

***Launch Phase***  
***Standards and Self-Accreditation***  
***of Canadian Charities***

## Executive Summary

Over the next year work will proceed in order to prepare for a **Standards Forum** to be held mid 2009 at which time it is proposed to:

- Constitute a membership body of Canadian charities who are committed to establishing a series of self-regulatory standards for charities in Canada
- Elect a **Charities Standards Board**
- Approve provisional standards, organization constitution and by-laws, as well as establish consensus on mission and direction for this initiative; all of which would be formally approved at the following Standards Forum in 2010.

This will be accomplished by the:

1. Creation of an **Advisory Group** of Canadian charities who are prepared to assist between now and the 2009 Standards Forum by:
  - a. providing input into the design of the framework of the initiative
  - b. giving feedback on draft standards
  - c. considering being signatories to the standards and champions of the initiative
  - d. appointing / electing 6 – 7 of their members to sit on the Standards Steering Committee

It is expected that the Advisory Group would dissolve and evolve into the Membership body of the initiative at the 2009 Standards Forum.

2. Identification of selected **Standards Partner Organizations** whose missions and mandates embrace championing standards (within their area of expertise) for the Canadian charities as well as capacity building initiatives in these same areas (e.g. HR Sector Council – HR management standards; Institute on Governance – governance standards; Imagine Canada – ethical fundraising standards). These partner organizations would work to refine the draft standards over the next year in order to bring a proposed set of standards to the 2009 Standards Forum for provisional acceptance by the members of the Forum. In addition, these organizations would sit on the Standards Steering Committee to help shape the overall governance framework of the initiative.
3. Establishment of a **Standards Steering Committee** composed of members of the Advisory Group and all Standards Partner Organizations. This group would lead the overall initiative up to the 2009 Standards Forum and then evolve into the Charities Standards Board once formal approval is granted by the members.
4. Securing of the funds required to support this initiative through to the 2009 Standards Forum.

## Detailed Work Plan

### **Advisory Group**

During the summer of 2008 Imagine Canada will send out a call for interested organizations to join an Advisory Group whose mandate would include:

- providing input into the design of the framework of the initiative to either the Standards Partner Organizations or the Standards Steering Committee
- giving feedback on draft standards
- considering being signatories to the standards and champions of the initiative
- appointing / electing 6 – 7 of their members to sit on the Standards Steering Committee

It is expected that this Group would meet via teleconference or web conference as many as 4 or 5 times leading up to the 2009 Standards Forum. If there are any face to face meetings of the Group, members would be expected to pay their own travel expenses. This Group will be consulted on key decision points related to the governance, membership, standards, accreditation process, business model, etc. of the overall initiative.

The first teleconference of the Group is expected to be held in Sept / Oct 2008 at which time they will be asked to appoint 6 – 7 of their number to sit on the Standards Steering Committee.

### **Standards Partner Organizations**

During the summer of 2008 Imagine Canada will begin discussions with potential Standards Partner Organizations in order to secure their interest and commitment to championing standards within their area of expertise. Standards Partner Organizations would be expected to:

- refine the draft standards developed by the Accountability Reference Group, present proposed changes to the Standards Steering Committee and be prepared to present a proposed set of standards to the 2009 Standards Forum for provisional acceptance by the members of the Forum.
- work with other Standards Partners and the Standards Steering Committee to ensure a common framework and philosophy with regard to standards and their application
- champion and lead the development of capacity building for members and potential members within their area of standards
- be members of the Standards Steering Committee and to help shape the overall governance framework of the initiative
- be committed over the long term to partner with the Charities Standards Board with regard to the evolution of the standards and capacity building for the sector

## Launch Phase - Standards and Self-Accreditation

Standards Partners will be recruited in the following areas:

- HR Management (discussions have started with the HR Sector Council)
- Governance (discussions have started with Institute on Governance)
- Financial Accountability (partner tbd – potentially an accounting standards body or a committee of either the Standards Steering Committee or Imagine Canada)
- Transparency (partner – potentially an accounting standards body or a committee of either the Standards Steering Committee or Imagine Canada)
- Fundraising (Imagine Canada – Ethical Fundraising Code)
- Mission and Program (partner tbd - potentially a committee of either the Standards Steering Committee or Imagine Canada)
- Volunteer Involvement (discussions will take place with Volunteer Canada)

### **Standards Steering Committee**

To lead the development of the overall standards initiative, including the proposed governance, membership, standards, accreditation process, etc. up to the inaugural Standards Forum in 2009. At that time it is expected that a Charities Standards Board will be elected by the members and assume overall leadership of the initiative.

