IM▲GINE
CANADA

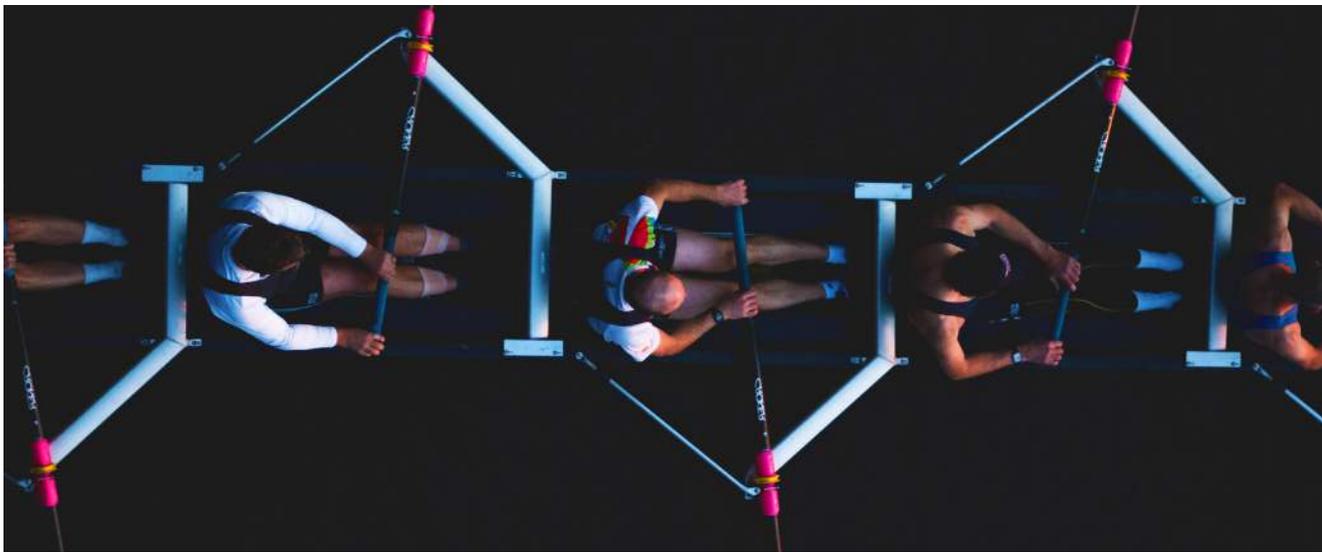# STANDARDS PROGRAM

For Canada's Charities & Nonprofits

Revised in 2018

STRENGTHEN YOUR ORGANIZATION. SHOWCASE YOUR EXCELLENCE.

CONTENTS

INTRODUCTION

Imagine Canada's Standards Program offers a Canada-wide set of shared standards for charities and nonprofits designed to strengthen their capacity in five fundamental areas:

A. board governance

B. financial accountability & transparency

C. fundraising

D. staff management

E. volunteer involvement

The Standards Program is first and foremost a capacity-building initiative. Any organization may use these standards to improve and monitor its practices. Information about how to comply with the standards, as well as tools and resources to help organizations continue to strengthen their practices, is available free of charge. Organizations wishing to demonstrate publicly that they meet the standards can participate in a voluntary peer-review-based accreditation process.

Current revised version 2018. Copyright © 2012 Imagine Canada. All Rights Reserved.
Cover photo credit: Josh Calabrese, Unsplash.

1. Prepare your organization

Discuss the Standards Program with your board and review the standards and evidence to ensure you understand the Program requirements for your level (see below). This handbook lists all 73 standards along with a summary of the evidence you are required to submit with your application. To be accredited, you must demonstrate compliance with all standards for your level. The time it takes to go from start to accreditation varies, but six months to a year can be expected depending on your starting point.

