



## Charitable Organizations That Solicit Donations

This publication is intended to provide general information only and is not a substitute for legal advice.

### INFORMATION THAT MUST BE PROVIDED DURING A SOLICITATION (SCRIPT)

The *Charitable Fund-raising Act* and regulation lay out the rules that must be followed when charities ask Albertans for donations. Fund-raisers need to know about their legislated responsibilities.

Three key responsibilities are

- disclosing information to donors
- preparing financial statements; and
- keeping proper records.

Charities and fund-raising businesses can be fined if they are convicted of offences under the act.

The following information must be provided to each donor before accepting a donation:

- the name of the charitable organization for which the donation is being requested
- the charitable purpose for which contributions will be used
- the cost of fund-raising and how much the charity expects to raise
- the address of the charity and, if incorporated, the place of incorporation
- the name and phone number of a contact person employed by the charity whom the donor can call for further information.

If a fund-raising business is used to solicit donations, a potential donor must also be told

- the operating name and full legal name of the fund-raising business; and
- how the remuneration of the fund-raising business is determined.

All new applicants will be required to submit a copy of the solicitation materials or canvassing scripts that will be used to solicit funds. It is a serious offence to make a false statement of fact or to misrepresent any fact or circumstance in a solicitation for a charitable donation.

### MAINTAINING RECORDS OF CONTRIBUTIONS

Every charitable organization that makes solicitations must maintain complete and accurate financial records of its operations in Alberta and records regarding the solicitations made in Alberta for at least three years after the solicitations are made. This would include

- Original or true copies of financial statements
- Samples of the kind of information given to potential donors, including any solicitations materials and telephone scripts
- Copies of receipts for all monetary contributions
- If a fund-raising business was used, a true copy of the fund-raising agreement
- Records of all transactions of the bank account used by the fund-raising business and a record of the names of the signing officers of the charitable organization authorized to deal with the account

## PREPARING FINANCIAL STATEMENTS

A charitable organization must prepare and may be required to produce copies of its most recent audited financial statements if it has raised \$250,000 or more through solicitations, or a copy of its financial information return if it has raised less than \$250,000.

Copies of all solicitation materials, canvassing scripts and other solicitation documents may also be examined and reviewed.

The financial statements must identify:

- All expenses incurred for the purpose of soliciting contributions
- Information on the gross contributions received
- A summary of the disposition of contributions (with a separate description of each disposition equal to or greater than 10% of the gross contributions received)
- The total amount paid as remuneration to employees whose duties involve fund-raising; and
- The amount of remuneration paid to the fund-raising business used, if applicable.

Section 39 of the CFRA, gives the department the authority to enter premises and to inspect, examine and copy books, records and other documents that are required to be kept under the act, to ensure conformance and compliance with the legislation.

Providing false information in a solicitation or failing to maintain complete and accurate records could result in cancellation or suspension of your registration and/or prosecution under the act.

## FOR MORE INFORMATION

The tipsheet “Charitable Fund-raising” contains information about registration, Standards of Practice, and general rules about solicitations.

Log on to the Service Alberta website [www.servicealberta.ca](http://www.servicealberta.ca)>Businesses/Charities>Charitable Organizations to download forms and instructions for registering a charitable organization, links to the Act and regulation, and the tipsheet.

### Direct other inquiries to:

#### Consumer Contact Centre

Edmonton: (780) 427-4088  
Toll-free in Alberta: 1-877-427-4088

#### Queen’s Printer Bookstore

You may purchase the Act and regulation from the Queen’s Printer Bookstore. These are also free for you to download in the “pdf” or “html” formats.  
Edmonton: 780-427-4952  
Toll-free in Alberta, dial 310-0000 then the number [www.qp.alberta.ca](http://www.qp.alberta.ca)

#### Canada Revenue

Canada Revenue Agency registers qualifying organizations as charities, gives technical advice on operating a charity, and handles audit and compliance activities.  
Toll-free 1-800-267-2384  
[www.cra.gc.ca/charities](http://www.cra.gc.ca/charities)