



**OTTAWA
COMMUNITY
FOUNDATION**

invested for good

Donor-Initiated Fundraising

ORIGINAL EFFECTIVE DATE: January 25 2000

LAST REVIEWED: February 2015

SUBJECT TO REVIEW: February 2025

POLICY: DONOR INITIATED FUNDRAISING

Preamble:

In developing its assets, an area of focus for the Ottawa Community Foundation is to increase flexible assets while meeting donors' needs. Often fund primes fundraise to grow their funds. In cases where the Foundation receives the net income from such activities, it does not acknowledge individual contributions. However, there may be times when individual contributors to a fundraiser wish to receive a charitable tax receipt. This policy addresses the issues associated with receipting of such donations. It will also serve to guide those who are planning fundraising events and solicitations ("Fundraising Groups").

When Fundraising Groups conduct fundraising activities and solicitations on behalf of funds at the OCF, for tax purposes such fundraising is being done on behalf of the Foundation. A number of significant tax and accounting issues arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of OCF to:

- ensure that donors to the Fund are entitled to the appropriate tax deductions;
- protect the Fundraising Groups from unintended tax consequences to themselves; and determine that the Foundation is not exposed to penalties for failing to make proper solicitation disclosures.

Statement:

1. Foundation Approval of Events

Before undertaking public fundraising events, the Fundraising Group will identify in advance to the Foundation each program, event or other effort to raise money for the Fund. The costs associated with these activities should be reasonable. The Fundraising Group shall obtain advance written approval from the Ottawa Community Foundation. The Fundraising Group will then proceed according to the Foundation's guidelines. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should make clear, where applicable, that the funds are being raised on behalf of rather than by the Ottawa Community Foundation.

2. Fees

Should the Fundraising Group require extra administrative services, OCF may negotiate a fee to cover its expenses and overhead.

3. Responsibilities of the Ottawa Community Foundation

OCF is responsible for:

- the management of such money and property as it may accept into the fund from donors, other contributors and sources;
- the application of income and principal to charitable uses, all in accord with the governing documents of the Foundation; and
- providing appropriate acknowledgements to donors.

4. Responsibilities of the Fundraising Group

The Fundraising Group is responsible for the fundraising event and matters related to it including:

- payment of all costs and expenses;
- compliance with laws;
- reporting and other requirements of every kind such as licensing, tax payment and liability insurance; and
- obtaining and providing the Foundation with all requested fundraising records. These records must be retained for a minimum of 7 years.

5. Payment of Expenses

The Fundraising Group is responsible for all expenses and maintenance of appropriate financial controls and records related to fundraising events. The Fundraising Group provides the Foundation with a budget in advance of the event as well as copies of invoices and receipts at the conclusion. The Fundraising Group is responsible for all losses incurred by events.


6. Designation of Cheques

Cheques should be made payable to the Ottawa Community Foundation.

7. Receipting of Donations

OCF will receipt all eligible donations in compliance with the regulations of the Income Tax Act. At a minimum, the Fundraising Group will provide:

- the donor's complete name and address;
- the date and amount of the contribution;
- a description of the donation (e.g. cash or stock);

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- a detailed description and valuation of any goods and services provided in exchange for the contribution.

OCF does not provide tax receipts for:

- donations from fundraising events for which the value of goods and services received matches or exceeds the amount of the donation;
- contributions of services;
- raffle tickets;
- auction or rummage sale purchases;
- sponsorship by a business or corporation;
- other donations defined as not eligible by the CRA.