 Sinai Health Foundation	Department: Finance Sponsor: Finance and Audit Committee Original Issue Date: 20 May 2021 Revision Date: Approved By: Foundation Board of Directors Approval Date: 22 June 2021
	POLICY No: 023 Prohibition of Commission and/or Incentive Based Fundraising

1.0 PURPOSE

Sinai Health Foundation (SHF) has a long history of successful fundraising and strong relationships with donors based on ethical fundraising practises, and we wish to preserve and enhance these important practises to maintain these vital relationships by maintaining an ethical stance. To do this we subscribe to certain codes of ethics such as the Association of Fundraising Professionals Code of Ethical Principles and Standards and the Imagine Canada, Ethical Code, both of which prohibit commission based fundraising.

Effective fundraising depends on cultivating long-term relationships with donors interested in supporting the mission of SHF. Finder’s fees, commissions, and percentage based compensation, whether it be an individual fundraiser or a company raising funds on behalf of an organization, undermine the commitment that SHF makes to its donors. This type of activity can cause damage to SHF’s reputation as it can drive potentially unethical behaviour, such as aggressive or high pressure sales tactics, or pursuit of funds that may damage relationships. These practices can damage the reputation of the organization, and potentially also create the perception that large percentages of a donation are going to fundraisers instead of directed towards the cause.

2.0 SCOPE

Applies to: Volunteers and staff at all levels. This policy also applies to both staff and volunteers of SHF with respect to their capacity to enter into contractual agreements with other organizations. Contracts or employment agreements cannot contain commission-based and/or incentive-based fundraising.


Application to Staff: This policy strictly prohibits any staff member from receiving commissions or an incentive related to the revenue raised by a specific fundraising event. Breach of this policy by an employee will be considered grounds for immediate termination with cause.

Signing of Contracts: Before contracts with fundraising suppliers are signed, SHF has an obligation to ensure and obtain written confirmation from the supplier that the supplier itself is not engaged in commission or incentive-based activities. This is to prevent the subcontracting of commission or incentive-based fundraising within the supplier company or organization.

3.0 ASSOCIATED REFERENCES AND RELATED POLICIES

- General Bylaw 16
- Policy I-d-15-39 – Code of Ethical Conduct

Association of Fundraising Professionals, Code of Ethical Principles and Standards Imagine Canada, Ethical Code Policy Review.

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4.0 DEFINITIONS

Commission-based fundraising – Commission-based fundraising are activities, usually carried out by a for-profit company, for which the company or an individual receives a set percentage of each dollar raised on behalf of the charity.

Incentive-based fundraising – Incentive-based fundraising are activities, usually carried out by a for-profit company, for which the company or an individual receives a percentage of the net proceeds raised on behalf of the charity.

5.0 NON –APPLICATION, EXECUTIVE CHAMPION, MONITORING AND COMPLIANCE

Non-Application: The policy does not apply to event participants, including staff or volunteers, who receive a prize as an incentive to raise funds for the work of SHF. The policy does not apply to companies or service providers that charge a routine transaction fee to process funds.

Executive Champion: The VP Finance is the executive champion for the Prohibition of Commission and/or Incentive-Based Fundraising Policy.

Monitoring and Compliance: The VP Finance is responsible for leading the monitoring and promotion of the application and compliance of this policy in conjunction with other members of the executive team. If an investigation under the policy is initiated, the VP Finance will work with appropriate staff in Human Resources and Finance Departments to carry out the investigation and ensure compliance.

6.0 SPECIAL CONDITIONS

Related Policies, Legislation Association of Fundraising Professionals, Code of Ethical Principles and Standards Imagine Canada, Ethical Code Policy Review.

The policy is to be reviewed three years following approval by the Board of Directors on June 22, 2021.