The Standards Steering Committee will be composed of 6 – 7 members of the Advisory Group and all Standards Partner Organizations. In addition, selected members of the Accountability Reference Group will be asked to join in order to provide continuity of thinking from the originally planning team. The Committee will be chaired by Imagine Canada through this initial development phase up to the launch at the Standards Forum in 2009.

It is expected that the Standards Steering Committee will develop its plans using the vision, principles and beliefs of the Accountability Reference Group as a starting point and incorporating the feedback heard from the sector including the Imagine Canada webcast and the 2008 Summit workshop.

With the Standards Partners and the Advisory Group prepare for the 2009 Standards Forum in order to ensure the following are ready for review and approval by the attendees (provisional members):

- a preliminary set of standards for debate and consideration over the following year
- a business plan for the Charities Standards Board
- an accreditation process
- a governance structure for the overall initiative

## Launch Phase - Standards and Self-Accreditation

- continue to network / partner with other standards initiatives in the sector

In preparation for the 2010 Standards Forum ensure the following are ready for review by the attendees and members:

- complaint / verification process
- dialogue with the federal government (CRA)
  - inform them of standards initiative / self-regulation
  - probe for
    - potential funding opportunities (capacity building)
    - potential integration of regulation and self-regulation
  - celebration and awards at the 2010 Standards Forum

### **Key Direction Established to Date**

The following will be the starting point for the work of the Standards Steering Committee as they were either developed by the Accountability Reference Group (for complete details see the full report “Can Standards Help Charities to Achieve Their Mission? A Discussion Paper”) or given as a broad consensus feedback by sector participants at the 2008 Summit.

### **Mission / Goal of the Standards Initiative**

To define the behaviours, standards and practices that will bolster public confidence and enhance the credibility and performance of Canadian registered charities and to develop a process of disclosure and certification to publicly demonstrate adherence to those standards.

- The goal should be to foster public trust, promote confidence in the sector and to protect both the credibility of the sector and the interests of the public (specifically, those who interact with charities)
- The purpose of a standards initiative should be both to demonstrate the accountability of the sector to the public and to act as a check and balance to ensure good practice.
- The standards are also intended to be an educational tool and therefore should incorporate capacity building initiatives
- Potentially this Initiative could evolve into a full self-regulatory program for Canada’s charitable sector

### **Overall “Phased and Gated” Approach**

The Accountability Reference Group envisioned an evolutionary approach using a number of phases and decision points (or “gates”) as the most effective way to introduce and implement standards. That is, before moving to the next phase it is critical to establish build buy-in and ownership by the key leaders in the charitable sector and to ensure credibility with all other stakeholders. The phased approach will ensure that the necessary competence and credibility in both standards and the administrative processes are established before moving to the next phase.

**A transparent roadmap** - announced in advance, including a commitment not to proceed to the next phase without the confidence of the sector in the competence and capability to deliver a fair and effective administration of the program

**A phased approach** - to build appreciation for initiative, consensus with and understanding of standards, benefit of certification and confidence in the process to certify or “penalize”

The integration of the Ethical Fundraising Code needs to be given special consideration given that the Code program is already operating in one of the advanced “phases” envisioned in the approach and has a membership base and fees already being paid.

