

Does Accountability Scare You?

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Workshop outline

- Brief introduction
- Resource materials
- An overview
- Self-Diagnostics Pack
- Part One – Self Assessment
- The Ws
- Tools
- Checklists

Accountability

Accountability is the requirement to explain and accept responsibility for carrying out an assigned mandate in light of agreed upon expectations.

- Panel on Accountability and Governance in the Voluntary Sector (1999)

Accountability

- Externally imposed
 - Legal requirements
 - Funding requirements
 - Donors expectations

- Self-regulated

Transparency

Transparency is the commitment to communicate to stakeholders by publishing or making available critical information about finances, governance and program outcomes.

Self-Diagnostics Pack

- Part One : Self-Assessment (p. 3)
- Part Two : Resources and Information (p.7)
- Part Three: Action Plan (p. 29)



Road to Accountability Self-Diagnostic Pack Part 1: Self-Assessment

If your organization is a registered charity with the CRA, answer all the questions. If your organization is not a registered charity, skip the questions under the CRA Registered Charity section.

“Organization” refers to your board, board members, and staff members, depending on your circumstances.

Purposes, Objects, and Activities

1. Does your board have an annual review of the purposes (often called objects) set out in your organization's constitutional documents (letters patent, articles of incorporation, trust deed) to determine if your current programming or activities further them?

Choose one:

- Yes
- No
- I don't know
- Sort of

2. Does your organization have a current strategic plan?

Choose one:

- Yes
- No
- I don't know
- Sort of

3. Does your organization have a process to assess or evaluate your activities and/or programs?

Choose one:

- Yes

Who are you accountable to?

- Users / clients
- Donors
- Funders
- government
- Staff
- Volunteers
- suppliers
- Public

What are you accountable for?

- Purposes/Objects
- Governance
- Finances
- Compliance to legal requirements
(Federal and Provincial)
 - Fundraising
 - Reporting
- Program outcomes

Purpose/Mission

- consistent with the stated object in your CRA application for registered charity status and in your incorporation document;
- Changes have to be approved by your membership as stated in your bylaws and filed with the provincial authority;
- Substantial changes have to be approved by CRA. (Registered Charity)

Program Activities

- Do your activities continue to further your mission?
- For registered charities, changes in program activities have to be discussed with or approved by CRA;
- Is your programs relevant to your users? Is it effective?

Program Outcomes

- Need to have a process to monitor and measure the outcomes of your program;
- This process is incorporated into the planning of the program;
- Results-based evaluation / evidence-based evaluation.

Result- Based Evaluation

- Logic model

www.uiweb.uidaho.edu/extension/LogicModel.pdf

- Balanced scorecards

www.balancedscorecard.org

- Social auditing

www.idgnet.org/pdfs/Social%20Audit.pdf

Governance/Leadership

- Board of directors
- Management
 - General operations
 - Finances
 - Human resources
 - Fundraising and Donor relations
 - Reporting to stakeholders

Board of Directors

The board of directors is ultimately responsible for the charity regardless of its board governance model.

- Standard of care

- Duty of care

 - Act competently, diligently and loyally

- Avoid and declare conflict of interest

Conflict of Interest

- Conflict between the director's personal interest and the interest of the organization;
- Conflict of duties that the director owes to the charity and to another organization;
- Not limited to financial (pecuniary);
- Can be real or perceived.

Responsibility of the Board

To approve and review the charity's

- mission and strategic direction
- annual budget
- major financial transactions
- legal compliance
- fiscal and governance policies

Financial Management

- Who, what, how and where of finances
- To ensure that money are spent on what it is intended for;
- To be able to report to funders and donors.
- Track and aggregate expenses -- administrative expenses, program expenses, fundraising expenses, political activities expenses;

Legal Requirements – Registered Charities

- issuing of tax receipts
- Maintaining books and records
- Fundraising
- Reporting

More information at
www.charitycentral.ca

Legal Requirements

For Non-Profit organizations including registered charities:

- Federal GST, Harmonized sales taxes and/or provincial sales taxes
- Business registrations
- Source deductions of payroll taxes, CPP or Quebec Pension Plan, workers' compensation and other provincial levies;

Legal Requirements

- Payroll and other payment of services due to staff;
- Provincial laws mainly on maintaining legal status and fundraising
- Provincial laws relating to the operations of the charity including employment, human rights, privacy, occupational health and safety...

www.charitycentral.ca/docs/legalreq-en.pdf

Legal Requirement - Fundraising

- Provincial legislation

Charitable Fund-raising Act (Alberta)

- Federal legislation

CRA Guidance on Fundraising

www.cra-arc.gc.ca/tx/chrts-gvng/chrt/plcy/cps/cps-028-eng.html

Alberta Legislation - Charities

- Charitable Donation of Food Act
- Charitable Fund-raising Act and Regulations
- Companies Act – Part 9
- Gaming and Liquor Act
- Religious Societies' Land Act
- Societies Act
- Trustees Act

Accountability Tools

- Code of Ethics
- Administrative calendar
- Office in a Box
- Policy
- RSS Feed / Mailing Lists
- Other resources materials

