

008 - OPLB Fund Development Policy

Legislative Background

The Board of the Ottawa Public Library (the Board) operates according to the *Public Libraries Act, RSO 1990, c.P.44* (“the Act” or “the PLA”), as well as other acts such as the *Municipal Act* and the *Conflict of Interest Act* and is responsible for ensuring that public library services are delivered effectively and efficiently to residents in the city of Ottawa.

Ottawa Public Library (OPL) receives most of its funding from the City of Ottawa, and some funding from the Province of Ontario. OPL generates additional revenues through various means, including service fees, grants, and donations. The Library may apply for grants, where circumstances permit, in keeping the approval requirement identified in the OPL Board (OPLB) Delegation of Authority Policy (002 - OPLB Delegation of Authority, “the DOA Policy”). The Library may receive gifts and solicit funds as it is a corporation under the *Public Libraries Act, R.S. O. 1990, c. P. 44* (“the Act”), and has received charitable status with Registration # 861292886 RR0001.

Purpose

The purpose of this policy is to define fund development activities at OPL, and outline how OPL will accept, manage, distribute and process donations. The policy supports a successful fund development program by making the process as seamless as possible, removing barriers, and using best practices to guide fund development tactics and initiatives.

OPL follows all applicable guidelines with respect to fund development and donations, including the Canada Revenue Agency (CRA)’s “Fundraising by Registered Charities” guidelines.¹

Fund Development

Fund Development is the act of securing funds from various sources to support a cause, often described as facilitating philanthropy. The pillars of fund development include

¹ Fundraising by Registered Charities <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/fundraising-registered-charities-guidance.html#toc4>

prospect identification and research, cultivation, solicitation, and stewardship, with reporting processes integrated into each pillar. Funds are solicited in a way that align with the Library's vision, mission, values, and strategic directions, and respects the confidentiality rights of the prospective donor.

Funding sources most commonly include:

- Individuals;
- Corporations;
- Charitable foundations;
- Other charities (such as the United Way); and,
- Third parties (individuals or groups that fundraise in support of a cause).

For this policy, fund development can include both annual fund development campaigns and capital or special project campaign(s). More information about annual fund development and capital campaigns is provided below. Tactics used by fund development staff for all initiatives target prospective donors at every giving level.

Annual fund development is an ongoing process and goals are usually set on an annual basis. Tactics are deployed to aid in reaching the goal and the goal is usually measured quarterly. Annual fund development may include, but is not limited to, donations from the following sources:

- **Legacy giving:** Often referred to as planned or estate giving, these gifts are often the largest an organization receives. Legacy giving requires outreach and communications to targeted audiences to create awareness among prospective donors.
- **Direct mail or email:** Mail "spreads a wide net" to attract potential donors with news about an organisation and a specific message soliciting funds. Mail campaigns provide information about one-time giving, monthly giving, or annual giving options.
- **Tribute or memorial gifts:** Information on an organisation's website provides prospective donors information about paying tribute to a loved one. Generally, tribute or memorial gifts are not actively solicited by an organisation.
- **Events:** Events generate awareness among prospective donors and offer an opportunity to become a donor.

Campaigns (or special projects) are built around a specific initiative, with a set timeline and end date. Campaigns generally include the types of donations listed earlier in this policy under "Annual fund development," as well as major gifts. Major gifts are the most productive source of funds for campaigns, typically yielding greater returns than other

campaign tactics. Soliciting major gifts follows the aforementioned pillars and targets individuals and organizations that have the capacity, interest, and ties to the cause to provide financial support at a meaningful level. Major gifts are most often described as gifts over \$50,000, with gifts over \$5 million often referred to as transformational.

Donations

The Library reserves the right to review all donations and may elect to receive or decline any donation. For a brief outline of the Library's guidelines for accepting donations, see the "Gift Acceptance" section below. Additional information regarding acceptance guidelines is outlined in the associated administrative procedure.

Types of donations may include:

- Cash or cash equivalent;
- Publicly traded securities or shares in mutual funds;
- Bequests;
- Life insurance policies;
- Gifts-in-kind (non-cash gifts such as equipment or materials);
- Charitable remainder trusts;
- Real estate; or,
- Gifts of residual interest.

Donations secured may be used to support:

- Organizational priorities;
- Program needs;
- Event needs;
- Equipment needs; or,
- Capital needs.

Donations shall not be used for ongoing operations which are funded by the City of Ottawa and/or the Province of Ontario.

Donations may be designated or undesignated.

A designated donation is directed to an area that the donor has indicated they would like to support. For example, a specific branch, space, program, or equipment type.

Undesignated donations are generally allocated to an area of need or priority as identified by the OPL Chief Executive Officer (CEO) and/or Senior Management Team.

