DEVELOPING EFFECTIVE POLICIES FOR CHURCHES AND CHARITIES

20th Annual Church & Charity Law Seminar

Thursday, November 14, 2013

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OUTLINE

• What role do policies play in a charity?
• Why are they important?
• How should they be created and developed?
• What are some specific policy needs for charities?
• How should compliance with policies be maintained and monitored?

WHAT ROLE DO POLICIES PLAY?

• Policies are an integral part of the overall governance framework of an organization.
• Policies are written rules, statements, principles, or directives for making decisions and taking action.
WHERE DO POLICIES FIT?

1. Constating Documents
   - Letters Patent
   - By-Laws
2. Strategic Planning
   - Mission Statement
   - Core Values
   - Strategic Plan
3. Operational Policies

DO WE REALLY NEED A POLICY?

- A well written policy, if followed:
  - can reduce exposure to liability;
  - provide uniformity and consistency;
  - help ensure that all involved parties understand their roles and responsibilities; and
  - demonstrate an organization’s commitment to good governance.
WHY ARE POLICIES IMPORTANT?

• In the event of litigation, courts often look at the policies of an organization to determine:
  – Whether the organization acted reasonably
  – The rights of the parties involved
  – The appropriate remedy

• R v. Cole (2012 SCC 53): Supreme Court of Canada looked at employer’s policies to determine whether seizing a teacher’s computer was lawful
  – “The policies, practices, and customs of the workplace are relevant to the extent that they concern the use of computers by employees. These “operational realities” may diminish the expectation of privacy that reasonable employees might otherwise have in their personal information.” (para. 52)
WHY ARE POLICIES IMPORTANT?

• Ontario Human Rights Commission:
  – “Under the Code, employers, landlords and service providers are required to ensure that they are providing inclusive and non-discriminatory environments. Harassment and discrimination are a violation of the law, and organizations that fail to take adequate steps to prevent and address harassment and discrimination may be held liable.”

WHY ARE POLICIES IMPORTANT?

• In some cases, policies are specifically mandated by law:
  – The Integrated Accessibility Standards Regulation requires all organizations in Ontario with at least one employee to develop accessibility policies
  – Privacy legislation (e.g. PIPEDA) requires certain organizations to develop privacy policies
  – Recently introduced regulations in B.C. require all employers to develop anti-bullying policies
POLICY PROCESS

• Ultimate legal responsibility rests with Board of Directors.
• Each organization is different - policy drafting can be developed to committee or management to oversee.
  • Further delegated to subject matter experts to prepare initial draft.
  • Consulting stakeholders is key.

POLICY PROCESS

• Assign responsibility to one individual to oversee policy development.
• Ask “what question or problem are we trying to solve?”
• Review legal requirements (consider provincial differences)
• Customize to your organization.
  – Draft with the end user in mind.
  – Be true to your organization’s culture and values
POLICY PROCESS

• Be clear, straightforward and concise.
• Use as many headings as needed.
• Follow your organization’s standard policy template.
• Release for comments/stakeholder input.
• Then submit to management and/or board to review, and if acceptable, approve.
  • Level of Approval required depends on your organization and type of policy.
• See CCCC Bulletin Article “Developing Effective Policies”

MUST HAVE POLICIES
(DEPENDING ON YOUR ORGANIZATION)

• Abuse Prevention
• Accessibility (AODA)
• Benevolence Fund
• Code of Conduct
• Conflict of Interest
• Designated Gift
• Donor Recognition
• Ethics
• Finance

• Gift Acceptance
• Harassment
• Health & Safety
• Human Resources
• Investment
• IT
• Privacy
• Social Media
• Volunteer
• Whistleblower
GIFT ACCEPTANCE POLICY

• Misconception:
  – *Any gift given to a charity must be accepted by a charity*

• A gift should help your charity meet its charitable purposes without undue burden or cost to you

• If it doesn’t help your charity, you can say: “No, thank you” to the offer

• Easier to do this if you have a gift acceptance policy

GIFT ACCEPTANCE POLICY

• Appoint someone in your charity who will be responsible for reviewing the appropriateness of a gift before it is accepted.

• Apply tests such as:
  – Purpose test:
    Will this gift-in-kind help us meet our charitable purposes set out in our constating documents?
  – Practicality test:
    • Is it usable in our charitable work?
    • If not, can it be easily liquidated?
GIFT ACCEPTANCE POLICY

• Reserve the right to issue or not issue tax receipts.
  ➢ Any tax receipts that are issued are pursuant to the Income Tax Act and CRA’s requirements.
  ➢ Set out split receipting requirements
  ➢ Set out gift-In-kind requirements
• Charity may require some gifts to come with valuations, and should reserve the right to rely on its own valuation.
• See CCCC Bulletin Article “Gift Acceptance and Valuation Policies”

SOCIAL MEDIA POLICY

• 16.9 million Canadians are on social networks
• Nearly 1 in 4 people worldwide use social networks
• Charities are increasingly using social media
ARE CANADIAN CHARITIES EMBRACING SOCIAL MEDIA?