Administrative Calendar

Yearly to do list on a calendar

p. 43 and 44, Road to Accountability Handbook

- Deadlines for filing annual provincial or federal return;
- Deadlines for filing annual charitable returns (T3010) with CRA;
- Preparation of annual budget
- Notice of Annual General Meeting (AGM)

Administrative Calendar

- Date of AGM
- review your governing documents, i.e. bylaws, mission;
- review governing statute;
- deadline to file bylaws amendments
- review policies
- Deadline for filing GST returns; for submitting payroll deductions;
- Annual review of Executive Director

Administrative Calendar

- Blank administrative calendar in word at

www.charitycentral.ca/docs/adminal-en.doc

- Blank administrative calendar in fillable pdf at

www.charitycentral.ca/docs/adminalinteractive-en.pdf

Think inside the Box



Office in a Box

equips small and rural charities with the basic administrative infrastructure needed to keep on top of their affairs. It will help you to:

- get and stay organized
- cut down on confusion over the location of key documents
- understand what is required to comply with government regulations
- attract, train, and retain board members
- focus on your key purposes!



Office in a Box includes:

- A hands-on collection of resources including tips, checklists, definitions, templates, samples, FAQs, and more
- A place to file your charity's own essential information
- Background information about the meaning and importance of your documents

Visit www.charitycentral.ca/site/office to download all the info for free, or order one for purchase.

Only \$65 for black & white, or \$110 for full colour
Versions tailored for Alberta, Saskatchewan, and Manitoba.

Office in a Box

- Keep records (legal, financial, board management, office administrative) in one place;
- Suggest structure for organizing records;
- Available for download at charitycentral.ca/office/all

Policy

- guides the board and the staff in their actions;
- promotes consistency in working with issues;
- reflects the values of the charity;

Policy – Sample Format

- Name
- Purpose
- Definition of the issue
- Desire outcome
- Exception – who and how
- Date of approval and revisions
- Review schedule

Privacy Policy

- relating to donors, directors, staff, volunteers;
- different parties may have different legal requirements;
- Privacy checklist at www.charitycentral.ca/docs/privacy-en.pdf

Keeping up-to-date

- For registered charity

Subscribe to Canada Revenue Agency (CRA) Mailing List at

www.cra-arc.gc.ca/esrvcsrvce/mlst/sbscrbchrts-eng.html

- Subscribe to non-profit organization mailing lists such as that of Imagine Canada at www.imaginecanada.ca

Keeping Up-to-date

- Canada Revenue Agency toll free number

1-800-267-2384

- CRA Information Sessions and Webinars

www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/menu-eng.html

Transparency Tools

- annual report;
- charity's brochure or website;
- Annual T3010 submitted to CRA
www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html
- Project financial report submitted to funder;

Transparency Tools

- Information on fundraising results and how donation was spent;
- Policy and procedure on handling requests for information;
- Newsletter;
- Social media – Facebook, blogs, Twitter.

Evaluating Charities

- Charity Navigator

www.charitynavigator.org

- Charity Intelligence

www.charityintelligence.ca

- Charity 100 (Money Sense)

www.moneysense.ca/2010/06/17/the-charity-100/

Evaluation Factors

- Leadership/governance;
- Finances – administrative costs, program costs, fundraising costs;
- Program effectiveness / outcomes;
- Policy – conflict of interest, donor privacy;
- Transparency.

Accountability Checklist

- Do you have an accountable and transparent organizational culture?
- Are your staff and board able to state your mission and adhere to it?
- Do you have a process to fulfill the legal requirements?
- Is there a clear line of responsibility and authority and is it understood?
- Do you have policies?

Accountability Checklist

- Do your board, staff and volunteers understand how your charity:
 - further your mission;
 - is governed;
 - manage your funds;
 - evaluate your program?
- Have you adopted a Statement or Code of Ethics?

Transparency Checklist

- Are your governance and management practices easily observable and understood?
- Are you able to provide information on these practices?
- Do you have a policy designating who and how requests for information are to be handled?

Road to Accountability

www.charitycentral.ca/accountability

A project of Charity Central

www.charitycentral.ca

- Develops resource materials for registered charities;
- Provides learning opportunities;
- Operates a toll-free hotline in Alberta
1-888-587-4438; 780-822-7623 (Edmonton)



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Road to Accountability is a project of Charity Central to develop plain language resource materials and provide learning opportunities on accountability and transparency practices for registered charities and not-for-profit organizations.

Resource materials available for download:

- [Road to Accountability Self-Diagnostics Pack](#) - A three part pack for registered charities to assess their current accountability and transparency practices, to access more information and to develop an action plan to move closer to being accountable.
- [Road to Accountability Handbook](#) - Introduces the concept of accountability and transparency, shares some good accountability and transparency.
- [Fundraising Activities Checklist](#)
- [Privacy Policy Checklist](#)
- [Administrative Calendar](#) - A tool to keep track of accountability and transparency practices.
 - [Word document](#)
 - [Fillable PDF document](#)
- [Financial Information Kit](#)
- [Legal Requirements for Non-Profit Organizations and Registered Charities](#)

Charity Central

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- ❖ An initiative of the Legal Resource Centre of Alberta. (www.legalresourcecentre.ca)
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www.cra-arc.gc.ca/chrts-gvng/menu-eng.html

1-800-267-2384