STANDARDS LEVEL	SIZE OF ORGANIZATION
Level 1	Organizations with up to 10 FTE employees **and** up to $3 million in annual expenses.[1]
Level 2	Organizations with up to 50 FTE employees **and** up to $10 million in annual expenses.[2]
Level 3	Organizations with more than 50 FTE employees **or** over $10 million in annual expenses.

[1] *Organizations with no staff are exempt from standards relating to staff management.*
[2] *Excluding organizations that meet the criteria for Level 1.*

Annual Expenses: Use your average expenses, including gifts to qualified donees, over the last 3 years. Charities should use the amount on line 5100 of their Registered Charity Information Return (T3010).

Employee: All paid staff of the organization whether full-time, part-time, fixed-term contract, salaried or hourly.

FTE: Full-time equivalent. Use your average FTE employees over the last 3 years. The definition of full-time employment can vary from one organization to another but is generally defined as between 35 and 40 hours of work per week, 52 weeks per year.

2. Join the Standards Community

Once you decide your organization is ready to pursue accreditation, it's time to join the Standards Community where you have the opportunity to work on your application at your own pace. A low monthly fee gives you access to Program supports including volunteer peer advisors from accredited organizations, and an online hub, which links to your secure application, a gap analysis tool, and sample policies and procedures.

3. Application Submission & Peer Review Process

When you think your application is ready for peer review, submit your application fee. Your application is first reviewed by Program staff to ensure it is complete. It then goes to a team of volunteer peer reviewers who will determine if your organization receives accreditation or if further work is required to come into compliance with all standards. Applications requiring more than one peer review are subject to a processing fee.

4. Term of Accreditation and Compliance

Accredited organizations are required to complete full reaccrediation on a five-year basis. Compliance during the accreditation period is monitored through an annual process that requires organizations to submit evidence demonstrating selected standards are being met. Compliance is also monitored through investigation of complaints.

Join the Standards Program
Registration and fees are available at **www.imaginecanada.ca/standards**
Access resources and prepare your application at your own pace.

	LEVEL 1	LEVEL 2	LEVEL 3
	BOARD LEADERSHIP		
A1.	The organization has a mission statement that is approved and revisited by the board at least every five years to assess its continuing relevance.		
	• *Process board uses to review mission statement* • *Date board last reviewed mission statement*		
A2.	The board ensures a strategic plan is in place.	The board is responsible for approving a strategic plan and has a process in place to evaluate progress in achieving the plan's priorities.	
	• *Organization's strategic plan*	• *Organization's strategic plan* • *Motion from board meeting at which strategic plan was approved* • *Process board uses to evaluate progress in achieving plan's priorities*	
	BOARD OVERSIGHT		
A3.	The board is accountable for the recruitment and orientation of the most senior staff person in the organization.	The board is accountable for the recruitment and orientation of the most senior staff person in the organization. The recruitment process is fair and transparent, and managed in a professional manner by the board. The board is accountable to ensure that the most senior staff person receives the appropriate orientation required to assume his/her responsibilities.	
	• *Process board uses for recruiting and orienting most senior staff person*		
A4.	The most senior staff person reports to the board and has a written job description or terms of reference.	The most senior staff person reports to the board, has a detailed job description or terms of reference, annual performance objectives and an annual performance review.	
	• *Most senior staff person's job description or terms of reference*	• *Most senior staff person's job description or terms of reference* • *Most senior staff person's current performance objectives* • *Date of most recent performance review*	
A5.	The total compensation package of the most senior staff person is approved by the board or a board committee and expenses are reviewed at least annually by a member(s) of the board.		
	• *Motion from board or committee meeting at which total compensation package for most senior staff person was approved, including date of meeting* • *Process the board uses to review expenses, including date of most recent review*		
A6.	*Not applicable*	The board annually discusses the succession plan for the most senior staff position in the organization.	
		• *Minutes from board meeting at which the succession plan for the most senior staff person was discussed, including date of meeting*	
A7.	The organization has a process to identify its major strategic and operational risks and a plan to minimize and mitigate these risks. The plan is reviewed annually by the board.		
	• *Process used to identify major strategic and operational risks* • *Date plan last reviewed by the board*	• *Process used to identify major strategic and operational risks* • *Plan to mitigate and minimize risks* • *Date plan last reviewed by board*	