<table>
<thead>
<tr>
<th></th>
<th>Facebook</th>
<th>Twitter</th>
<th>LinkedIn</th>
<th>Blogging</th>
<th>YouTube/Vimeo</th>
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<tbody>
<tr>
<td>2011</td>
<td>41%</td>
<td>18%</td>
<td>8%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>2013</td>
<td>63%</td>
<td>34%</td>
<td>14%</td>
<td>31%</td>
<td>42%</td>
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2011 and 2013 CCCC Social Media Surveys

ARE CANADIAN CHARITIES EMBRACING SOCIAL MEDIA?

<table>
<thead>
<tr>
<th></th>
<th>Churches</th>
<th>Agencies</th>
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<tbody>
<tr>
<td>“Active” or “Very Active”</td>
<td>33%</td>
<td>52%</td>
</tr>
<tr>
<td>Top reasons for using social media</td>
<td>Promote events, increase awareness, re-direct traffic to website</td>
<td></td>
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<tr>
<td>Favourite Tools</td>
<td>Facebook, Blogging, YouTube</td>
<td>Facebook, YouTube, Twitter</td>
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2013 CCCC Social Media Survey
“What if my employees use their personal social media accounts at work? What if our volunteers post confidential or inappropriate information online? What if . . . ?

SOCIAL MEDIA POLICY

• A well drafted social media policy can help to:
  – Protect the image and reputation of the charity
  – Limit a charity’s exposure to liability through allegations of online defamation, harassment, etc.
  – Ensure that the charity’s resources are devoted to its charitable purposes
  – Provide employees with a safe and harassment-free workplace
  – Protect private and confidential information
## SOCIAL MEDIA POLICY

### Employees’ Personal Use
- What employees post to their **personal** Facebook pages, blogs, Twitter feeds, Flickr albums, etc.

### Organizational Use
- How the **organization** uses its Facebook page, blog, Twitter feed, Flickr album, etc.

## EMPLOYEE’S PERSONAL USE:
- Specify unacceptable behaviour (i.e., inappropriate online relationships with youth, posting information that could disparage the charity, etc.)
  - Explain whether this will be cause for discipline, how it will be enforced, etc.
EMPLEOEE’S PERSONAL USE?

• Political messages?

PastorDave @SampleCharity
Definitely voting NDP.

• Disrespectful comments?

PastorDave @SampleCharity
I can’t believe the church board decided to go ahead with the building project. #nothappy.

SOCIAL MEDIA & CRA

• Be mindful of T3010 reporting requirements
• CRA views a charity’s website and social media as “resources” within the meaning of the Income Tax Act
• Posting or linking to partisan statements could be seen as using a charity’s resources to carry out a prohibited political activity and could result in serious sanctions
EMPLOYEE’S PERSONAL USE

CRA “Political Activities” Fact Sheet:
• “Representatives of a charity can publicly voice their views on political issues, but must not use…the charity’s publications, or any of the charity’s other resources as a platform to voice their political views. In situations outside charity functions and publications, representatives of a charity, particularly leaders, who want to speak and/or write in their individual capacity are encouraged to indicate that their comments are personal rather than the views of the charity…”

EMPLOYEE’S PERSONAL USE

• “….This is particularly important in the case of social media, where it may be difficult to tell whether a representative’s messages represent his or her personal views, or a charity’s political activities.”
  – Canada Revenue Agency, “Representatives of a charity involved in political activities on their own time” (March 12, 2013, online: http://www.cra-arc.gc.ca/chrts-gvng/chrts/cmmnctn/pltcl-ctvts/ndvdls-eng.html)
EMPLOYEE’S PERSONAL USE

• Consider asking employees to use a disclaimer, depending on the circumstances:
  – E.g.: “Everything posted here is my personal opinion and is not read or approved before it is posted. Opinions, conclusions, and other information expressed here do not necessarily reflect the views of ABC Charity.”

ORGANIZATIONAL USE

• Social Media Policy should address:
  – Authorization
    • Decide who can authorize access to charity’s official social media accounts
    • Identify who is able to represent the organization
    • Provide training (creating a social media plan, measuring social media effectiveness, responding to negative comments)
ORGANIZATIONAL USE

• Social Media Policy should address:
  – Values
    – What are the organization’s values and how will they be reflected in its “digital footprint?” (e.g., honest, transparency, relevance)
  – Content
    – What will be permitted/prohibited in online postings? (e.g., political content?)