Donor Rights

OPL upholds the *Donor Bill of Rights* adopted by the Association of Fundraising Professionals (AFP). In addition to the rights outlined in the AFP *Donor Bill of Rights*, donors to OPL have the right:

1. To be assured that all online transactions and contributions occur through a safe, private and secure system that protects the donor's personal information;
2. To be clearly informed if a contribution goes directly to OPL or is held by, or transferred through, a third party; and
3. To have access to the organization's privacy policy.

Gift Acceptance and Ethical Guidelines

There is a process by which all donations are reviewed prior to acceptance. Acceptance of a gift is not final until it is approved by the OPL CEO. The CEO reserves the right to decline a gift or withdraw from a gift agreement for any reason in sole discretion, including but not limited to when the gift:

- Could reasonably compromise OPL's public image or reputation;
- Will be difficult or costly to administer;
- Exposes OPL to unacceptable risk;
- Conflicts with the Library's mandate, mission, values, or policies; or,
- Has unacceptable restrictions or conditions imposed on it by the donor.

This policy recognizes the critical importance of ethical conduct in fund development activities to safeguard the status of the organization as a registered charity and ensure OPL stands up to scrutiny by stakeholders and members of the public. Aligned with OPL's vision, mission, and values, OPL will:

- Use ethical, lawful and policy-compliant (e.g., applicable conflict of interest legislation or policy) techniques to solicit funds;
- Refrain from endorsing products or services provided by donors or sponsors;
- Decline cash or in-kind donations known to originate from unethical or unlawful activities;
- Decline cash or in-kind donations from organizations known to create products that cause physical harm to human beings or animals;
- Ensure that no valuable consideration or other privileges will be bestowed on a donor who could have the ability to exercise, directly or indirectly, control or significant influence over the organization; and,
- Protect the principle of intellectual freedom and not permit donors to influence Library services, including but not restricted to items in the collection, programs,

events, displays, or other services, nor require endorsement of products or services.

- Avoid, disclose, and/or seek guidance regarding conflicts or perceived conflicts of interest when negotiating gift agreements, in alignment with OPL Board Policies 001 (Roles and Responsibilities of the Board and Trustees), 004 (Trustee Conduct), and the Employee Code of Conduct.
- Ensure clear documentation for gift acceptance.

Approving Donations

Once a donor signs the required documentation, the document is reviewed and approved by the CEO, the gift is considered confirmed. At this point, the Library and the donor enter into a formal agreement. The Ad hoc Committee on Fund Development will be briefed on all major gifts solicited (above \$50K) and will be made aware of all other gifts through standard reporting practices.

Processing Donations

All donations received will be logged in a donor management database and forwarded to OPL Finance and Business Services for processing into the appropriate account. A charitable receipt will be issued for cash donations or for the value of non-cash donations (except for materials donations), in accordance with the *Income Tax Act* and applicable regulations and policies of the Canada Revenue Agency.

Reporting on Donations

The CEO, the Manager, Major Gifts and Sponsorships, and the Ad hoc Committee on Fund Development will regularly review donations and fund development activities and related decisions. Trustees will receive a high-level status report, noting the amount of funds received, by type of donation (including annual gifts, major gifts, and legacy or memorial gifts, for example), on an annual basis, or more frequently as required.

Recognizing Donations

Recognizing donor contributions is key to a successful fund development program. When possible, donors will receive recognition for their contributions, through a variety of means that may include thank you letters, donor walls in facilities, and other means. All solicited major gift donors will receive a thank you letter signed by the CEO and Board Chair. Additional donor recognition mechanisms (e.g. naming of spaces within facilities) will be developed in accordance with capital campaigns.

Allocating Donations

Designated donations are allocated to the program or initiative the donor intended to support. The confirmed donation information (respecting donor confidentiality) is brought to the Library's Senior Management Team (LSMT) for discussion and for the Division Manager to plan and implement the use of the designation funds. Once funds have been allocated, staff will prepare regular reports that the Manager, Major Gifts and Partnerships will share with the donor regarding the impact of their donation.

Undesignated donations will be allocated to organizational priorities as determined by the Library's Senior Management Team (LSMT). Once allocated, funds will be tracked by the Manager, Major Gifts and Partnerships, or other appropriate OPL Manager(s) who will, when applicable, prepare donors with updates regarding the use and impact of their donation(s).

Out of Scope

This policy does not apply to:

- a) The existing relationship with Friends of Ottawa Public Library (FOPLA), governed under an existing agreement;
- b) Donations of materials relevant to the OPL, governed under the Content Services Framework;
- c) Funding or donations in-kind obtained from other levels of governments through normal transfers, payments or grant programs, governed under specific agreements; and,
- d) Sponsorship arrangements governed under OPL Board Policy #22, the Sponsorship Policy or the City's Sponsorship and Advertising Policy, as applicable.

Policy Review

This policy will be reviewed every four years in the first quarter of the second year of the term of the Board, or as required to ensure consistency and alignment with related policies.

Effective Date: June 11, 2024	Last Review Date: November 8, 2022
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