

CCMCCF's Policy of Donors Restricted Gifts (Policy 6.3.1)

The fundamental policy of CCM Foundation and the Board is to ensure that gifts or donations received that are restricted for the support of a particular ministry or intended to be used for a particular program or project are used solely for such purpose or purposes. This is the utmost promise when the Foundation received and accepted the donated funds and set up the agreed upon arrangements with the donors. And the Foundation will, in all honesty, endeavour to fulfill the will of the original donors the best it can.

While Policy 2.4.3 provides the overall guidelines for the Foundation to acquire, accept, solicit and receive assets for the Corporation based on By-laws Part-13, the Donors Restricted Gifts Policy of the Foundation, as stated here, has two important caveats:

First, it has a proviso that the Foundation reserves the right not to accept donations for projects or purposes outside of the Foundation's objects or approval. This clause constitutes a part of the Donors Restricted Gifts Policy in order to avoid receiving funds that have no practical use or not appropriate for the Foundation to do so.

The second proviso is to address circumstances under which using the funds as restricted gifts becomes impossible by permitting the Foundation to continue using the remaining funds to fulfill the nearest possible needs or in ministries where the needs are greatest.

Consider the simple example of a church holding a special offering to raise \$7,000 for a new piano. The offering raises \$10,000. What happens to the other \$3,000? In this case, the charity is legally prevented from either using the funds in another program or returning them to the donors, without making a cyprès application to the courts. This can be an expensive and time-consuming exercise. There may also be situations that the longevity of the restricted funds has out-lived the changing needs or practical use of the target beneficiaries as originally restricted by the donors.

The second proviso provides an effective solution to avoid being precluded from using restricted funds at all if a project is oversubscribed, or is terminated due to uncontrollable events or unforeseeable change in ministry needs. This is the next best way, and an equitable way, to perpetuate the legacy and continue to honor the overall wish of the original donors while entrusting the Foundation to sow the good seeds of the donors' contributions.

Guidelines:

The Foundation will therefore proactively explain and make known explicitly to the prospective donors in the Donors Restricted Gifts Policy during solicitation and upon making any fund arrangements that:

"Spending of funds is confined to the CCM Canada Charitable Foundation approved programs and projects. Each contribution directed toward an approved program or project will be used as restricted with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason as determined by the Board of the Foundation, the remaining restricted contributions will be used where most needed." (Sample wording recommended by Canadian Centre of Christian Charities – sector resource)

Further risks management guidelines involving Donor Restricted Charitable Gifts are stated in detail in Section V, Policy 5.7.3. Those guidelines also constitute a part of the Donors Restricted Gifts Policy of the CCM Foundation.

Transparency is likely the best policy in fundraising. The CCM Foundation will maintain and publish a *Donors Restricted Gifts Policy* on all appropriate fundraising materials, including its website, stating that all donations restricted to a particular approved activity are used for the purpose for which they were given, subject to certain specific situations as identified in the donor restricted gifts policy.