisance.
- The privacy of donors will be respected as per the GOV 14: CPF Privacy and Personal Information Policy.

Gift Acceptance

- Gifts of Real Property, Personal Property or Securities may only be accepted upon approval of the National President. CPF urges all prospective donors to seek the assistance of personal legal and

financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

- Decisions on the restrictive nature of a gift, and its acceptance or refusal, will be made by the National Board of Directors in consultation with the National [Executive Director](#).
- CPF will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate:
 - Gifts of securities that are subject to restrictions of buy-sell agreements.
 - [Documents](#) naming CPF as trustee or requiring CPF to act in any fiduciary capacity.
 - Gifts requiring CPF to assume financial or other [obligations](#).
 - Transactions with potential conflicts of interest.
 - Gifts of property which may be subject to environmental or other regulatory restrictions.
- CPF will not accept gifts that:
 - Would result in CPF violating its corporate charter.
 - Would result in CPF losing its status as a charitable organization.
 - Are too difficult or too expensive to administer in relation to their value.
 - Would result in any unacceptable consequences for CPF.
 - Are for purposes outside CPF's mission.
- In accepting to receive an insurance policy as a gift – CPF must a) own the policy, b) be named as beneficiary and c) the policy must be paid up.
- In accepting wills as a gift – the language included in the will must specify if the gift is to CPF National or to a specific Branch and include the applicable charitable organization number.
- In accepting stocks and bonds, shares, publicly traded securities as a gift – It is CPF policy to sell these immediately. The bank provides a receipt of the market value which then enables CPF to provide a receipt to the [donor](#) right away.

Restricted / Endowment Funds

- CPF will administer restricted or endowment funds [consistent](#) with the [donor](#) wishes and generally accepted accounting principles. Any

endowment will be classified as “restricted”. Refer to the EXL 05: CPF Investment Policy.

4. Specific Directives

- CPF issues charitable donation receipts for any donations worth \$20 or more and as per CRA guidelines.

Sponsorship Selection Criteria

- CPF will focus its community investment on youth and education except for philanthropy for specific causes, for example volunteer advocacy.
- CPF will not support programs for:
 - political or religious organisations
 - projects which denigrate, exclude or offend minority community groups;
 - projects that create environmental hazards
 - programs that uphold principles of respect that are any less than those we apply to our own people
 - programs that involve the taking of unnecessary risks, and/or which may put public safety at risk.
- The National President authorizes approval of applications for support over \$25,000.

SECTION C – RISK AND RECORDS MANAGEMENT

Policy No. & Title - RRM 02: Financial Planning and Reporting

Date Issued: August 2017

Date of Authorization: August 2017

Date Last Reviewed/Modified: October 2017

Next Scheduled Review: Fall 2018

1. Overall Guiding Principle

Canadian Parents for French is a fiscally responsible [corporation](#) that ensures budgets are drafted, followed, reported upon and support the [corporation's](#) strategic plan, National Board priorities and multi-year budgetary [limitations](#).

2. Objective

To ensure that the CPF National [Executive Director](#) has the guidance necessary to manage and supervise the financial resources of the [corporation](#) in a prudent and fiscally responsible manner.

3. Policy

- The [Executive Director](#), in consultation with the CPF Board Treasurer, will prepare and present a balanced budget to the CPF Board of Directors annually. The proposed budget should include a small projected surplus, if any.
- The [Executive Director](#) will make every effort to ensure the members of the CPF Board of Directors receive [training](#) on how to read and interpret financial statements.
- Audited financial statements will be produced annually. The financial statements of the [corporation](#) must be prepared in accordance with Generally Accepted Accounting Principles. An outside auditor will be appointed annually.
- The audited financial statements will be presented at the Annual General Meeting for approval of the members of the [corporation](#).

- The [Executive Director](#) will comply with the current executive limitation policies that provide appropriate controls and ensure appropriate insurance coverage to mitigate organizational [risk](#).

4. Specific Directives

Annual Budget

- The CPF National annual budget must be received by the CPF Board of Directors at least 60 days prior to the beginning of the fiscal year.
- The budget must reflect the priorities identified within the current CPF Network Strategic Plan and the CPF National Action Plan. The proposed budget must allocate an appropriate amount of funds and resources for an annual fiscal audit.
- Once accepted, the budget must be adhered to in accordance with funder stipulations as well as any other guiding policies. Proposed changes to the budget are decided between the CPF National [Executive Director](#) and the CPF Board Treasurer and ratified by the CPF Board of Directors. Changes made to the original budget must be archived so that a history of the annual budget is available for review, comparison and decision making.
- Prior to every CPF Board Meeting, the [Executive Director](#) or designate and the CPF Board Treasurer will review the quarterly financial statements including the balance sheet, income and expenses statements, and [cash flow](#).

