Does Accountability Scare You?

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Saskatoon

Workshop Outline

- Introduction
- Workshop materials
- The Ws of Accountability and Transparency
- Self-Assessment
- Tools
- Checklists

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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
  - Management practices
  - Governance practices

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Transparency

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

What are your accountable for?

- Mission / Purposes
- Governance
- Finances
- Compliance to legal requirements - (federal and provincial)
  - Legal status
  - Operations
  - Reporting
- Program outcomes

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Who are you accountable to?

- users / clients
- donors
- funders
- government
- Members
- Staff
- volunteers
- public
- suppliers

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Mission/Purpose

- Has to be in principle the same as the stated objects in your registration as a charity with CRA and in your incorporation document;
- Substantial changes to your mission have to be approved by your membership and by CRA.

Governance/Leadership

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

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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

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Conflict of Interest

- Can be real or perceived;
- between the director's personal interest and the interest of the organization;
- duties that the director owes to the charity and to another organization;
- between directors, between director and staff (non-arms length);
- Not limited to financial (pecuniary);

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Responsibility of the Board

The Board is responsible for approving and reviewing the charity's

- mission and strategic direction
- Annual budget
- Major financial transactions
- Legal compliance
- Fiscal and governance policies

Program Activities

- Your activities are the means to further your mission;
- For registered charities, changes in program activities have to be discussed with CRA;
- Your stakeholders expect to know your program outcomes;

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Program Outcomes

To determine program outcomes, the charity needs to:

- have an evaluation process to monitor and measure the outcomes of its program activities;
- Include the process during the planning of the program;

Outcome-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

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Outcome-Based Evaluation

General steps:

- Identify outcome goals;
- Choose indicators;
- Identify ways to measure outcome goals;
- Collect and analyze the data;
- Communicate results to stakeholders;
- Use results to improve future program activities.

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Financial Management

Stakeholders want to know that funds are managed responsibly:

- Funds are mainly used for direct program activities, i.e. charitable activities;
- Funds from specific funders are used for the stated purpose;
- Revenues and Expenses are accurately accounted for;

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Financial Management

To be financially accountable, charities have to:

- Keep financial records in accordance with accepted accounting standards and CRA requirements
- Track and aggregate expenses -- administrative expenses, program expenses, fundraising expenses, political activities expenses; (T3010)
- Be able to meet financial reporting requirements of legislators, funders and donors;

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Legal Requirements – Registered Charities

- issuing of tax receipts

www.charitycentral.ca/node/5

- Maintaining books and records

www.charitycentral.ca/node/435

- Fundraising

www.charitycentral.ca/node/6

- Reporting

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

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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 QPP and other levies;

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Legal Requirements

- Payroll and other payment of services;
- Provincial legislation on maintaining legal status, fundraising;
- Provincial legislation on employment, human rights, privacy, occupational health and safety...

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Fundraising

Registered Charities engaging in fundraising activities have to comply with both:

- Provincial legislation

and

- Federal legislation

CRA Guidance on Fundraising by Registered Charities www.cra-arc.gc.ca/tx/chrts-gvng/chrt/plcy/cps/cps-028-eng.html

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Fundraising

- CRA Funding Guidance does not apply to funding application to government and to charitable foundation.
- Fundraising Activities Checklist is available at

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

Saskatchewan Legislation

- Corporate registries

www.isc.ca/corporateregistry/Pages/default.aspx

- Fundraising Activities – Consumer Protection Branch

  www.justice.gov.sk.ca/cpb

- Gaming and Lotteries Activities

  www.slga.gov.sk.ca/x3582.xml

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Saskatchewan Legislation

- The Charitable Business Fundraising Act

www.justice.gov.sk.ca/Charitable-Fund-raising-Businesses-Act

- Donation of Food Act
- Religious Societies Land Act
- Trustee Act

Self-Diagnostics Pack

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

Complete Part One: Self-Assessment

For the questions that you checked **Yes** or **Sort Of** , make a note of how it's done or where the document is stored.

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gnostic Pack Part 1: Self-Assessment - Mozilla Firefox
Tools Help
http://charitycentral.ca/node/674
Latest Headlines Customize Links User account - www.c...
WEB SEARCH
Road to Accountability
Road to Accountability Self-Diag...

