



Imagine
Canada Ethical Code

PROGRESS REPORT

2009

ETHICAL CODE PROGRAM

Demonstrate your commitment to high standards



Marillac Place



Calgary Opera



Bridgepoint Health
Foundation

The **Ethical Code Program**, originally launched in 1998, was successfully re-launched in 2008. 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. By the end of 2009, 276 charities had signed onto the Program – a 58% increase since the end of 2008.

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.

The Ethical Code Program is generously supported by:

Great-West Life
ASSURANCE COMPANY

London
Life

Canada Life

STRONGER COMMUNITIES TOGETHER™

2009 PROGRAM HIGHLIGHTS

★ PROGRAM PARTICIPATION

Participation in the Ethical Code Program continued to grow, with 101 charities joining in 2009. The 276 charities that belong to the Program account for more than \$2 billion in fundraising revenues – approximately 11% of all fundraising revenues reported by Canadian charities.

★ ETHICAL CODE COMMITTEE

The Ethical Code Committee met five times in 2009. The Committee reviewed complaints about Program participants, provided interpretations and advice on several queries posed by charities, and undertook a review of the Code itself.

Imagine Canada received four formal complaints about Ethical Code Program participants in 2009. One complaint was resolved by the Committee during the year; the remaining complaints are still under review. The Committee views the increase in complaints in a positive light as it shows an increased level of awareness about the Program.

★ 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 2009, we received and reviewed Compliance Forms from 168 Program participants. The majority of organizations (80%) reported receiving no complaints. Among those reporting complaints, the median number reported was 17. More complaints were received about direct mail fundraising, the frequency of solicitations, and tax receipts than about any other matter. In reviewing the data, we recognized some inconsistencies around the definition of a complaint and the reporting periods each charity was using. For this reason, Imagine Canada will be reviewing the compliance process in 2010.

★ EDUCATION & CAPACITY BUILDING

On April 7th, 2009, over 60 people participated in the Ethical Code Community Event, held in Toronto to celebrate the success of the Ethical Code's first year. Hosted by Imagine Canada's President & CEO Marcel Lauzière, the event featured speakers from the sector, including Scott Haldane, CEO of the YMCA of Greater Toronto, who spoke about his experiences implementing the Code. Executive Vice President of World



Vision, Dirk Booy, also spoke and indicated that signing on to the Ethical Code was useful in terms of reviewing World Vision's practices. More than 50 people participated in a follow-up webinar that covered similar content.

During the year, staff gave presentations on the Ethical Code at several events. Ann Rosenfield, a member of the Ethical Code Committee, gave a presentation entitled "Working through Sticky Questions" at the Association of Fundraising Professionals conference.

★ PARTNERSHIPS

Imagine Canada continues to work with the Association of Fundraising Professionals (AFP) to jointly promote our codes of ethics and to ensure that the codes continue to support and complement each other. In December 2009, Imagine Canada's Board of Directors endorsed AFP's Donor Bill of Rights.

★ OUTREACH & MARKETING

Our second *Maclean's* supplement on the Ethical Code Program, entitled "In Charity We Trust: A Year in Review" appeared in the June 22 issue of the magazine. With 2.4 million readers across Canada, *Maclean's* is one of our key tools to help raise awareness of the Ethical Code Program among Canadians. Imagine Canada also shared information on the Program through a press release, our newsletter *Imagine Matters*, and numerous media interviews.

In 2009, 79% of Program participants reported that they were using the Ethical Code trustmark.¹ The trustmark was most commonly used on websites, annual reports, newsletters 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 INITIATIVE

Led by Imagine Canada in partnership with Volunteer Canada and the HR Council, the Standards Initiative has evolved over the past four years through a series of meetings, consultations, and one-on-one discussions with leaders of charities and nonprofits from across the country and the sector. This ongoing dialogue has generated strong support for the development of foundational standards in the following areas: Governance; Accountability, Transparency, and Financial Management; Volunteer Involvement; and Paid Human Resources.

In July 2009 the Standards Steering Committee released draft standards in *A Proposal to Implement Voluntary Standards of Excellence in Canada's Voluntary Sector*. In July and August over 200 people participated in webinars on the Standards Initiative hosted by Imagine Canada's chair, Don McCreech, and our President and CEO, Marcel Lauzière. Following positive feedback at these webinars, Imagine Canada began planning a Standards Forum for March 2010. The main goal of the Forum will be to confirm interest in moving forward with a national Standards Program for the sector.