### **Draft Standards for Discussion**

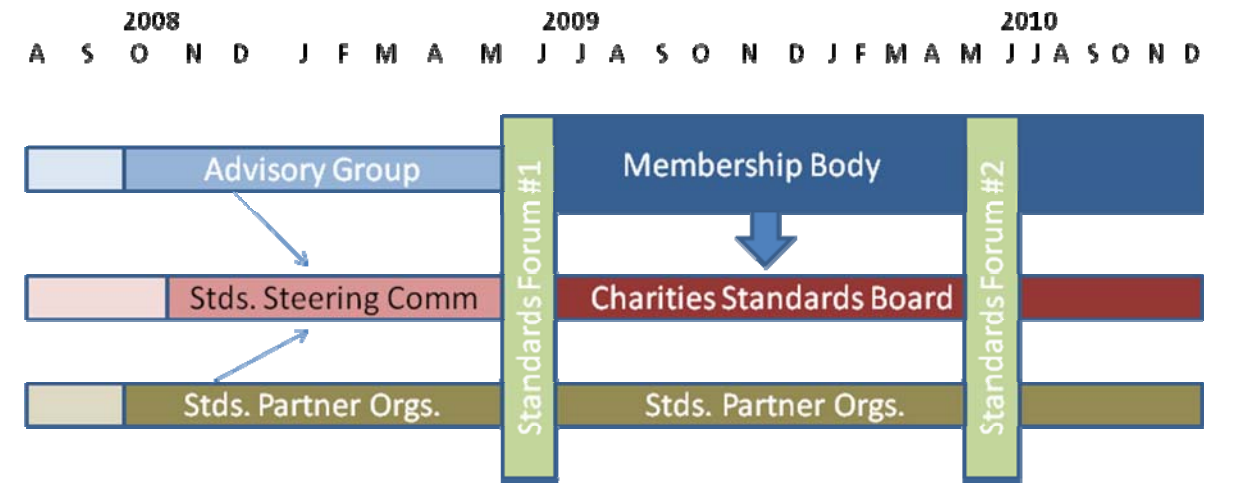
See “Can Standards Help Charities to Achieve Their Mission? A Discussion Paper” for a complete copy of the draft standards which will be used as a starting point by the Standards Partner Organizations and the Standards Steering Committee.

### **Key Design Principles**

- Self-managed standards are much more effective and preferable to externally imposed regulations or standards.
- The initiative should be a self-funded business model so as to ensure independence from external stakeholders. The funding model will recognize that larger organizations may have to pay more to support the participation of smaller organizations.
- The governance of a standards body, as well as the details of the standards must be controlled by charities who choose to participate in the standards.
- The final product and processes must be cost effective and a value add for Canadian charities. Care should be taken to avoid adding unnecessary bureaucracy to charities or to limit their innovation.
- While the standards will declare the minimal levels of compliance, the standards material should also provide access to information with regard to best practices well beyond the minimal standard level of performance.
- The introduction of standards should be accompanied, wherever possible, with access to capacity building and educational processes in order to achieve, and go beyond, the standards.
- Once operational the Charities Standards Board should consider celebrating success and recognizing outstanding levels of compliance and behaviour by Canadian charities.
- The implementation process should allow for charities to evolve and transition positively to the level in the standards through provisional (time limited) membership status during which period they acknowledge the standards and commit to work toward the standards. Full membership would require adherence to all standards (or possibly a public declaration as to why a particular standard is not being met and why it is not appropriate for that charity to adhere to that standard).
- The standards must recognize the range of size of charities. The standards will be developed so they can be scaled for different size charities but the rules should apply to everyone.
- The process of developing, implementing and administering any standards is equally as important as the standards themselves, so it must be open and transparent with the sector and all stakeholders.
- The process should ensure the integration of the standards with organizations and networks who already have standards and codes of conduct, or who have expertise to share in the areas covered by the standards. Where a sub-sector or national network already has established standards, the initiative should work to merge or nest the initiatives in order to avoid duplication and to provide added credibility to the overall standards.
- The scope of the standards and accreditation process will be all Canadian charities, but we recognize there will be spill over impact (benefits as well as costs) to nonprofit organizations and care must be taken to monitor this spill over.
- The understanding of the boards of Canadian charities will be fundamental to the success of this initiative.
- The standards and accompanying processes should be created so as to ensure the participation of as many charities as possible – avoid a program for the elites.

Launch Phase - Standards and Self-Accreditation

**Timeline**



**Governance / Organization Vision**