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Your Guide Through Charity Law

ROAD TO Accountability

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

Accountability Tools

- Code of Ethics
- Administrative calendar
- Office in a Box
- Policies
- Keeping up to date

  RSS Feed / Mailing Lists
- Other resources materials

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yearly to do list on a calendar

General Administrative Calendar for _____
[name of organization]

Fiscal Year-End: _____

Date	Task	Year	Completed	Person responsible
		2010	☐	
		2011	☐	
		2012	☐	
		2013	☐	
		2010	☐	
		2011	☐	
		2012	☐	
		2013	☐	
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		2012	☐	
		2013	☐	
		2010	☐	
		2011	☐	
		2012	☐	
		2013	☐	
		2010	☐	
		2011	☐	
		2012	☐	
		2013	☐	

ROAD TO Accountability Handbook

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Administrative Calendar

- Blank administrative calendar in Word at

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

- Blank administrative calendar in fillable pdf at

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

Administrative Calendar

p. 43 and 44, Road to Accountability Handbook

- Deadlines for filing annual provincial or federal return to maintain your legal status;
- Deadlines for filing annual charitable returns with Canada Revenue Agency (T3010)

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Administrative Calendar

- Notice of Annual General Meeting (AGM)
- Date of AGM
- Reminder to review your governing documents, i.e. bylaws, mission;
- Reminder to review governing statute;

Administrative Calendar

- reminder to file bylaws amendments with provincial or federal authority, and the CRA;
- Reminder to review policies;
- Preparation or review of annual budget;
- Deadline for filing GST returns and rebates;

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Administrative Calendar

- Deadline for submitting payroll deductions;
- Deadlines related to grant and/or funding agreements
- Annual review of Executive Director
- Deadlines for Employees' annual performance appraisals

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 was created by the Legal Resource Centre of Alberta with a financial contribution from the Canada Revenue Agency

Office in a Box

- Keeps records (legal, financial, board management, office administration) in one place;
- Suggests structure for organizing records;
- Provides additional information on legal compliance on books and records
- Portable and transferable;
- Available for download at charitycentral.ca/office/all

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Policy

- Guides the board and the staff by setting parameters for their actions;
- Ensures consistency in working with issues;
- Serves as a record of accountability practices.

Policy – Sample Format

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

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Privacy Policy

- Federal legislation – *Personal Information Protection and Electronic Documents Act (PIPEDA)* applies only to commercial activities;
- relating to donors, directors, staff, volunteers;
- Privacy checklist at www.charitycentral.ca/docs/privacy-en.pdf

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Keeping Up to date

- Subscribe to Canada Revenue Agency (CRA) Mailing List at

  www.cra-arc.gc.ca/esrvc-srvce/mllst/sbscrbchrts-eng.html
- Subscribe to Charity Central's RSS Feed on this website
- Subscribe to non-profit organization mailing lists - www.imaginecanada.ca

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Transparency Tools

- Annual reports published on your website or printed hard copies
- Published financial statements
- Financial report of project submitted to funder
- Information on fundraising results and how money is spent

Transparency Tools

- Your charity's brochure
- Your website
- Annual T3010 submitted to CRA

this is available by searching at

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

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Transparency Tools

- Policy and procedure on handling requests for information
- Newsletter
- Social media – Facebook, blogs, Twitter

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 comply with the legal requirements?

Accountability Checklist

- Do you have stated processes and practices on the implementation of your mission, governance, financial management and program outcomes?
- Are these processes and practices understood by the board and staff?

Accountability Checklist

- Is there a clear line of responsibility and authority and is it understood?
- Have you adopted a Statement or Code of Ethics?
- Do you have a conflict of interest policy?

Transparency Checklist

- Are your governance and management practices easily observable and understood?
- Are you able to provide information on these practices when requested?
- Do you have a policy designating who and how requests for information are to be handled?
- Do you keep your stakeholders inform about your activities on a regular basis?

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Road to Accountability

- A project of Charity Central

  www.charitycentral.ca/accountability
- Charity Central, an initiative of Legal Resource Centre has more information on legal compliance for registered charities.

  www.charitycentral.ca
- Charity Central is made possible by a financial contribution from Canada Revenue Agency.

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tycentral.ca/Accountability
Customize Links | User account - www.c...
WEB SEARCH
Road to Accountability

ROAD TO Accountability

Fundraising **Activity** Split Receipting **Financial** **Records** Guides Checklists Becoming a Registered Charity Privacy **Gift in Kind** Podcasts **Office in a Box** Sponsorship **Fair Market Value**

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