ETHICAL CODE PROGRAM PARTICIPANTS – A SNAPSHOT

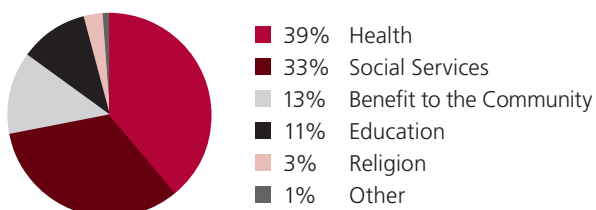
LOCATION

Ethical Code Program participants are now located in all provinces although the majority (60%) are still 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 (15% of participants) and British Columbia (10%). There has been some growth in the number of participants located in the Atlantic and Prairie provinces, but the need to increase awareness of the Program in these regions, as well as in Quebec, remains.

SUB-SECTOR

Since the re-launch of the Program in 2008, a broad range of charities have joined the Ethical Code Program, as presented in the graph below. The majority of participating charities work in the areas of health (39%) and social services (33%). Compared to 2008, there has been a significant increase in the proportion of Program participants focused on health – from 32% to 39%.

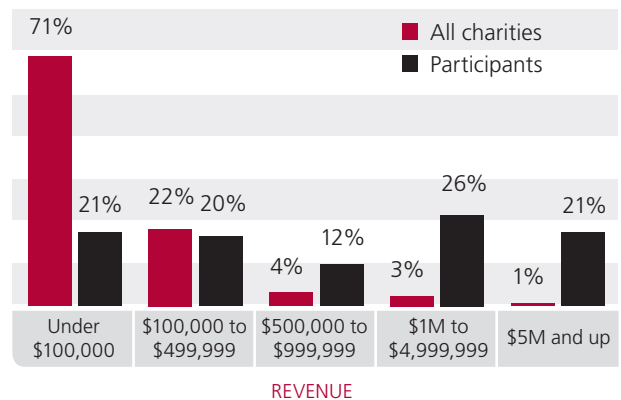
PROGRAM PARTICIPANTS BY SUB-SECTOR



REVENUES

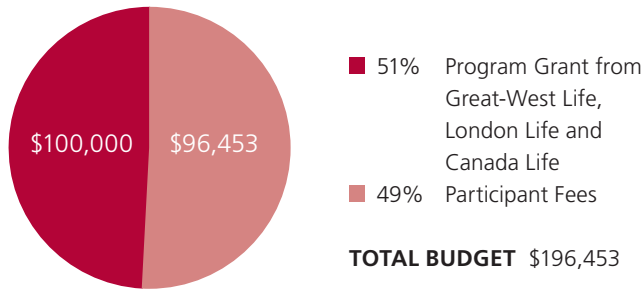
The 276 charities participating in Ethical Code Program at the end of 2009 have total revenues of \$5.1 billion and total fundraising revenues of \$2 billion.² Program participants represent almost 3% of total revenues and 11% of fundraising revenues reported by Canadian charities (compared to 2% and 7%, respectively, in 2008). As in 2008, Program participants report higher fundraising revenues than charities as a whole. Almost half (47%) of Program participants had fundraising revenues over \$1 million. 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



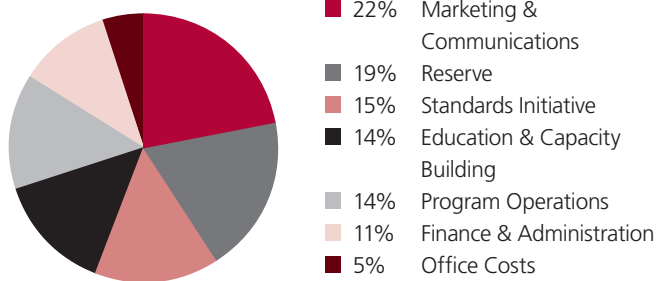
² Data are from 2008 Registered Charity Information Returns (T3010a). Fundraising revenue is defined as the sum of receipted gifts (line 4500), other gifts (line 4530), and fundraising revenue (line 4630).

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.

EXPENSES



Note: A portion of the Great-West Life, London Life, and Canada Life grant was allocated to the Standards Initiative. A reserve was also created to support increased activity in this area in 2010.

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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

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