SOCIAL MEDIA POLICY

• Resources:
  – CCCC Bulletin Articles:
    • “Creating a Social Media Policy for Your Ministry”, online: http://www.cccc.org/bulletin_article/332
    • “Social Media and Privacy Issues for Charities,” online: http://www.cccc.org/bulletin_article/285
  – Sample Social Media Policy, online: http://www.cccc.org/members_sample_documents_view/html/44
A POLICY IS NOT ENOUGH

- A well drafted policy constitutes a “good start” but the work is not done once it is ratified.
- A policy, in and of itself, cannot achieve any of its desired effects - it must be reflected in actual practice.
- This can be achieved through effective:
  - Training & Awareness
  - Auditing
  - Monitoring

TRAINING & AWARENESS

- The policy must be communicated in a clear and comprehensible manner.
  - If only select individuals know about it, it will have little impact.
  - It must be known and understood organization-wide.
TRAINING & AWARENESS

• Avoid “passive” circulation such as simply adding the policy to the staff manual or providing copies without explanation
• Utilize an orientation session to “walk through” the policy with everyone affected by it
  – provide time for discussion and questions
  – explain not only what the policy requires but also why it is important to the organization
  – ideally, stakeholders (including affected staff) would have been consulted in the drafting stage

TRAINING & AWARENESS

• Where appropriate, provide more detailed training for individuals who are responsible for carrying out the policy in their day to day activities
• Training should address:
  – specific duties and responsibilities
  – the process for dealing with a policy breach
  – consequences for non-compliance with policy
• Training should not be a “one-time affair” - as circumstances and/or the policy changes, ongoing training will be necessary
TRAINING & AWARENESS

• In some cases, it may be appropriate to bring in a guest speaker or consultant to provide education and awareness programs
  – E.g. government liaison, insurance representative, legal counsel
• Training can take other forms:
  – Online tutorials (available for certain legislative regimes, such as AODA)
  – Quizzes and tests
  – Role-playing exercises
  – Sources of reference - manuals, guides, checklists, charts

TRAINING & AWARENESS

• Designate a central “point person” within the organization to whom individuals can address questions, concerns, and other issues
• Point person should be competent and have some expertise in the area
  – May be appropriate to attend continuing education courses
• Point person should have someone to go to if he/she has questions (i.e., senior management, Board, legal counsel)
Establish mechanisms to ensure that the policy is being executed in practice

Privacy Commissioner of Ontario: “An organization’s responsibilities do not end with developing appropriate privacy policies and educating its staff about those policies. Beyond education and training, organizations must ensure that policies are made actionable…”

There must also be processes and procedures in place to verify that employees are complying with the organization’s privacy policies. There are various methods, both formal and informal, that organizations can and should be using to verify compliance. One should never assume that policies are being met – trust, but verify.”

“A Policy is Not Enough: It Must be Reflected in Concrete Practices” Information & Privacy Commissioner of Ontario (September 2012), online: http://www.ipc.on.ca/images/Resources/pbd-policy-not-enough.pdf
AUDITING

• Auditing asks “to what extent are the policies being complied with?”

• Leadership should determine
  - What method will be used to acquire monitoring information?
  - How often will data be reported?

FRAMEWORK FOR MONITORING SYSTEMS

Method

• Internal Report – the CEO or senior staff member provides compliance information to the board

• External Report – an external, arm’s length party selected by the board assesses compliance with board policies

• Direct Board Inspection – a designated member or members of the board assess compliance with the policy criteria
MONITORING

• Monitoring answers the question “Is the policy still appropriate?”
• Even if understood and executed, a policy is of no use if it does not address the actual areas of risk and/or concern of the organization, which may shift from time to time.

Ideas for Monitoring
– A charity’s leadership should regularly review its policy manual and ask:
  • Is this policy still appropriate?
  • Has the environment changed since it was adopted?
– Keep track of when each policy was last revised/reviewed (tickler system)
– Test policies through “board rehearsals”
MONITORING

• Emergency preparation - what do we do when things go wrong?
  – Establish a protocol, e.g., a “Social Media Response Plan”

OUTCOMES OF EFFECTIVE AUDITING & MONITORING

• Ensures that the policy is relevant and up to date
• Protection for the board
  – Policy audits and monitoring help to fulfill fiduciary duties
  – Documentation of due diligence through reports and board minutes
  – Ability to maintain proper insurance coverage
• Protection for the charity
  – Preserves and builds trust with donors and beneficiaries
CCCC MEMBER RESOURCES

• CCCC Bulletin Articles
  – “Owning Your Policies”—March 2011

• CCCC Website
  – www.cccc.org
  – Download Sample Documents

CCCC SAMPLE POLICIES
(AVAILABLE TO MEMBERS FOR DOWNLOAD)

• Benevolence Fund
• Conflict of Interest
• Donor Restricted Gift
• Ethical Fundraising & Financial Accountability Code
• Ethics
• Gift Acceptance & Valuation
• Inter-Charity Gifts
• Investment
• Privacy
• Short-term Missions
• Social Media
• Whistleblower
ADDITIONAL RESOURCES


THANK YOU

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