



Imagine  Canada

GUIDE to
Giving



Toronto | Ottawa | Montreal

Imagine Canada is a national charitable organization whose cause is Canada's charities and nonprofits.

We strengthen the sector's collective voice,
create opportunities to connect and learn from each other,
and build the sector's capacity to succeed.

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imaginecanada.ca



charities and nonprofits have helped to build and shape our nation

These organizations engage and empower Canadians, provide communities with vital services, and contribute to quality of life by supporting children's activities, health, education, sport, animal welfare, environmental protection, religious practice, arts and culture, international development and more.

Donors are essential to ensuring that charities can continue to offer these crucial services. If you have questions about giving to charity, take a few minutes to review the information in this guide and some of the other resources on our website.



Photo credit (from top left to bottom right): iStock, YMCA of Greater Vancouver, TELUS, PwC Canada Foundation, Fondation Jeunesses Musicales du Canada, iStock, Let's Talk Science, Canadian Blood Services, MADD Canada, Ducks Unlimited Canada, Plan Canada, iStock, Pathways to Education Canada, Ontario SPCA

170,000

ESTIMATED NUMBER OF CHARITIES AND NONPROFITS IN CANADA
(Roughly split evenly between registered charities and nonprofit organizations)

There are different rules governing these two categories of organizations; one significant distinction is that charities are able to issue tax receipts for donations.

THE BIG PICTURE

If a tax receipt is an important consideration, you can confirm that an organization is a registered charity by visiting Imagine Canada's Charity Focus website or the Canada Revenue Agency (CRA) site. You can also call the CRA's Charities Directorate at 1 800 267 2384. Only registered charities have a charitable registration number, for example Imagine Canada's number is 119218790 RR0001.

NOTE: charities are encouraged to visit charityfocus.ca to add their social media feeds, annual reports, program brochures, videos and other information to their profiles.

Think about the purpose and results of a charity.

What is the impact of its programs and services? Does it resonate with you? How will your gift make a difference? Most charities have information about their achievements and results to help you make a decision about donating.

Take time to learn more about the charity. Visit their website, review their annual reports and financial information, or consider volunteering your time. If you cannot find the information you are looking for, call the organization. A staff member or volunteer should be able to answer your questions.