	LEVEL 1	LEVEL 2	LEVEL 3
	BOARD LEADERSHIP *continued*		
A8.	The organization has a process to review its insurance coverages. A summary report is reviewed annually by the board.		
	• *Date board last reviewed summary report on insurance coverages*	• *Minutes from the board meeting at which the summary report on insurance coverages was reviewed, including date of meeting.*	
A9.	The board or a board committee oversees the organization's compliance with its own governing documents (e.g., letters patent, by-laws) and all applicable federal, provincial and municipal laws and regulations. Organizations conducting programs outside Canada will also abide by applicable laws, regulations and conventions in that jurisdiction, unless these are in conflict with laws in Canada.		
	• *Process board uses to oversee the organization's compliance with its own governing documents and all applicable laws and regulations*		
	GOVERNANCE POLICIES & PROCESSES		
A10.	The organization identifies its stakeholders and ensures there is a strategy for regular and effective communication and consultation with them about the organization's achievements and work.		
	• *Strategies and practices used to communicate and consult with stakeholders*		
A11.	*Not applicable*	The organization has codes of ethics/conduct that apply to board, staff and volunteers.	
		• *Codes of ethics/conduct* • *Process used to ensure board, staff and volunteers are familiar with and adhere to code(s)*	
A12.	The organization has conflict of interest policies for board, staff, and volunteers that provide for disclosure, review and decision on actual or perceived conflicts of interest.		
	• *Conflict of interest policies for board, staff, and volunteers* • *Process used to ensure board, staff and volunteers are familiar with and adhere to conflict of interest policy*		
A13.	The organization has a privacy policy that is posted in a readily accessible location on its website.		
	• *Organizational privacy policy* • *Website address where privacy policy can be accessed*		
A14.	The organization responds promptly to complaints by external stakeholders. The organization informs the board at least annually of the number, type and disposition of complaints received.	The organization has a complaints policy applicable to external stakeholders that is posted in a readily accessible location on its website. The organization responds promptly to complaints by external stakeholders. The organization informs the board at least annually of the number, type and disposition of complaints received.	
	• *Most recent report to board on complaints OR excerpt from minutes of meeting at which report was delivered verbally*	• *Complaints policy* • *Website address where complaints policy can be accessed* • *Most recent report to board on complaints OR excerpt from minutes of meeting at which report was delivered verbally*	

	LEVEL 1	LEVEL 2	LEVEL 3
	GOVERNANCE POLICIES & PROCESSES *continued*		
A15.	*Not applicable*		The organization has established and implemented policies and procedures that enable individuals to come forward with information on illegal practices or violations of organizational policies. This "whistleblower" policy must specify that the organization will not retaliate against, and will protect the confidentiality of, individuals who make good-faith reports.
			• *Whistleblower policy and procedures*

A16.	The board holds a sufficient number of meetings annually to ensure appropriate direction and oversight of the organization's activities. At minimum, the board should hold two meetings per year at which the agenda is not restricted to a specific issue or issues (e.g., appointment of officers).
	• *Copies of two board meeting agendas from last 12 months*

A17.	The board has written terms of reference.	The board has written terms of reference outlining how it will review, approve, and monitor the mission/strategic direction, annual budget and key financial transactions, compensation practices and policies, and fiscal and governance policies.
	• *Copy of the overall board terms of reference as well as any relevant committee terms of reference*	

A18.	The board is comprised of no less than 3 (but preferably 5 or more) directors, a majority of whom must be at arm's length to each other, to the most senior staff person and/or other management staff. No employee may be a director.
	• *Declaration*

