



Plan Canada



PROGRESS REPORT

2010

ETHICAL CODE PROGRAM

Demonstrate your commitment to high standards



Lion's Foundation of Canada
Dog Guides



Calgary Opera



Habitat For Humanity
Edmonton

The **Ethical Code Program**, originally launched in 1998, was successfully re-launched in 2008. By the end of 2010, 363 charities had signed onto the Program. The re-launch of the Program was made possible through a generous grant from Great-West Life, London Life and Canada Life and the fees paid by Program participants. Thanks to the initial start-up support of Great-West Life, London Life and Canada Life, we are pleased to report that the Program is now close to self-supporting (see financial reporting, page 4).

THE ETHICAL CODE PROGRAM

The **Ethical Code Program** is a tool that can help charities meet donor expectations and distinguish themselves from others. The goal of the Program is to enhance the performance of charitable organizations, strengthen donor trust, and build upon the current high level of confidence in the sector.

Charities that join the Ethical Code Program have the right to use the Ethical Code trustmark, which signals to donors that they comply with the standards in the *Ethical Fundraising and Financial Accountability Code*.

Participation in the Ethical Code Program is open to all registered Canadian charities and registered Canadian amateur athletic associations.

In December 2013, the Ethical Code Program will merge with Imagine Canada's newly launched Standards Program. More information on changes to the Program can be found on our website:

www.imaginecanada.ca/ethicalcode.

Founding and Presenting Sponsor:



STRONGER COMMUNITIES TOGETHER™

2010 PROGRAM HIGHLIGHTS

★ PROGRAM PARTICIPATION

Participation in the Ethical Code Program continued to grow, with 107 charities joining in 2010. The 363 charities that belong to the Program account for more than \$2 billion in fundraising revenues – approximately 12% of all fundraising revenues reported by Canadian charities. Of those participants due to renew in 2010, almost 90% chose to continue their participation in the Program.

★ ETHICAL CODE COMMITTEE

The Ethical Code Committee met five times in 2010. The Committee reviewed complaints about Program participants, provided interpretations and advice on queries posed by charities, and completed a detailed review of the Code itself. Imagine Canada's Board of Directors, in cooperation with the Committee, developed an appeals policy for complaints.

Imagine Canada received 11 complaints about charities in 2010. Complaints are submitted by members of the public, other charities or Imagine Canada staff. A number of the complaints received in 2010 were resolved by staff or were determined not to relate to the content of the Code or participants in the Program. The Ethical Code Committee resolved two outstanding complaints (from 2009) in 2010 and reviewed two additional complaints.

★ COMPLIANCE

Charities reaching their one-year anniversary of participating in the Ethical Code Program are required to submit an Annual Compliance Form. Participants are asked to reaffirm their commitment to the Program and report on all complaints received during the year relating to matters covered by the Ethical Code.

In 2010, we received and reviewed Compliance Forms from 74 Program participants. The majority of organizations (88%) reported receiving no complaints related to the Ethical Code. Among those reporting complaints, the median number reported was 10. More complaints were received about direct mail fundraising, the frequency of solicitations, and tax receipts than about any other matter.

★ EDUCATION & CAPACITY BUILDING

In December, Imagine Canada released the *Guide to Giving*. The *Guide* addresses some of the most common questions asked by Canadian donors and responds to media interest in the issue of fundraising costs. Going forward, Imagine Canada will



continue to update and revise the *Guide* and distribute it broadly. Participants are encouraged to share the *Guide* with donors and other stakeholders. It can be downloaded at www.imaginecanada.ca/guide-to-giving.

During the year, staff gave presentations on the Ethical Code at the Association for Healthcare Philanthropy conference and to members of the Canadian Association of Gift Planners.

★ PARTNERSHIPS

Imagine Canada continues to work with CanadaHelps (www.canadahelps.org), an important online donation portal. CanadaHelps features the Ethical Code trustmark on the profiles of charities that participate in the Program.

★ OUTREACH & MARKETING

Our third *Maclean's* supplement on the Ethical Code Program, entitled "In Charity We Trust: Canada's Charity Leaders on the Canadian Donor" appeared in the July 26th issue of the magazine. With 2.4 million readers across Canada, *Maclean's* is one of our key tools to help raise Canadians' awareness of the Ethical Code Program. Imagine Canada also shared information on the program through our e-newsletter *Imagine Matters*, Imagine Canada events and numerous media interviews.

In 2010, 81% of Program participants reported that they were using the Ethical Code trustmark¹. The percentage of participants using the logo did not change significantly from 2009. By far, the trustmark was most commonly used on participants' websites. Participants also used the logo on annual reports and donor solicitation materials. It is important for participants to use the trustmark as the more widely known it becomes the more valuable it will be. Imagine Canada will continue to work with participants to encourage and support broader use of the trustmark.

¹ Data collected through annual compliance reports.

★ STANDARDS PROGRAM

At its December 2010 meeting, the Imagine Canada Board of Directors voted to launch a new Standards Program. This exciting decision was the result of extensive work led by Imagine Canada in partnership with the HR Council and Volunteer Canada and in collaboration with sector colleagues over the past four years.