REAL IMPACT requires REAL INVESTMENT

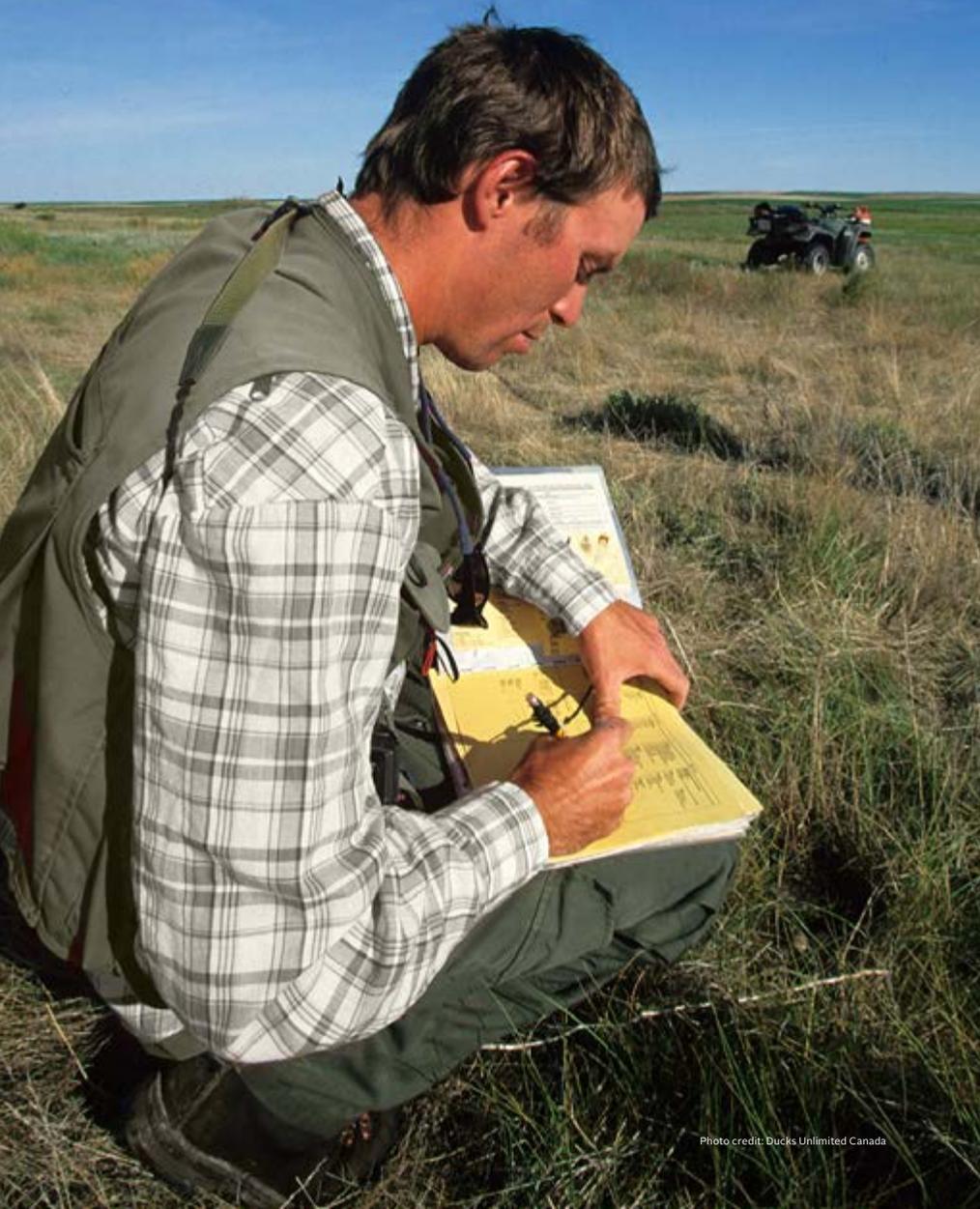


Photo credit: Ducks Unlimited Canada

IMPACT IS KEY

Donors often ask Imagine Canada about charities' fundraising and administrative costs. There is a popular misconception that this is the best way to evaluate the merit of a charitable or nonprofit organization.

In our view, financial details are important but a more significant factor is an organization's impact. Charities and nonprofits are working to solve some of the most difficult issues facing society and to improve our quality of life. They need the right tools to get the job done and, like businesses, have hard costs. It's important they spend wisely and are transparent and accountable for how they use their resources but we need to remember that without these investments, effective programs and services would be impossible to deliver. Real impact requires real investment.



Photo credit: Big Brothers Big Sisters of Calgary and Area

IMPACT

All charities must file a Registered Charity Information Return with the CRA each year. Most of the information in the Return, including expenses, is posted on Imagine Canada's Charity Focus and the CRA's website. Many charities also provide this kind of information through audited financial statements or annual reports.

Administrative expenses are not extras — they reflect the real cost of operating an organization and are essential to fulfilling its mission. These costs include rent and salaries, producing financial statements, communicating with various stakeholders and providing a safe environment for program participants, especially necessary when an organization serves children. Not only are these costs essential, there is research that suggests lower administrative costs can limit a charity's effectiveness.

When reviewing fundraising costs keep in mind a number of factors which can impact cost including the organization's age, location, size, the popularity of its mission and whether this is a new fundraising campaign or one that has been established for many years.

Charities sometimes hire third-party fundraisers who can provide expertise or a more efficient and effective use of limited resources. Ideally, these third parties are paid on a fee for service basis — [Imagine Canada's Standards Program](#) and [Ethical Code](#), and the [Association of Fundraising Professionals' Code of Ethical Principles and Standards](#), do not allow for commission-based payments to fundraisers.

TIPS FOR DONORS

- Find out if the charity has been accredited through Imagine Canada's Standards Program. Accredited charities go through a rigorous third-party peer review process and must demonstrate compliance with standards in five fundamental areas: board governance, financial accountability and transparency, fundraising, staff management and volunteer involvement. Since the program began in 2012 more than 100 organizations have achieved accreditation. [Visit Imagine Canada's website for more information.](#)
- Find out if the charity has joined Imagine Canada's Ethical Code Program. Ethical Code participants make a commitment to transparency and ethical fundraising. [Visit Imagine Canada's website to see a list of participating charities.](#)
- Ask if the charity's fundraisers have signed on to the [Association of Fundraising Professionals' Code of Ethical Principles and Standards.](#)
- If you have concerns about an organization's work consider calling them. It is important to ask questions. Most charities and nonprofits operate transparently and are willing to share information on their impact and costs with donors.
- If someone asking for a donation does not have the information you need to make a decision, do not feel obligated to give right away. Ask for a brochure or a website address, and tell them you will make up your mind once you have more information.
- Similarly, if someone asking for a donation makes you feel uncomfortable, pressures you to give, or promises more than seems realistic (e.g., a tax receipt for more than your donation) it's best to say no.
- For more information about the sector including the cost of doing business please see [Imagine Canada's Narrative Tool Kit.](#)



