

INSPIRE Confident Giving



CCCC Standards of Accountability

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What is the CCCC Certification Program?

INTRODUCTION

As public trust in charities continues to decline, a growing number of Canadians are looking for evidence of a charity's credibility before deciding to make a donation. Many ministries struggle to demonstrate their trustworthiness in a compelling way and find it challenging to ensure that they are meeting the highest standards.

CCCC'S CERTIFICATION PROGRAM FOR MINISTRIES

Certified membership with the Canadian Council of Christian Charities (CCCC) helps ministries to demonstrate financial and organizational integrity. Certified members agree to abide by CCCC's Standards of Accountability and voluntarily undergo regular external reviews. Certification provides tangible evidence of a charity's transparency and desire to exceed the minimum requirements for maintaining charitable status. This pro-active approach builds trust and inspires confident, generous giving.

CCCC'S CERTIFICATION PROGRAM CAN HELP YOU TO...

Inspire confident giving among your donors

As a Certified member, you'll earn the right to display the Seal of Accountability on all your promotional materials. The Seal assures donors that you are operating with the highest standards of integrity.

Equip your staff with best practices to improve operations

Regular external reviews will provide your charity with detailed reports containing recommendations and best practices to help you improve your operations.

Demonstrate due diligence to your board

Certification assures your board that your charity is taking pro-active steps to improve operations, reduce risks, and obtain a comprehensive review from external professionals.

Connect with new donors who are eager to support Christian charities

As a Certified member, you'll have the opportunity to create a customized profile on [giveconfidently.ca](https://www.giveconfidently.ca), which is regularly promoted to potential donors.

What are the Standards of Accountability?

Charities must meet all five Standards of Accountability to be approved for Certified membership. After obtaining certification, Certified charities must demonstrate ongoing compliance with the Standards through an annual submission of documentation to CCCC and periodic on-site field reviews. The following list summarizes the five Standards. A detailed explanation of each Standard begins on page 5.



Christian Ministry

The charity is committed to the Christian faith.



Diligent Governance

The charity is governed by an independent, active board that establishes policy and reviews the impact of the organization's activities.



Financial Oversight and Transparency

The charity demonstrates transparency and proper financial oversight through an independent financial audit, an audit review committee, and public disclosure of its financial statements.



Organizational Integrity

The charity upholds the highest standards of integrity, adheres to applicable laws, and operates in accordance with its own governing documents.



Ethical Fundraising

The charity is ethical in its fundraising activities and respects the dignity and interests of the donor.



STANDARD 1 CHRISTIAN MINISTRY

The charity demonstrates its commitment to the Christian faith.

- 1.1** All members of the governing board (the “Board”), officers, and key staff annually affirm a written statement of faith that is consistent with the commonly held and historic central tenets of the Christian faith.¹
- 1.2** The organization publicly declares a Christian mission that guides its values and activities.

¹ “Commonly held and historic central tenets of the Christian faith” as are found, for example, in the Apostle’s Creed (https://en.wikipedia.org/wiki/Apostles'_Creed).



STANDARD 2 DILIGENT GOVERNANCE

The charity is governed by an independent, active board that establishes policy and reviews the impact of the organization's activities.

2.1 Board Composition

- a.** The Board has at least five members.
- b.** A majority of the Board members reside in Canada.
- c.** A majority of the Board members are at arm’s length² to each other and to the CEO/Lead Pastor.
- d.** No member of the Board may be an employee of the organization or receive, directly or indirectly, any remuneration from the organization unless,
 - i.** the organization is constituted by a Special Act that provides such an exception,
 - ii.** the organization is a university accredited with a body that requires a faculty member to be appointed to the board (if permitted by law), or
 - iii.** an arrangement with a director for goods or services is permitted by and carried out in accordance with the organization’s bylaws, conflict-of-interest policy, and any relevant legislation. In such situations, at a minimum,
 - the discussion and decision must occur with the director absent,
 - the organization must document its analysis of why the arrangement is in the best interests of the charity,
 - the arrangement is disclosed in accordance with any requirements of the Canadian Accounting Standards for Not-For-Profit Organizations, and
 - the remuneration is not for services provided by a director in their capacity as a director or employee.

For clarity, reimbursement for out-of-pocket expenses is not considered remuneration if in accordance with CRA's policy guidance³, and where the spouse of a director is employed by the organization, the remuneration paid to the spouse is an indirect benefit to the director.

- e. There are at least as many voting members of the organization as members of the Board.

2.2 Board Meetings

- a. The Board holds at least two full agenda meetings each year where the discussion is not restricted to one specific issue (e.g., appointing officers).
- b. Quorum is at least a majority of the authorized number of Board members.
- c. The Board keeps proper written minutes of all meetings.