In 2010, 51 Founding Members from charities and non-profits of various sizes and sub-sectors from across the country contributed a total of \$73,500 to support the development of the Standards Program. As an initiative by-the-sector-for-the-sector, the Standards Program was

shaped by the shared leadership of 27 senior executives from the group of Founding Members.

The Standards Program offers a Canada-wide set of shared standards for charities and nonprofits wishing to strengthen their effectiveness in the fundamentals of governance, staff management, financial accountability, fundraising, and volunteer involvement.

In 2011 the Founding Members will be invited to become early adopters by participating in an advanced intake available to them before the Program is publicly available.

ETHICAL CODE PROGRAM PARTICIPANTS – A SNAPSHOT

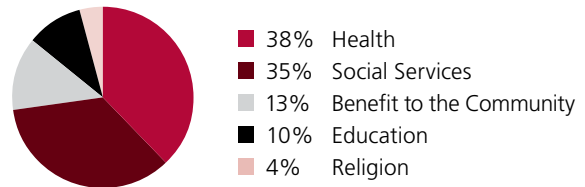
LOCATION

Ethical Code Program participants are located in all provinces although the majority (60%) continue to be based in Ontario. The Ontario group includes many national charities with head offices in the province. Following Ontario, Program participants are most likely to be based in Alberta (14% of participants) and British Columbia (11%). This has not changed significantly since the Program was re-launched in 2008.

SUB-SECTOR

As presented in the graph below, the majority of charities participating in the Ethical Code Program work in the areas of health (38%) and social services (35%).

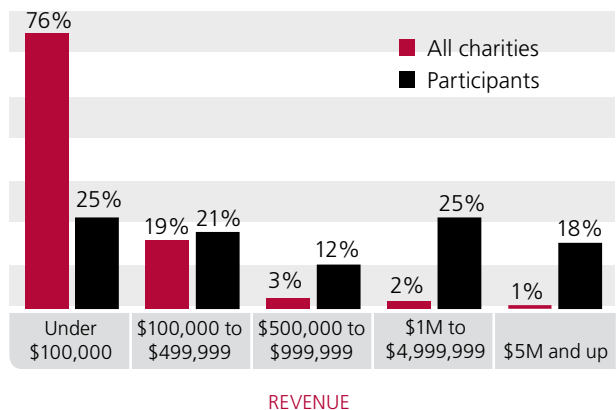
PROGRAM PARTICIPANTS BY SUB-SECTOR



REVENUES

The 363 charities participating in the Ethical Code Program at the end of 2010 have total revenues of \$4.6 billion and total fundraising revenues of \$2.1 billion². Program participants represent 2.5% of total revenues and 12% of fundraising revenues reported by Canadian charities. In 2008, participants accounted for just 7% of fundraising revenues. Program participants continue to report higher fundraising revenues than charities as a whole. Approximately, 43% of Program participants had fundraising revenues over \$1 million (down from 47% in 2009). Imagine Canada will continue to measure Program progress based on both the number of participants and the percentage of fundraising revenues that participants represent.

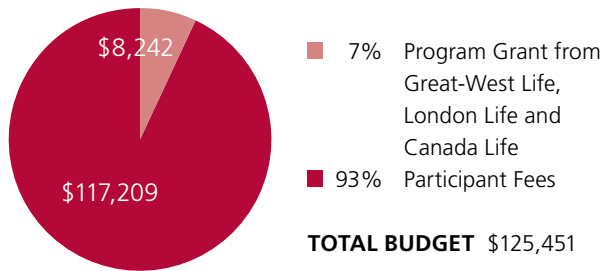
FUNDRAISING REVENUES, PROGRAM PARTICIPANTS AND ALL CHARITIES



² Data are from 2009 Registered Charity Information Returns (T3010). Fundraising revenue is defined as the sum of received gifts (line 4500), other gifts (line 4530), and fundraising revenue (line 4630).

In 2010, 93% of Ethical Code Program expenses were covered by participant fees. A grant from Great-West Life, London Life and Canada Life covered the remaining expenses. Imagine Canada is pleased that after three years of operation, the Program is now close to self-supporting, one of our goals when the Program was originally launched.

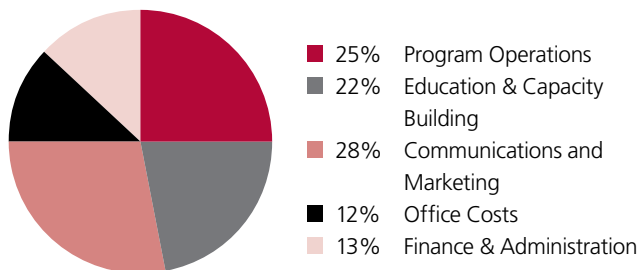
REVENUE



Note: Participant fees are pro-rated over two years based on the starting month of participation. Therefore, only a portion of the fees is recognized in a given year.

The majority of the Great-West Life, London Life and Canada Life grant in 2010 was applied to the development of the Standards Program.

EXPENSES



Canadian Cancer Society Ontario

JOIN NOW!

To join the Ethical Code Program or for more information visit our website at www.imaginecanada.ca/en/ethicalcode, call **1-800-263-1178, ext. 229** or **(416) 597-2293, ext. 229** or email code@imaginecanada.ca

2010 ETHICAL CODE COMMITTEE MEMBERS

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