Operational Practices

- The [Executive Director](#) will ensure that
 - a safety reserve of no less than 90 days operating costs will be available at any time; and
 - reporting [obligations](#) to authorities or funding agencies are met on time and without penalty.
- The [Executive Director](#) must seek the CPF Board of Director's approval to enter into new banking arrangements.

SECTION C – RISK AND RECORDS MANAGEMENT

Policy No. & Title: RRM 05: Financial Accountability & Controls, Liability

Date Issued: May 2018

Date of Authorization: June 2018

Date Last Reviewed/Modified: August 2018

Next Scheduled Review: Fall 2019 Network Review

1. Overall Guiding Principle

Activities undertaken by Canadian Parents for French carry an element of risk. A risk management process enables CPF to undertake these activities while managing potential adverse effects.

Managing financial risk is the responsibility of everyone in the corporation. Underpinning all financial management systems should be a series of financial policies and procedures which guide operations and lay out how the corporation uses and manages its money.

2. Objective

To establish financial controls within the organization that ensure accuracy, timeliness and completeness of financial data.

To outline CPF's risk management process and set out the responsibilities of the Board, the Executive Director, staff and others in relation to financial risk management, specifically signing authorities, asset protection and fiscal management.

3. Policy

- The Directors of the National Board have a fiduciary duty and a duty of care.
- The CPF National Board of Directors are responsible for ensuring appropriate financial competency at all levels of organization (Board, Treasurer, audit committee, executive director, director of operations, as well as external bookkeeping and auditor services) and for the oversight of robust financial systems with clear segregation of duties and to expect regular reporting and opportunity for review.

Signing Authority

- The CPF National Board of Directors delegates its signing authority to designated officers (President, Treasurer) and to the Executive Director. As such the President, Treasurer and Executive Director will have the power to sign all legal documents on behalf of the organization while carrying out the ordinary course of business of the organization.

Internal Controls

- The Corporation will employ internal control safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded under the responsibility of the Executive Director. These include lines of authority, conflict of interest, segregation of duties, and physical security and be in accordance with recommendations provided during the annual financial audit.
- Internal controls, fiscal policies and financial reports to be prepared, regularly reviewed and approved by the Board of Directors will include the following:
 - Annual Balanced Budget
 - Annual Financial Statements, Quarterly Reports
 - Cash Flow
 - Audited Financial Statements
 - Tax Compliance Forms
 - Financial Policies
 - Oversight Checklists
 - Financial Reporting (re: funding contributions)
 - Payroll, Benefit Contributions
 - Cash Management and Investments
 - Restricted or Reserve Fund Limitations
- Functions exercised by the Board or Treasurer and those delegated to the Executive Director are subject to regular review to ensure that the division of functions remains appropriate.
 - Matters specifically reserved for the Board include:
 - Matters involving financial amounts above a specified limit;
 - Approval of contracts and obligations above a specified limit; and
 - Approval of or changes to the annual budget.
 - Matters for which Executive Director is responsible include:
 - Protecting the Corporation's assets;

- Board approved priorities are reflected in the allocation of resources;
- Preparing a balanced budget based on generally accepted accounting principles; and
- Making minor changes in the budget without board approval.

4. Specific Directives

- Financial accountability will be shared between the Board and its designates.
- Not all Board members need to be familiar with financial terms and concepts, but a clear and explicit agreement of how accountability is shared is expected within the Board.
- With each new Board Treasurer or a new manager responsible for finance reporting expectations will be discussed and renewed.

Accounting	
Staff* - refers to the senior staff manager responsible for finances which may be the <u>Executive Director</u> , the Director of Operations or a designate.	
The Staff* will:	The Board will:
Complete the following monthly or quarterly statements within three weeks of the end of the month: <ul style="list-style-type: none"> - Income and expense statements - Balance sheet for organization as a whole - Balance sheet for the endowment fund - Comparison of actual to budget on a year to date basis Prepare end of year statements and other federal or provincial forms in a timely manner and by deadlines imposed.	Review the financial information provided and ask questions as required to ensure understanding. Review key accounting policies as per schedule or discuss with bookkeeper / auditor. Be educated in the overall process of accounting and the issues that might occasionally delay statements. Ensure that all legal <u>documents</u> and binding contracts are properly reviewed prior to signature.