2.3 Board Responsibilities

- a. The Board ensures that the organization complies with the organization's governing documents.
- b. The Board ensures that the organization adheres to all the requirements of the CCCC Standards of Accountability. Each Board member, officer, and key staff member, when elected or appointed, receives a copy of these Standards and the organization's governing documents and relevant policies.
- c. Each member of the Board acts in the best interests of the organization and is not controlled or restricted by any external entity or interest. Any real or perceived conflict of interest is declared and is subject to board policy as per Standard 4.6.
- d. The Board maintains control over the organization.
- e. The Board creates policy for the organization.
- f. The Board ensures that all necessary regulatory filings are prepared factually, accurately, and remitted on a timely basis.
- g. The Board has a process to regularly review the performance of the CEO/Lead Pastor based on reasonable criteria.

2.4 Program Evaluation

The Board monitors the effectiveness, efficiency, and impact of the organization's activities by regularly reviewing program evaluations conducted by management. The Board is aware of and considers the impact of its activities on an ongoing basis.

2.5 Annual Meeting of the Members

The organization holds an annual meeting to, among other things,

- > fulfill the requirements as identified in the organization's governing documents or relevant legislation;
- > inform members of its activities, performance, and achievements;
- > provide reasonable opportunity for members to ask questions or seek clarity about matters of legitimate interest.

² "Arm's length" is defined, for example, in Section 251 of the *Income Tax Act* and generally means not connected by blood relationship, marriage, or adoption (<http://laws-lois.justice.gc.ca/eng/acts/l-3.3/section-251.html>).

³ See for example, CRA Policy CSP-U02 - Undue benefits (<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/csp/csp-u02-eng.html>).



STANDARD 3

FINANCIAL OVERSIGHT AND TRANSPARENCY

The charity demonstrates transparency and proper financial oversight through an independent financial audit, an audit review committee, and public disclosure of its financial statements.

3.1 Financial Statement Preparation and Audit/Review

- a. The organization prepares complete and accurate financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.⁴ The statements are received and approved by the Board and presented to the members within six months of the fiscal year end.
- b. The financial statements are audited by an independent licensed public accountant (“auditor”). An organization with less than \$1M in total annual revenue as reported on line 4700 of its T3010 Charity Information Return can opt to have an auditor complete a review engagement (if permitted by law in its jurisdiction).

3.2 Audit Review Committee

- a. The Board appoints an audit review committee (“audit committee”) that consists of at least three members of the Board.
- b. The Board may appoint individuals to the audit committee who are not members of the Board, provided that at all times a majority of the audit committee members are members of the Board.
- c. All members of the audit committee are at arm’s length⁵ to management and to all other members of the committee.
- d. The audit committee meets at least annually to review, among other things, the following:
 - > internal controls and financial policies
 - > the response of management to each of the auditor’s recommendations (if any) for the prior year
 - > the audit program of the auditor
 - > the annual financial statements

In addition, the audit committee

- > discusses the annual financial statements with the auditor;
- > receives specific feedback from the auditor relating to management and internal policies and processes without management present;
- > receives specific feedback from management relating to the auditor without the auditor present;
- > makes written recommendations to the Board with respect to such statements and the fees to be paid for audit services;
- > presents minutes of its meetings to the Board.

3.3 Board

- a. The Board approves the organization's annual operating budget and monitors the organization's performance in relation to the annual budget.
- b. The Board approves the total compensation of the CEO/Lead Pastor.
- c. The Board provides for effective and efficient management of the organization by ensuring that adequate resources are directed to administration and fundraising.

3.4 Transparency

- a. The organization makes readily available and accessible the following information:
 - > a copy of its most recent financial statements, as defined in 3.1, together with the auditor's report
 - > its charity registration number (BN) as assigned by Canada Revenue Agency
 - > any information contained in the public portion of its most recent Charity Information Return (Form T3010)
 - > a list of the names of the current Board members
- b. The organization participates in regular CCCC compliance reviews in a timely manner.

4 See CPA Canada's Guide to Accounting Standards for Not-for-Profit Organizations in Canada (<https://www.cpacanada.ca/en/business-and-accounting-resources/financial-and-non-financial-reporting/not-for-profit-organizations/publications/accounting-standards-for-nfps-in-canada>).

5 See endnote 2.



STANDARD 4 ORGANIZATIONAL INTEGRITY

The charity upholds the highest standards of integrity, adheres to applicable laws, and operates in accordance with its own governing documents.

