

Best vs. Prohibited* Fundraising Practices



- ✓ Fair Market Value
- ✓ Arm's Length
- ✓ Volunteers
- ✓ Volunteered services & resources
- ✓ Understand, research and follow regulatory requirements
- ✓ Research costs vs. returns
- ✓ Endeavour to keep fundraising costs low
- ✓ Fundraising Ratio < 35%
- ✓ Issue a request for proposals
- ✓ Obtain at least 3 quotes
- ✓ Research fundraising methods
- ✓ Contact charities with a similar profile. Ask them to share their experiences
- ✓ Manage and supervise fundraising activities
- ✓ Evaluation plan
- ✓ Disclosure of fundraising expenditures, revenue, and practices
- ✓ Compensation based on time and effort



- ⊗ Illegal
- ⊗ Contrary to public policy
- ⊗ The main or independent purpose
- ⊗ Disproportionate private benefit
- ⊗ Misleading or deceptive
- ⊗ Sole source contracts without proof of fair market value
- ⊗ Non-arm's length contracts without proof of fair market value
- ⊗ Fundraising Ratio > 35%
- ⊗ Arrangements or initiatives that are not well documented
- ⊗ Purchasing fundraising merchandise that is not at arm's length, not at fair market value or not purchased to increase fundraising revenue
- ⊗ Majority of the donations go to non-charitable parties
- ⊗ Commission based compensation
- ⊗ Compensation based on amount or number of donations
- ⊗ Resources devoted to fundraising exceed resources devoted to charitable programs
- ⊗ Misrepresentations

*includes questionable activities