<p>Provide updates and explanations on any delays.</p> <p>Ensure that all legal <u>documents</u> and binding contracts are properly reviewed prior to signature.</p>	
<p>Budget</p>	
<p>The Staff will:</p>	<p>The Board will:</p>
<p>Develop a proposed budget as per accepted template.</p> <p>Shift dollars along line items, or make increases in variable costs that are matched by increases in earned revenue.</p> <p>Bring to the attention of the Board, if significant budget variances occur, explain variances and propose actions (such as attention to budget control, or revising year end projections).</p>	<p>Develop parameters or priorities for staff to guide preparation of the draft budget (such as budget is balanced or allowable profit for the year, investment in key project initiatives, or addition to cash reserves).</p> <p>Give careful attention to proposed budget and subsequent reports.</p> <p>Formally accept the budget, thereby authorizing the beginning of expenditures as planned.</p> <p>Engage in long-term planning for funding (identifying potential new monies).</p>
<p>Cash Flow Projections</p>	
<p>The Staff will:</p>	<p>The Board will:</p>
<p>Prepare annual <u>cash flow</u> projections, a comparison of actual to projected <u>cash flow statement</u>.</p>	<p>Review <u>cash flow</u> reports and ask questions to ensure understanding.</p>

Develop a plan for bridging any projected shortages or maximizing any projected surpluses.	
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Financial Analysis	
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The Staff will:	The Board will:
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<p>Prepare a brief quarterly written comment with the following:</p> <ul style="list-style-type: none"> - Highlights of the period; - Continuing or anticipated problems and/or opportunities; - Analysis of financial health (outstanding payments, new contracts); and - Recent financial performance (interest on investment) <p>As part of the annual budget preparation:</p> <ul style="list-style-type: none"> - Investigate and analyze outside trends affecting the organization’s finances; and - Revisit key decisions related to assets and liabilities (rental agreements, debt, and investments). 	<p>Propose items for ad hoc investigation (insurance or rental agreements, investment funds, banking fees, professional consulting service agreements).</p> <p>Discuss analyses with staff; work with staff to improve financial performance.</p>
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Salaries and Personnel	
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The Staff will:	The Board will:
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Prepare a report showing each staff position and salary for review as part of the annual proposed budget.	<p>Review the salary ranges schedule for each category of employee.</p> <p>Periodically review employee benefits.</p>
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<p>Prepare an annual schedule of individuals receiving benefits and the amounts contributed by the organization.</p> <p>Prepare a report of the legal forms issued on behalf of individuals employed.</p> <p>Update personnel policies as per schedule.</p>	<p>Approve guidelines for performance-based compensation if appropriate.</p> <p>Negotiate and approve the <u>Executive Director's</u> salary.</p> <p>Ensure that other salaries are within approved ranges or, if not, to have approved exceptions.</p> <p>Periodically review and approve updated personnel policies.</p>
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Audit and Internal Controls

The Staff will:	The Board will:
<p>Ensure that audited statements are completed within five months of the end of the fiscal year.</p> <p>Prepare a written response to comments and recommendations in the management letter, if one is received.</p> <p>Develop and review <u>internal controls</u> and follow procedures in the spirit as well as to the letter.</p>	<p>Take the lead in interviewing prospective auditors and review bids (when requested).</p> <p>Select the auditor.</p> <p>Meet at least once per year with auditor without staff present.</p> <p>Receive audit letter directly from auditor.</p> <p>Review written <u>internal controls</u> procedures.</p>

Overall	
The Staff will:	The Board will:
<p>Make a good faith effort to communicate all significant information.</p> <p>Complete requests for ad hoc reports.</p> <p>Appreciate that tough questions are appropriate and not hostile.</p> <p>Offer good answers.</p>	<p>Give serious attention to financial information.</p> <p>Be understanding when delays or problems occur.</p> <p>Make reasonable requests for ad hoc reports.</p> <p>Work as problem solvers as well as governors.</p> <p>Respect the difficulty of the work and express appreciation when appropriate.</p> <p>Ask good questions.</p>