- 4.1** The organization understands and complies with federal, provincial, and municipal laws and regulations.
- 4.2** The organization operates within the limits of, and in accordance with, the objects in its governing documents.
- 4.3** The organization is open and accurate in all of its dealings.
- 4.4** Charitable assets are not used to provide an undue benefit⁶ to any officer, member of the Board, or staff member of the organization.
- 4.5** The organization respects the dignity and privacy of the people it serves. All personal information about beneficiaries is treated confidentially.
- 4.6** The organization has a written conflict of interest policy.⁷
- 4.7** The organization has a written privacy policy⁸ that is readily available.
- 4.8** The organization regularly undertakes an assessment of its major strategic and operational risks and provides a report of its plan to minimize and mitigate these risks to the Board.
- 4.9** The organization has appropriate controls in place to ensure adequate direction and control of its foreign activities, whether carried out directly or by an intermediary.
- 4.10** The organization informs CCCC when it is involved in litigation, an investigation, or an audit by any government authority, including Canada Revenue Agency, or another party, unless advised otherwise by their legal counsel.

⁶ See endnote 3.

⁷ Sample wording for the conflict of interest policy is available on CCCC's website:
https://www.cccc.org/members_sample_documents_view/html/7.

⁸ Sample wording for the privacy policy is available on CCCC's website:
https://www.cccc.org/members_sample_documents_view/html/21.



STANDARD 5 ETHICAL FUNDRAISING

The charity is ethical in its fundraising activities and respects the dignity and interests of the donor.

5.1 Fundraising Representatives

- a. Paid fundraisers are not compensated by commissions or other payments based on either the number of donations received or the value of funds raised.
- b. Anyone authorized to solicit or receive funds on behalf of the organization
 - > adheres to the provisions of Standard 5;
 - > acts with fairness and integrity in accordance with all applicable laws;
 - > adheres to the organization's conflict of interest policy;
 - > does not induce a donor to transfer giving from another organization.
- c. The organization provides appropriate training and controls so that its fundraising representatives can uphold the aforementioned expectations.

5.2 Fundraising Communication

- a. The organization advises and encourages donors to seek legal advice before making a gift to the organization which, in the opinion of the organization's stewardship representative or Board, might significantly affect the donor's financial position.
- b. Fundraising solicitations
 - > truthfully describe the organization's activities for which the donations will be used;
 - > respect the dignity and privacy of those who benefit from the organization's activities.
- c. Donors are kept fully informed with comprehensive and current information about the organization and its ministries.
- d. Donors and prospective donors are made known, upon request, whether an individual soliciting funds on behalf of the organization is a volunteer, an employee, or a fundraising consultant.
- e. The organization provides to donors, upon request, a copy of their own donation record.

5.3 Donations

- a. Donations are only accepted for activities that are within the charity's objects and have been approved by the organization.
- b. All donors, except for registered charities, are entitled to receive an official receipt for income tax purposes for the amount of eligible donation made in cash or for the fair market value of the property donated. The Board may establish a minimum amount for the issuance of official receipts, requiring smaller donations to be receipted only upon request.
- c. The organization maintains and publishes a *donor restricted gift policy*⁹ on all appropriate fundraising materials, including its website. All donations restricted to a particular approved activity are used for the purpose for which they were given, subject to certain specific situations as identified in the donor restricted gift policy.

5.4 Privacy and Solicitation of Donors

- a. The privacy of donors is maintained, including the donor's request to remain anonymous, unless the law requires otherwise.
- b. The donor or prospective donor list is not exchanged, sold, rented, or otherwise shared externally. If an external fundraiser is retained, access to the master donor list is limited and kept under strict control.
- c. Donors and prospective donors are treated with respect. Every effort is made to honour requests to limit the frequency of solicitations or to not be solicited. The organization ceases solicitation of a prospective donor whenever requested.

5.5 Addressing Complaints

The organization responds promptly to a complaint by a donor or prospective donor about any matter that is addressed in these standards. The organization has developed and implemented a process for addressing complaints. The organization's Board is informed at least annually of the number, type, and disposition of any complaints received from donors or prospective donors.

⁹ Sample wording for the donor restricted gifts policy is available on CCCC's website: www.cccc.org/members_sample_documents_view/html/10.

How Can We Learn More?

If you'd like to discuss Certification, please contact

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“*Certification is important to us because the next generation of Canadians is looking for accountability and integrity when considering causes to support. CCCC has been an incredible help to us, equipping us with best practices and recommendations that have increased our effectiveness as we interact with donors and regulatory bodies.*”

—Rich Birch, Executive Director, Camp Mini-Yo-We



CANADIAN COUNCIL *of* CHRISTIAN CHARITIES
ADVANCING MINISTRY TOGETHER

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