DONOR RESOURCES

Charity Focus
charityfocus.ca

Imagine Canada's Standards Program
imaginecanada.ca/standards

Imagine Canada's Ethical Code
imaginecanada.ca/ethicalcode

Imagine Canada's Narrative Tool Kit
imaginecanada.ca/narrative

Canada Revenue Agency
cra-arc.gc.ca/donors

Association of Fundraising Professionals' Code of Ethical Principles and Standards
afpnet.org/files/ContentDocuments/CodeofEthics.pdf

CanadaHelps, the online giving portal
canadahelps.org

Community Foundations of Canada
cfc-fcc.ca

Leave a Legacy, advice on giving through your will
leavealegacy.ca

Philanthropic Foundations of Canada
pfc.ca

United Way Centraide of Canada
unitedway.ca

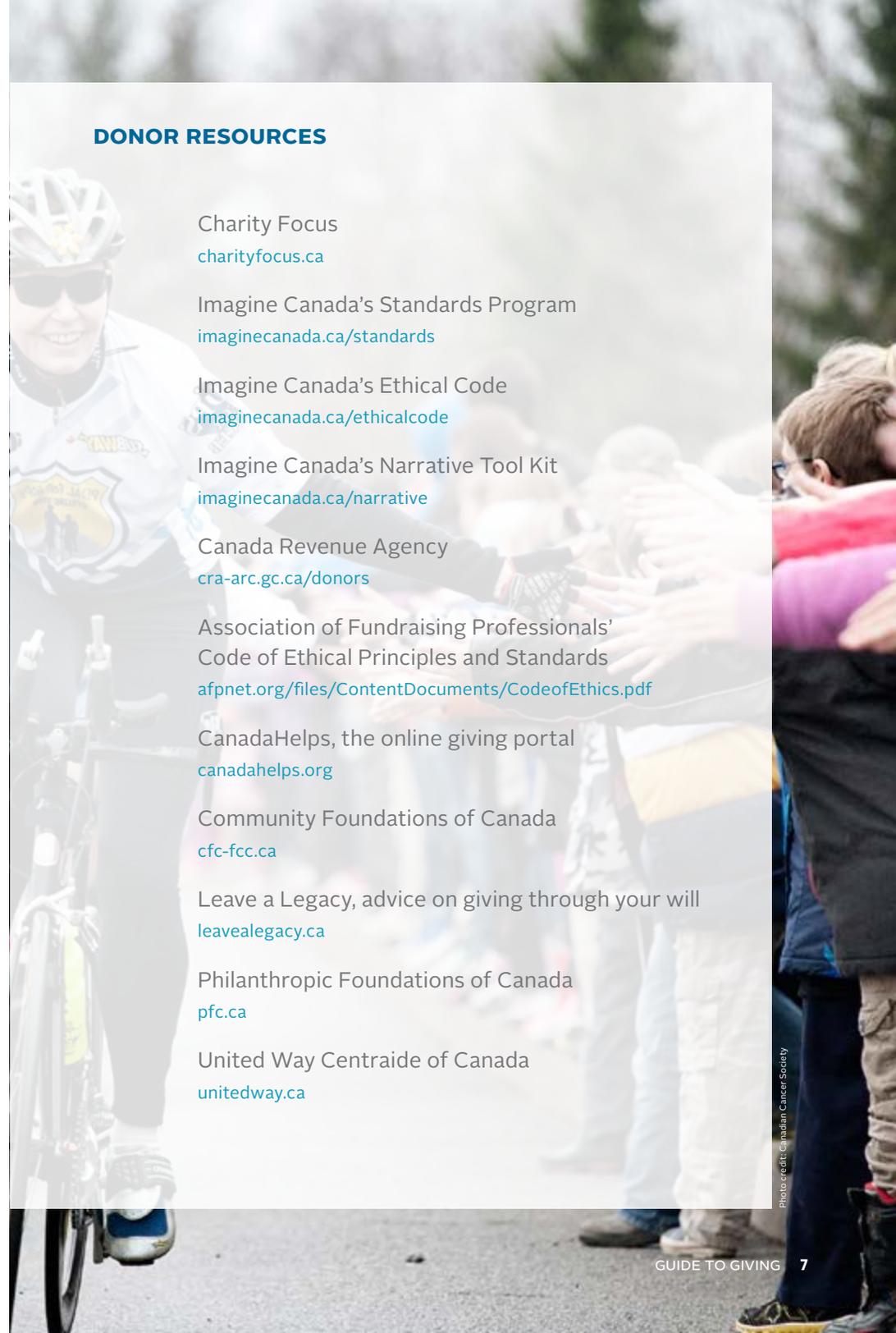


Photo credit: Canadian Cancer Society