



HELP LESOTHO DONOR RELATIONS, FUNDRAISING AND BEQUESTS POLICY 301-13

1. OBJECTIVE

The objective of this policy is to ensure that Help Lesotho's relationship with its donors is on a sound footing and that its fundraising practices meet high ethical standards and comply with existing laws in Canada and Lesotho.

2. DEFINITIONS

Board refers to the Board of Directors of Help Lesotho.

Staff refers to the staff of Help Lesotho.

Volunteers refers to those who contribute their time and/or services to Help Lesotho willingly and without remuneration.

Donors refers to individuals and corporations who donate money or other gifts to Help Lesotho.

Donations refer to gifts of money, services or other given by Help Lesotho donors.

Fundraising activities refers to the organized activity of soliciting money, bequests, endowments, resources or other in-kind contributions to support the delivery of Help Lesotho's mission and programming.

Bequest is a gift of assets left to Help Lesotho in a donor's Last Will and Testament. There are four types of bequests: a specific bequest, a residual bequest, a contingent bequest and a bequest subject to a trust. In a Will, a donor can make a charitable bequest by specifying a percentage of his/her estate; leaving a specific dollar amount or a specific asset; or leaving a residue of the estate following the satisfaction of other bequests. A bequest may be outright or restricted for a specific purpose.

Gifts In Kind include capital property, depreciable property, personal-use property including listed personal property, a leasehold interest, a residual interest, a right of any kind whatever, a license, a share and inventory of a business. A gift in kind, however, does not include a gift of services.

Endowment is a gift that provides a stream of income over a period of time.

3. POLICY STATEMENT

Principles

3.1 Help Lesotho is committed to treating donors with respect, gratitude and consideration through the effective stewardship of their donations and through donor relation activities such as facilitating proper gift acknowledgement, fund reporting, donor appreciation activities and events, and donor recognition. Through

these and other activities help Lesotho seeks to acknowledge, inform and engage donors and be accountable to them.

3.2 The success of Help Lesotho is heavily dependent on its ability to inspire confidence and trust in the minds of its donor public. People make financial contributions to Help Lesotho for many reasons—a personal experience, the excellence of programming, personal values and beliefs, to name a few. But equally important in obtaining and retaining such financial support is Help Lesotho’s reputation for integrity and ethical fundraising practices. Help Lesotho seeks to conduct its fundraising activities in a manner that meets high ethical standards, demonstrates respect for its donors and is open, honest and transparent.

Donor Relations

3.3. Help Lesotho will accept only donations, endowments and bequests where the purpose of that donation, endowment or bequest is aligned with its mission. Help Lesotho reserves the right to refuse or return a donation, endowment or bequest.

3.4 While all gifts are welcome, Help Lesotho issues charitable tax receipts for only those gifts that meet the Canada Revenue Agency's (CRA) definition of a charitable donation.

3.5 Help Lesotho will respect donor requests regarding frequency of contact, the means of contact (electronic and/or other), confidentiality of donor information, the provision of documentation regarding Help Lesotho, and any requests to discontinue contact. Donor requests to remain anonymous will be respected.

3.6 Help Lesotho will encourage potential donors to seek independent advice if it believes the donation may significantly affect the donor’s financial position or relationship with other family members.

3.7 Help Lesotho does not sell, rent, exchange or otherwise share its donor list.

Fundraising Practices

3.8 All Help Lesotho fundraising activities will:

- be truthful;
- accurately describe its activities and the intended use of donated funds;
- disclose the organization’s name;
- disclose the purpose for which funds are being requested;
- disclose Help Lesotho’s policy with respect to issuing Official Income Tax receipts including any policy on minimum amounts for which a receipt will be issued; and
- disclose upon request whether the individual or entity seeking donations is a volunteer, employee or contracted third party.

3.8 Help Lesotho shall not make claims that cannot be upheld. It shall refrain from using marketing materials or making representations that could be misleading. Any fundraising materials distributed by Help Lesotho will include its address or other contact information.

3.9 Help Lesotho shall not exploit its beneficiaries. It shall be sensitive in describing those it serves (whether using graphics, images or text) and fairly represent their needs and how these needs will be addressed.

3.10 Volunteers, Board members, employees and third party consultants or solicitors who solicit or receive funds on behalf of Help Lesotho shall:

- act with fairness, integrity, and in accordance with all applicable laws;
- cease contacting a prospective donor who states that he/she does not wish to be contacted;
- disclose immediately to Help Lesotho any actual or apparent conflict of interest or loyalty;
- not accept donations for purposes that are inconsistent with Help Lesotho's mission; and
- raise any concerns regarding Help Lesotho fundraising and the application of systems, policies and procedures with the Executive Director in a timely manner.

3.11 If Help Lesotho undertakes cause-related marketing in collaboration with a third party, it shall disclose how it benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is specified, Help Lesotho will disclose this.

3.12 Help Lesotho shall not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.

3.13 To demonstrate transparency and accountability, Help Lesotho posts a variety of information on its website including this policy, its financial statements, annual reports, the public portion of its Registered Charity Information Return (T3010), list of members of its Board of Directors, and its complaints policy and privacy policy. Help Lesotho accurately discloses in its Annual Reports all costs associated with its fundraising activities.

3.14 Should Help Lesotho conduct any face-to-face fundraising activities such as door-to-door campaigns, street-side fundraising, or workplace campaigns, Help Lesotho will provide verification of the affiliation of the person representing the organization; and secure and safeguard any confidential information, including credit card information, provided by donors.

3.15 Help Lesotho's practices in the conduct of on-line fundraising will be consistent with or exceed the provisions of the *Canadian Code of Practice for Consumer Protection in Electronic Commerce*.

3.16 Help Lesotho will reject any donation that poses any significant risk to Help Lesotho's name, reputation or integrity.