A19.	No member of the board is entitled to receive, either directly or indirectly, any salary, wages, fees, commissions or other amount for services rendered to the organization in their capacity as a director.
	• *Evidence organization is meeting this standard (e.g., policy on compensation of board members, excerpt from by-laws, etc.)*

A20.	A process is in place to ensure orientation of new board members. Board members must understand their legal and fiduciary responsibilities, exercise due diligence consistent with their duty of care, be familiar with the organization's activities and fully informed of the financial status of the organization.
	• *Process used to orient new board members and summary of orientation content*

A21.	Proper minutes of board meetings and record of policies are kept.
	• *One example of board minutes from the last 12 months* • *Description of how minutes and policies are recorded and retained*

A22.	The board has a process to annually review plans for succession to the positions of board chair and committee chairs.
	• *Process board uses to annually review plans for succession to positions of board chair and committee chairs*

	LEVEL 1	LEVEL 2	LEVEL 3
		GOVERNANCE POLICIES & PROCESSES *continued*	
A23.	*Not applicable*	The board has a process to annually consider development opportunities for potential board chairs and committee chairs.	
		• *Process board uses to annually consider development opportunities for potential board chairs and committee chairs*	
A24.	*Not applicable*	The board has a process to annually review its performance.	The board has a process to annually review the performance of individual directors and the board as a whole.
		• *Process board uses to review its performance including date of most recent review*	• *Process board uses to review the performance of individual directors and the board as a whole including date of most recent review*

Section B: FINANCIAL ACCOUNTABILITY & TRANSPARENCY

	LEVEL 1	LEVEL 2	LEVEL 3
		FINANCIAL ACCOUNTABILITY	

B1. Organizations must complete annual financial statements in accordance with an acceptable accounting framework as identified by Chartered Professional Accountants Canada (CPA Canada).

B2. Organizations with over $1 million in annual revenue must have their financial statements audited by an independent licensed public accountant. Other organizations may have a review engagement unless required by their governing legislation to have an audit.

B3. The organization's financial statements must be received and approved by the board and released within 6 months of year end.

• *Most recent annual financial statements including audit or review engagement report*
• *Motion from board meeting where financial statements were approved including date of meeting*

B4. **CHARITIES:** The board has a process to ensure that an accurate Registered Charity Information Return (T3010) is filed with the Canada Revenue Agency (CRA) within six months of year-end, as required by law.

• *Public portions of most recent T3010 including date it was filed with CRA*
• *Process board uses to ensure timely and accurate submission of T3010*

NONPROFITS: The board has a process to ensure that an accurate Corporate Income Tax Return (T2) is filed with the CRA within six months of year end, as required by law.

• *Most recent Corporate Income Tax Return (T2) including date it was filed with CRA*
• *Process board uses to ensure timely and accurate submission of T2*

Registered canadian amateur athletic associations (RCAAAs): The board has a process to ensure that an accurate RCAAA Information Return (T2052) is filed with the CRA within six months of year end, as required by law.

• *Most recent RCAAA Information Return (T2052) including date it was filed with CRA*
• *Process board uses to ensure timely and accurate submission of the T2052*

	LEVEL 1	**LEVEL 2**	**LEVEL 3**
FINANCIAL ACCOUNTABILITY *continued*			
B5.	The board approves the annual budget and has a process to monitor the organization's performance in relation to the annual budget. The board or a board committee reviews actual revenues and expenses versus budget at least twice a year.		
	• *Process board uses to monitor performance in relation to annual budget* • *Motion from board meeting at which annual budget was approved including date of meeting* • *Last two dates on which the board or a board committee reviewed actual revenues and expenses versus budget*		
B6.	The board or a board committee receives from management, at least twice a year, assurance that all statutory remittances have been made.		
	• *Last two dates on which the board or a board committee received assurance that all statutory remittances have been made*		
B7.	The board regularly reviews the cost-effectiveness of the organization's fundraising activities. No more will be spent on administration and fundraising than is required to ensure effective management and resource development.		
	• *Date board last reviewed the organization's fundraising and administrative expenses*	• *Process board uses to review the organization's fundraising and administrative expenses including the date of review*	
B8.	Organizations with investable assets over $100,000 must have an investment policy setting out asset allocation, procedures for investments, and asset protection issues.		
	• *Investment policy*		
TRANSPARENCY			
B10.	The organization's financial statements are publicly available.	The organization makes the following information available on its website: • their most recent three years of annual reports; • their most recent three years of financial statements including notes as approved by the board and the opinion of the independent licensed public accountant who conducted the audit or review engagement; and • the names of all board members. In addition to the above, **charities and RCAAAs** must make the following information available on their website: • their registration number (BN) assigned by the Canada Revenue Agency (CRA); and • the public portion of their most recent Registered Charity Information Return (form T3010) or RCAAA Information Return (form T2052) as submitted to CRA or a direct link to it.	
	• *Description of how organization makes its financial statements publicly available*	• *Links to required information on organization's website*	

LEVEL 1	LEVEL 2	LEVEL 3
	TRANSPARENCY *continued*	

B11. The organization makes information on compensation accessible to its stakeholders to at least the same level as that required by CRA in the T3010.

  • *Description of how organization makes this information available or a link to it*

B12. The organization discloses on its website details of the purpose and amount of payments for products or services to board members or companies in which a board member is an owner, partner or senior manager.

  • *Link to disclosure statement as presented on the organization's website*

B13. The organization accurately discloses all costs associated with its fundraising activities.

  • *Declaration*

Section C: FUNDRAISING [1]

LEVEL 1	LEVEL 2	LEVEL 3
	DONOR RELATIONS	

C1. The organization honours donors' and prospective donors' requests to:
- limit the frequency of contact;
- not be contacted by telephone or other technology;
- receive printed material concerning the organization; and
- discontinue contact.

  • *Policy on donor requests*

C2. The organization does not sell its donor list. If it rents, exchanges or otherwise shares its donor list, it must abide by the *Canadian Marketing Association Code of Ethics and Standards of Practice* and honour donors' requests to be excluded from such lists.

  • *Policy on donor lists*

C3. Donors' requests to remain anonymous are honoured.

  • *Policy on donor anonymity*

C4. The organization encourages donors to seek independent advice if the proposed gift is a Planned Gift and/or the organization has any reason to believe the proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.

  • *Policy on independent advice*

[1] *Standards relating to fundraising are adapted from Imagine Canada's Ethical Fundraising and Financial Accountability Code. These Standards for organizations complement the Association of Fundraising Professionals' Code of Ethics for individual fundraisers.*

LEVEL 1	LEVEL 2	LEVEL 3

DONOR RELATIONS *continued*

C5. **CHARITIES & RCAAAs:** The organization prepares and issues Official Income Tax receipts for monetary gifts and gifts-in-kind in compliance with all regulatory requirements.

• *Void Official Income Tax receipt*

NONPROFITS: The organization makes it clear to all potential donors that it cannot issue Official Income Tax receipts.

• *Declaration*

FUNDRAISING PRACTICES

C6. All fundraising activities conducted by or on behalf of the organization must:
- be truthful,
- accurately describe the organization's activities,
- disclose the organization's name,
- disclose the purpose for which funds are requested,
- disclose the organization'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.

• *Policy on fundraising activities*

C7. The organization does not make claims that cannot be upheld or are misleading.

• *Declaration*

C8. The organization does not exploit its beneficiaries. It is sensitive in describing those it serves (whether using graphics, images or text) and fairly represent their needs and how these needs will be addressed.

• *Declaration*

C9. Any fundraising materials distributed by or on behalf of the organization must include its address or other contact information.

• *Examples of fundraising materials*

C10. The organization does not, directly or indirectly, pay finder's fees, commissions or percentage compensation based on contributions.