3.17 Notwithstanding 3.16 Help Lesotho will not solicit or accept gifts from for profit or not for profit entities that meet any of the following criteria:

- A corporation whose products or services which in normal use are unsafe (tobacco & gambling);
- A corporation that is a weapons systems contractor;
- A corporation that violates fair labour practices as established by Canadian Labour Standards (in Canada) and ILO (internationally);
- A corporation that has a record of failure to abide by national and local environmental regulations; and
- A corporation that has a record of human rights violations or contributes to repressive governmental practices in Canada or overseas.

Restricted Gifts and Endowments

3.18 Help Lesotho will accept restricted gifts or endowments only for existing core programs or for new programmatic initiatives or pilot projects that are part of our strategic direction and support organizational priorities. If the proposed gift or endowment falls outside of these program priorities, the donor will be approached to remove or modify the restrictions. Help Lesotho reserves the right to accept only gifts or endowments that are consistent with its mission.

3.19 In accepting restricted gifts or endowments, Help Lesotho will do so only if donors agree that Help Lesotho may re-designate the gift or endowment to another purpose that fits within its mission and priorities under one of two conditions: a) when the need for a program or project has been met; or b) Help Lesotho determines the program or project cannot be completed for any reason.

Bequests

3.20 To avoid conflict of interest, Help Lesotho representatives should not be named in a donor's will or trust, or act in an official capacity such as witness, executor or trustee.

3.21 Help Lesotho representatives should not prepare wills or living trust documents for donors, but may provide suggested wording for the charitable beneficiary clause, for final approval by the donor's legal and/or financial advisor. Official income tax receipt(s) will be issued to the estate of the deceased.

3.22 It is in the best interests of Help Lesotho that donors offer unrestricted gifts to Help Lesotho for "its general charitable purpose". If a bequest gift is restricted for a specific purpose, donors must include a clause in their Will that releases the funds for other purposes, should the restriction not be operational at the time the gift is realized.

3.23 If, in the opinion of Help Lesotho, the purposes of the restriction can no longer be served, it may devote any remaining assets exclusively for charitable purposes that: (a) are within the scope of the charitable purposes of Help Lesotho (b) most nearly approximate the original purpose of the gift; and (c) benefits Help Lesotho.

3.24 Help Lesotho will make best efforts to contact the lawyer of the estate and/or living relatives to advise them of the change in how the funds are to be used.

Gifts In Kind

3.25 Help Lesotho accepts gifts "in-kind" that are of benefit to the organization's goals and objectives. When gifts-in-kind are given with the intent of the donor to receive an official tax receipt Help Lesotho will ensure that the gift and determination of value is in accordance with Revenue Canada regulations

3.26 Help Lesotho will accept gifts of securities that are traded on the major exchanges (TSE, NYSE, and NASDAQ) and such gifts will be sold immediately. Help Lesotho will not accept restricted securities (unregistered securities, investment-letter stock, control stock, closed end funds, private placement stock, units of hedge funds etc.)

3.27 Help Lesotho will only accept real estate following:

- a title search;

- a marketability check;
- an on site evaluation by the Executive Director or designate; and
- an environmental impact study to ascertain if it is subject to environmental restrictions, sanctions, toxic wastes or otherwise encumbered in such a manner to cause present or future economic liabilities for Help Lesotho

3.28 Help Lesotho will accept tangible and intangible personal property (e.g. works of art) only if accompanied by an independent appraisal conducted by a person who is not in any way connected to the donor, charity, art dealer or artist.

4. ROLES & RESPONSIBILITIES

4.1 The Board will have responsibility for

- ensuring the Executive Director has in place management systems to ensure effective, transparent and accountable fundraising practices and procedures and sound donor relations that are in compliance with this policy;
- approving any new fundraising programs or initiatives;
- approving any restricted bequests that have a value of \$50,000 or more;
- approving any restricted gift or endowment having a value of \$50,000 or more;
- in collaboration with the Executive Director, supporting fundraising efforts and in particular donor recognition activities;
- reviewing on a quarterly basis a report on fundraising activities and results for the period;
- approving any naming of buildings or other assets owned by Help Lesotho in recognition of a donor's contribution; and
- reviewing those aspects pertaining to fundraising and donor relations as part of HL's annual legal compliance exercise.

4.2 The Executive Director will have responsibility for

- managing donor relations and fundraising activities;
- ensuring the effective implementation of this policy, including any appropriate training of staff and volunteers involved in donor relations or fundraising;
- providing copies of this policy to any staff, volunteers or third parties who are involved in donor relations or fundraising activities;
- developing a quarterly report for review by the Board or one of its committees on fundraising and donations;
- ensuring that donor relations and fundraising activities are in compliance with Help Lesotho's Privacy Policy and Policy on External Complaints;
- resolving any question as to the appropriateness or advisability of accepting a particular donation, endowment or bequest in consultation with the Board of Directors;
- including in Help Lesotho's annual report a section on donor relations and fundraising;
- ensuring that endowment funds are invested pursuant to Help Lesotho's Policy on Investments;
- meeting the reporting requirements of the Canadian Revenue Agency for receipting; and
- approving any exceptions to sections 3.20 and 3.26.

5. COMMUNICATING THIS POLICY

5.1 This policy will be posted on the Help Lesotho website.

6. REVIEW & EVALUATION OF THIS POLICY

6.1 The Board will review this policy within 3 years of its adoption with a written record of the review attached to the policy.

7. DATE OF ENACTMENT AND SIGNATURES

This policy was adopted by the Board of Directors of Help Lesotho at a duly constituted meeting on September 26, 2013. The Board subsequently approved a slightly revised version of the policy that included specific references to endowments at its November 28, 2013 meeting.