• *Policy on payment of fundraiser*

C11. Anyone seeking or receiving funds, on behalf of the organization, whether a volunteer, employee or contracted third party must:
- 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 the organization any actual or apparent conflict of interest or loyalty; and
- not accept donations for purposes that are inconsistent with the organization's mission.

• *Description of steps taken to ensure individuals who seek or receive funds on your behalf adhere to this standard*

	LEVEL 1	**LEVEL 2**	**LEVEL 3**
	FUNDRAISING PRACTICES *continued*		
C12.	The organization has appropriate fundraising policies (e.g., a gift acceptance policy, a policy on the treatment of restricted or designated gifts, and naming and endowment policies). The relevance and appropriateness of these policies are reviewed every three years by the board.		The organization has a gift acceptance policy, a policy on the treatment of restricted or designated gifts, and naming and endowment policies. The relevance and appropriateness of these policies are reviewed every three years by the board.
	• *Copies of applicable policies* • *Date board last reviewed relevance and appropriateness of organization's fundraising policies*		• *Gift acceptance policy, policy on treatment of restricted or designated gifts, naming and endowment policies* • *Date board last reviewed relevance and appropriateness of organization's fundraising policies*
C13.	Organizations that conduct face-to-face fundraising (e.g., door-to-door campaigns, street-side fundraising, workplace campaigns) must: • 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.		
	• *Description of how organization ensures this standard is met*		
C14.	Where the organization has formally entered into a cause-related marketing agreement with a third-party, it must disclose in all related materials it produces, how the organization benefits from the sale of products or services and the minimum or maximum amounts payable under the arrangement. If no minimum amount is payable, the organization should disclose this.		
	• *Example of disclosure provided*		

Section D: **STAFF MANAGEMENT** [2]

	LEVEL 1	**LEVEL 2**	**LEVEL 3**
	POLICIES & OTHER DOCUMENTATION		
D1.	The organization has written HR management policies that comply, at minimum, with employment, health and safety and other applicable legislation.		
	• *Table of contents from HR management policy manual or list of HR policies*		
D2.	HR management policies are accessible to all employees.		
	• *Description of how HR management policies are made accessible to employees*		

[2] *Standards relating to staff management are adapted from those developed by the HR Council for the Nonprofit Sector.*

	LEVEL 1	LEVEL 2	LEVEL 3
	POLICIES & OTHER DOCUMENTATION *continued*		
D3.	HR management policies are reviewed at least every two years and revised, if necessary.		HR management policies are reviewed annually and revised, if necessary
	• *Description of process for reviewing and revising HR management policies and date of last review*		
D4.	*Not applicable*	The organization has a compensation structure that fairly evaluates and compensates the value of each position.	
		• *Description of compensation structure and explanation of how value of positions is evaluated*	
D5.	*Not applicable*	All employees have written job descriptions.	
		• *Declaration* • *One example of a job description currently in use*	• *Declaration* • *Two examples of job descriptions currently in use – one for a management position and one for a non-management position*
	RECRUITMENT, ORIENTATION & TRAINING		
D6.	Employees are recruited and selected through an objective, consistent process that complies, at minimum, with human rights legislation.		
	• *Description of the organization's employee recruitment and selection process OR recruitment and selection policy* • *Declaration*		
D7.	All individuals external to the organization who are offered a position are given a letter of employment that outlines the terms of employment.		
	• *Copy of recent letter of employment*		
D8.	All employees who are new to the organization or their position are provided with appropriate orientation and training.		
	• *Description of process used to orient and train new employees*		
	PERFORMANCE MANAGEMENT & STAFF DEVELOPMENT		
D9.	All employees have a work plan or performance objectives that identify their tasks/activities and the expected result.		
	• *Declaration* • *One example of a current work plan or performance objectives*		• *Declaration* • *Two examples of current work plans or performance objectives – one for a management position and one for a non-management position*
D10.	The performance of each employee is assessed at least annually.		
	• *Declaration* • *Performance review template OR description of how performance is assessed*		• *Declaration* • *Performance review template*

	LEVEL 1	LEVEL 2	LEVEL 3
PERFORMANCE MANAGEMENT & STAFF DEVELOPMENT *continued*			
D11.	*Not applicable*	The development needs of all full-time employees are reviewed at least annually and plans are established to address any gaps.	The development needs of all full-time employees are reviewed at least annually and plans are established to address any gaps. Staff with responsibility for managing others are provided with opportunities to develop their supervisory skills.
		• *Declaration* • *One example of an employee development opportunity offered in the last year*	• *Declaration* • *Two examples of employee development opportunities offered in the last year - one for a non-supervisory position and one for a supervisory position*
D12.	*Not applicable*	Critical positions in the organization are identified and succession plans are established to address any potential gaps.	
		• *Description of how organization identifies critical positions and plans for the possible departure of staff in these positions*	
D13.	*Not applicable*	The organization has a formal process to manage workplace conflicts.	
		• *Process the organization uses to manage workplace conflicts*	

Section E: **VOLUNTEER INVOLVEMENT** [3]

	LEVEL 1	LEVEL 2	LEVEL 3
E1.	The organization has policies and procedures in place that define and support the involvement of volunteers.		
	• *Policies and procedures relating to volunteer involvement*		
E2.	The organization has at least one individual who is responsible for volunteer involvement.	The organization has one or more clearly designated individuals (volunteer or paid staff) with appropriate experience, skills, or qualifications who is responsible for volunteer involvement.	
	• *Title of individual responsible for volunteer involvement*	• *Title of individual(s) responsible for volunteer involvement* • *Description of his/her/their experience, skills, or qualifications*	
E3.	Volunteer assignments relate to the mission or purpose of the organization and involve volunteers in meaningful ways that reflect their abilities, needs, and backgrounds.		
	• *Description of two volunteer assignments and explanation of how they relate to the organization's mission or purpose*		

[3] *Standards relating to volunteer involvement are adapted from those developed by Volunteer Canada.*

	LEVEL 1	LEVEL 2	LEVEL 3
E4.	*Not applicable*	Volunteer recruitment incorporates internal and external strategies to reach out to and involve a diverse volunteer base.	
		• *Process used to recruit board volunteers* • *Process used to recruit non-board volunteers*	
E5.	The organization has appropriate screening processes for volunteers.		
	• *Process used to screen or select board volunteers* • *Process used to screen or select non-board volunteers*		
E6.	Volunteers are provided with appropriate orientation to the organization and its policies and practices, and receive training appropriate to their roles and needs.		
	• *Description of orientation and training provided to new volunteers*		
E7.	All volunteers are given regular opportunities to offer and receive feedback. Volunteers who are engaged in delivering programs or services receive a level of supervision appropriate to their role.		
	• *Description of feedback mechanisms used with volunteers* • *Explanation of how non-board volunteers are supervised*		
E8.	The contributions of volunteers are acknowledged and recognized.		
	• *Description of how contributions of volunteers are acknowledged and recognized*		
E9.	*Not applicable*	The impact and contributions of volunteers and the volunteer program are regularly evaluated.	
		• *Description of how the contributions and impact of volunteers and the volunteer program are evaluated*	

STRONG CHARITIES. STRONG COMMUNITIES.

IMAGINE CANADA

ACCREDITED
SINCE 2012

ABOUT IMAGINE CANADA

Imagine Canada exists to work alongside other charitable sector organizations — and often in partnership with the private sector, governments and individuals in the community — to ensure that charities continue to play a pivotal role in building, enriching and defining our nation.

FOR MORE INFORMATION

visit our website: **imaginecanada.ca/standards**
call: **1 800 263 1178**
email: **standards@imaginecanada.ca**